EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position

as of June 30, 2012 and December 31, 2011

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position

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INDEPENDENT ACCOUNTANT'S REPORT
(Translation of Report originally issued in Spanish)

To the Shareholders and Directors of
Embotelladora Andina S.A.:

1. We have reviewed the interim consolidated statements of financial position of Embotelladora Andina S.A. and subsidiaries (the "Company") as of June 30, 2012 and the related interim consolidated statements of comprehensive income for the six-month and three-month periods ended June 30, 2012 and 2011, as well as the corresponding statements of cash flows and changes in shareholders' equity for the six-month periods then ended. The preparation and presentation of these interim financial statements and their accompanying notes in conformity with IAS 34 "Interim financial reporting" described in International Financial Reporting Standards are the responsibility of the management of Embotelladora Andina S.A..

2. We conducted our reviews in accordance with standards established in Chile. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Chile, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

3. Based on our review, we are not aware of any material modifications that should be made to the financial statements mentioned in the first paragraph in order for it to be in conformity with IAS 34, as described in International Financial Reporting Standards.

4. On January 31, 2012 we issued an unqualified opinion to the consolidated financial statements as of December 31, 2011 and 2010 of Embotelladora Andina S.A.and subsidiaries, which included the statement of financial position as of December 31, 2011, which is presented in the attached interim financial statements, together with its corresponding notes.

ERNST & YOUNG LTDA.

Rafael Contreras V.

Santiago, July 31, 2012

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position
As of June 30, 2012 and December 31, 2011

(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

ASSETS **Current Assets:**	**NOTE**	**06.30.2012** **ThCh$**	**12.31.2011** **ThCh$**
Cash and cash equivalents	**4**	43,018,357	31,297,922
Other financial assets	**5**	1,915,521	15,661,183
Other non-financial assets	**6.1**	17,891,054	14,760,858
Trade and other accounts receivable, net	**7**	76,263,199	107,443,039
Accounts receivable from related companies	**11.1**	2,615,093	6,418,993
Inventory	**8**	56,020,744	57,486,658
Current tax assets	**9.1**	3,320,579	2,463,566
Total Current Assets		**201,044,547**	**235,532,219**
Non-Current Assets:			
Other non-financial, non-current assets	**6.2**	29,464,784	30,193,809
Trade and other accounts receivable, net	**7**	6,847,111	7,175,660
Accounts receivable from related companies, net	**11.1**	9,312	11,187
Equity method investments	**13.1**	61,645,646	60,290,966
Intangible assets, net	**14.1**	1,168,351	1,138,857
Goodwill	**14.2**	52,076,563	57,552,178
Property, plant and equipment, net	**10.1**	359,304,353	350,064,467
Total Non-Current Assets		**510,516,120**	**506,427,124**
Total Assets		**711,560,667**	**741,959,343**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position
as of June 30, 2012 and December 31, 2011

(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

LIABILITIES AND NET EQUITY	NOTE	06.30.2012 ThCh$	12.31.2011 ThCh$
LIABILITIES			
Current Liabilities:			
Other financial liabilities	**15**	30,406,183	23,093,402
Trade and other accounts payable	**16**	95,582,038	127,940,772
Accounts payable to related companies	**11.2**	11,890,437	11,359,038
Provisions	**17**	114,502	87,966
Income tax payable	**9.2**	1,270,727	3,821,247
Other non-financial liabilities	**18**	10,280,591	30,341,479
Total Current Liabilities		**149,544,478**	**196,643,904**
Non-Current Liabilities:			
Other long - term-current financial liabilities	**15**	101,181,223	74,641,403
Trade and other accounts payable, long-term	**16**	55,178	163,738
Provisions	**17**	6,428,862	7,882,869
Deferred tax liabilities	**9.4**	33,770,198	35,245,490
Post-employment benefit liabilities	**12.2**	5,757,495	5,130,015
Other non-current liabilities	**18**	208,135	273,004
Total Non-Current Liabilities		**147,401,091**	**123,336,519**
Equity:	**19**		
Issued capital		230,892,178	230,892,178
Retained earnings		224,775,490	208,102,068
Accumulated other comprehensive income and capital reserves		(41,060,477)	(17,024,341)
Equity attributable to equity holders of the parent		**414,607,191**	**421,969,905**
Non-controlling interests		7,907	9,015
Total Equity		**414,615,098**	**421,978,920**
Total Liabilities and Equity		**711,560,667**	**741,959,343**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Intermediate Consolidated Statements of Income by Function
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

CONSOLIDATED INCOME STATEMENTS BY FUNCTION	NOTE	01.01.2012 06.30.2012 ThCh$	01.01.2011 06.30.2011 ThCh$	04.01.2012 06.30.2012 ThCh$	04.01.2011 06.30.2011 ThCh$
Net sales		524,098,561	460,056,938	234,470,133	209,280,739
Cost of sales		(313,996,688)	(273,315,590)	(144,188,491)	(127,820,814)
Gross Profit		**210,101,873**	**186,741,348**	**90,281,642**	**81,459,925**
Other operating income	**23**	771,659	954,043	382,944	761,148
Distribution expenses		(54,220,052)	(45,636,603)	(24,533,132)	(21,049,837)
Administrative and sales expenses		(93,984,635)	(79,981,324)	(45,417,410)	(38,986,493)
Other expenses by function	**24**	(6,288,530)	(2,898,029)	(2,462,319)	(1,776,007)
Other income (expenses)	**26**	240,992	142,779	557,263	(448,510)
Finance income	**25**	1,455,563	1,631,178	734,712	971,155
Finance costs	**25**	(4,047,993)	(3,625,488)	(2,217,505)	(1,829,843)
Share in profit (loss) of equity method investees	**13.3**	1,078,947	1,301,574	(255,817)	1,089,022
Foreign exchange difference		(2,239,925)	63,812	(922,119)	(98,830)
Profit from units of adjustment		(611,039)	(343,348)	(162,210)	(278,307)
Net income before taxes		**52,256,860**	**58,349,942**	**15,986,049**	**19,813,423**
Income tax expense	**9.3**	(16,183,934)	(15,543,743)	(4,622,324)	(5,005,749)
Net income		**36,072,926**	**42,806,199**	**11,363,725**	**14,807,674**
Net income attributable to					
Net income attributable to equity holders of the parent		36,071,827	42,805,093	11,363,506	14,807,341
Net income attributable to non-controlling interests		1,099	1,106	220	333
Net income		**36,072,926**	**42,806,199**	**11,363,726**	**14,807,674**
Earnings per Share, basic and diluted		**$**	**$**	**$**	**$**
Earnings per Series A Share	**19.5**	**45.19**	**53.62**	**14.24**	**18.55**
Earnings per Series B Share	**19.5**	**49.71**	**58.98**	**15.66**	**20.40**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Intermediate Consolidated Statements of Comprehensive Income
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	ThCh$	ThCh$	ThCh$
Net income	**36,072,926**	**42,806,199**	**11,363,725**	**14,807,674**
Foreign exchange translation adjustment, before taxes	(24,984,285)	12,174,276	(14,660,630)	2,527,062
Income tax effect related to losses from foreign exchange rate translation differences included within other comprehensive income	945,942	(802,409)	1,304,590	(522,054)
Comprehensive income	**12,034,583**	**54,178,066**	**(1,992,315)**	**16,812,682**
Comprehensive income attributable to:				
Controlling shareholders	12,035,691	54,177,272	(1,992,503)	16,812,688
Non-controlling interests	(1,108)	794	188	(6)
Total comprehensive income	**12,034,583**	**54,178,066**	**(1,992,315)**	**16,812,682**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

for the periods ending June 30, 2012 and 2011

(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

		Other reserves						
	Issued capital	Translation reserves	Other reserves (various)	Total other reserves	Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance at 01.01.2012	**230,892,178**	**(22,459,879)**	**5,435,538**	**(17,024,341)**	**208,102,068**	**421,969,905**	**9,015**	**421,978,920**
Changes in Equity								
Comprehensive Income								
Net income	-	–	-		36,071,827	36,071,827	1,099	36,072,926
Other comprehensive income	-	(24,036,136)	-	(24,036,136)	-	(24,036,136)	(2,207)	(24,038,343)
Comprehensive income	-	**(24,036,136)**	-	**(24,036,136)**	**36,071,827**	**12,035,691**	**(1,108)**	**12,034,583**
Dividends	-	-	-	-	**(19,398,405)**	**(19,398,405)**	-	**(19,398,405)**
Total changes in equity	-	**(24,036,136)**	-	**(24,036,136)**	**16,673,422**	**(7,362,714)**	**(1,108)**	**(7,363,822)**
Ending balance at 06.30.2012	**230,892,178**	**(46,496,015)**	**5,435,538**	**(41,060,477)**	**224,775,490**	**414,607,191**	**7,907**	**414,615,098**

		Other reserves						
	Issued capital	Translation reserves	Other reserves (various)	Total other reserves	Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance at 01.01.2012	**230,892,178**	**(21,582,425)**	**5,435,538**	**(16,146,887)**	**180,110,975**	**394,856,266**	**8,330**	**394,864,596**
Changes in Equity								
Comprehensive Income								
Net income	-	-	-	-	42,805,093	42,805,093	1,106	42,806,199
Other comprehensive income	-	11,372,179	-	11,372,179	-	11,372,179	(312)	11,371,867
Comprehensive income	**-**	**11,372,179**	**-**	**11,372,179**	**42,805,093**	**54,177,272**	**794**	**54,178,066**
Dividends	**-**	**-**	**-**	**-**	**(52,761,267)**	**(52,761,267)**	**-**	**(52,761,267)**
Total changes in equity	-	**11,372,179**	-	**11,372,179**	**(9,956,174)**	**1,416,005**	**794**	**1,416,799**
Ending balance at 06.30.2012	**230,892,178**	**(10,210,246)**	**5,435,538**	**(4,774,708)**	**170,154,801**	**396,272,271**	**9,124**	**396,281,395**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. Y FILIALES

Intermediate Consolidated Statements of Cash Flows

(Translation of consolidated financial statements originally issued in Spanish – See Note 2.2)

Cash flows provided by (used in) Operating Activities	NOTE	01.01.2012 06.30.2012	01.01.2011 06.30.2011
Cash flows provided by Operating Activities		**ThCh$**	**ThCh$**
Receipts from customers (including taxes)		758,384,521	670,913,755
Charges for premiums, services, annual fees and other policy benefits		-	162,979
Cash flows used in Operating Activities			
Supplier payments (including taxes)		(541,857,021)	(491,923,498)
Payroll		(50,337,920)	(44,297,494)
Other payments for operating activities (value-added taxes on purchases and sales and others)		(94,289,663)	(78,057,684)
Dividends received		725,000	1,461,957
Interest payments classified as from operations		(2,907,105)	(3,048,155)
Interest received classified as from operations		850,077	1,248,714
Income tax payments		(11,559,964)	(7,215,983)
Cash flows used in other operating activities		(2,090,508)	(1,614,108)
Net cash flows provided by Operating Activities		**56,917,417**	**47,630,483**
Cash flows provided by (used in) Investing Activities			
Capital decrease in CMF S.A. and Sale of 43% interest in Vital S.A., net of cash previously held		1,150,000	5,355,930
Capital contribution to the associate Vital Jugos S.A.		-	(1,278,000)
Cash flows used in the purchase of non-controlling ownership interest (capital contribution in Vital Jugos S.A. after its proportional sale)		(2,380,320)	(3,249,000)
Proceeds from sale of property, plant and equipment		337,907	1,789,308
Purchase of property, plant and equipment		(56,145,218)	(59,594,379)
Proceeds from the maturity of marketable securities		14,664,327	66,042,480
Purchase of marketable securities		(1,197,942)	(26,015,297)
Payments on forward, term, option and financial exchange agreements		(126,751)	-
Collections from forward, term, option and financial exchange agreements		207,015	-
Other cash inputs (outputs)		815,307	781,618
Net cash flows used in Investing Activities		**(42,675,675)**	**(16,167,340)**
Cash Flows provided by (used in) Financing Activities			
Long-term loans obtained		28,000,000	-
Short-term loans obtained		66,478,315	58,168,099
Total proceeds from loans		**94,478,315**	**58,168,099**
Loan payments		(59,301,852)	(40,869,400)
Dividend payments by the reporting entity		(33,819,096)	(17,370,456)
Other cash inputs (outputs)		(1,634,773)	(1,479,776)
Net cash flows used in Financing Activities		**(277,406)**	**(1,551,533)**
Increase in Cash and cash equivalents, before effects of variations in Foreign Exchange Rates		**13,964,336**	**29,911,610**
Effects of variations in foreign exchange rates on cash and cash equivalents		(2,243,901)	1,749,578
Net decrease in cash and cash equivalents		**11,720,435**	**31,661,188**
Cash and cash equivalents – beginning of year	**4**	31,297,922	48,263,080
Cash and cash equivalents - end of year	**4**	**43,018,357**	**79,924,268**

The accompanying notes 1 to 28 form an integral part of these financial statements

NOTE 1 - CORPORATE INFORMATION

Embotelladora Andina S.A. is registered under No. 00124 of the Securities Registry and is regulated by the Chilean Superintendence of Securities and Insurance (SVS) pursuant to Law 18,046.

Embotelladora Andina S.A. (hereafter "Andina," and together with its subsidiaries, the "Company") engages mainly in the production and sale of Coca-Cola products and other Coca-Cola beverages. The Company has operations in Chile, Brazil and Argentina. In Chile, the areas in which it has distribution franchises are the cities of Santiago, San Antonio and Rancagua. In Brazil, it has distribution franchises in the states of Rio de Janeiro, Espírito Santo, Niteroi, Vitoria, and Nova Iguaçu. In Argentina, it has distribution franchises in the provinces of Mendoza, Córdoba, San Luis, Entre Ríos, Santa Fe, and Rosario. The Company holds a license from The Coca-Cola Company in its territories, Chile, Brazil, and Argentina. The licenses for the territories in Chile expire in 2012; in Argentina they expire in 2017, while in Brazil they expire in 2013. All these licenses are renewed if The Coca-Cola Company chooses to do so. It is expected that the licenses will be renewed upon expiration based on similar terms and conditions.

As of June 30, 2012 the Freire Group and related companies hold 54.97% of the outstanding shares with voting rights corresponding to the Series A shares, and therefore they are the company's controlling shareholders

The main offices of Embotelladora Andina S.A. are located at Avenida El Golf 40, 4th floor, municipality of Las Condes, Santiago, Chile. Its taxpayer identification number is 91,144,000-8.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Periods covered

These Consolidated Financial Statements encompass the following periods:

Intermediate Consolidated statements of financial position: For the period ended at June 30, 2012 and December 31, 2011.

Intermediate Consolidated income statements by function and comprehensive income: For the periods from January 1 to June 30, 2012 and 2011.

Intermediate Consolidated statements of cash flows: The periods from January 1 to June 30, 2012 and 2011, using the “direct method”.

Consolidated statements of changes in equity: Balances and activity between January 1 and June 30, 2012 and 2011.

Rounding: The consolidated financial statements are presented in thousands of Chilean pesos and all values are rounded to the nearest thousand, except where otherwise indicated.

2.2 Basis of preparation

The Company’s Intermediate Consolidated Financial Statements for the periods ended June 30, 2012, and 2011 were prepared according to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (hereinafter “IASB”).

These financial statements comprise the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries as of June 30, 2012 and December, 31 2011 along with consolidated income statement by function, consolidated statements of comprehensive income, consolidated statement of changes in equity, and consolidated statements of cash flows, for the periods ended June 30, 2012 and 2011, were approved by the Board of Directors during session held on July 31, 2012.

These Consolidated Financial Statements have been prepared based on accounting records kept by the Parent Company and by other entities forming part thereof. Each entity prepares its financial statements following the accounting principles and standards applicable in each country, adjustments and reclassifications have been made, as necessary, in the consolidation process to align such principles and standards and then adapt them to IFRS.

For the convenience of the reader, these consolidated financial statements have been translated from Spanish to English.

2.3 Basis of consolidation

2.3.1 Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Company and the companies it controls (its subsidiaries). The Company has control when it has the power to direct the financial and operating policies of a company so as to obtain benefits from its activities. They include assets and liabilities as of June 30, 2012 and December 31, 2011; and results of operations and cash flows for the periods ended June 30, 2012 and 2011. Income or losses from subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition through the effective date of sale, as applicable.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of assets, of equity securities and of liabilities incurred or assumed on the date of exchange, plus the cost directly attributable to the acquisition. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are accounted for initially at their fair value as of the acquisition date. The excess acquisition cost above the fair value of the Group's share in identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in income.

Intra-group transactions, balances, and unrealized gains and losses, are eliminated. Whenever necessary, the accounting policies of subsidiaries are modified to assure uniformity with the policies adopted by the Group.

The value of non-controlling interest in equity and the results of the consolidated subsidiaries is presented in Equity; non-controlling interests, in the Consolidated Statement of Financial Position and in "net income attributable to non-controlling interests," in the Consolidated Income Statements by Function.

The consolidated financial statements include all assets, liabilities, income, expenses, and cash flows of the company and its subsidiaries after eliminating intra-group balances and transactions.

The list of subsidiaries included in the consolidation is detailed as follows:

Taxpayer ID	Name of the Company	Percentage Interest					
		06-30-2012			12-31-2011		
		Direct	Indirect	Total	Direct	Indirect	Total
59.144.140-K	Abisa Corp S.A.	-	99.99	99.99	-	99.99	99.99
96.842.970-1	Andina Bottling Investments S.A.	99.90	0.09	99.99	99.90	0.09	99.99
96.836.750-1	Andina Inversiones Societarias S.A.	99.99	-	99.99	99.99	-	99.99
96.972.760-9	Andina Bottling Investments Dos S.A.	99.90	0.09	99.99	99.90	0.09	99.99
Foreign	Embotelladora del Atlántico S.A.	-	99.98	99.98	-	99.98	99.98
Foreign	Andina Empaques Argentina S.A. (1)	-	99.98	99.98	-	-	-
Foreign	Rio de Janeiro Refrescos Ltda.	-	99.99	99.99	-	99.99	99.99
78.536.950-5	Servicios Multivending Ltda.	99.90	0.09	99.99	99.90	0.09	99.99
78.861.790-9	Transportes Andina Refrescos Ltda.	99.90	0.09	99.99	99.90	0.09	99.99
76.070.406-7	Embotelladora Andina Chile S.A.	99.99	-	99.99	99.99	-	99.99

(1) At a Special General Shareholders' Meeting held November 1st 2011, Embotelladora del Atlántico S.A. decided to divide part of its equity to form a new company, Andina Empaques Argentina S.A., for the purpose of developing the design, manufacture and sale of plastic products or products derived from the industry for plastics, primarily in the packaging division. The transaction became effective January1, 2012 from an accounting and tax perspective.

2.3.2 Equity method investments

Associates are all entities over which the Group exercises significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Group's share in income and losses subsequent to the acquisition of associates is recognized in income.

Unrealized gains in transactions between the Group and its associates are eliminated to the extent of the interest the Group holds in those associates. Unrealized losses are also eliminated unless there is evidence in the transaction of an impairment loss on the asset being transferred. Whenever necessary, the accounting policies of associates are adjusted for reporting purposes to assure uniformity with the policies adopted by the Group.

2.4 Financial reporting by operating segment

IFRS 8 requires that entities disclose information on the revenues of operating segments. In general, this is information that Management and the Board of Directors use internally to evaluate the profitability of segments and decide how to allocate resources to them. Therefore, the following operating segments have been determined based on geographic location:

- Chilean operations
- Brazilian operations
- Argentine operations

2.5 Foreign currency translation

2.5.1 Functional currency and currency of presentation

The items included in the financial statements of each of the entities in the Group are valued using the currency of the main economic environment in which the entity does business ("functional currency"). The consolidated financial statements are presented in Chilean pesos, which is the Company's functional currency and presentation currency.

2.5.2 Balances and transactions

Foreign currency transactions are converted to the functional currency using the foreign exchange rate prevailing on the date of each transaction. The gains and losses resulting from the settlement of these transactions and the conversion of the foreign currency–denominated assets and liabilities at the closing foreign exchange rates are recognized in the income account by function.

The foreign exchange rates and values prevailing at the close of each of the periods presented were:

	Exchange rate to the Chilean peso				
Date	**US$ dollar**	**R$ Brazilian Real**	**A$ Argentine Peso**	**UF ¨Unidad de Fomento¨**	**€ Euro**
06.30.2012	501.84	248.28	110.85	22,627.36	635.08
12.31.2011	519.20	276.79	120.63	22,294.03	672.97
06.30.2011	468.15	299.88	113.91	21,889.89	679.66

2.5.3 Entities in the group

The financial position and results of operations of all entities in the Group (none of which use the currency of a hyperinflationary economy) operating under a functional currency other than the presentation currency are translated to the presentation currency as follows:

(i) Assets and liabilities in each statement of financial position are translated at the closing foreign exchange rate as of the reporting date;
(ii) Income and expenses of each income statement account are translated at the average foreign exchange rate for the period; and
(iii) All resulting translation differences are recognized as other comprehensive income.

The Companies that use a functional currency different from the presentation currency of the parent company are:

Company	Functional currency
Rio de Janeiro Refrescos Ltda.	R$ Real Brasilero
Embotelladora del Atlántico S.A.	A$ Peso Argentino
Andina Empaques Argentina S. A.	A$ Peso Argentino

In the consolidation, the translation differences arising from the conversion of a net investment in foreign entities are recognized in other comprehensive income. On disposal of the investment, those translation differences are recognized in the income statement as part of the gain or loss on the disposal of the investment.

2.6 Property, plant, and equipment

The assets included in property, plant and equipment are recognized at cost, less depreciation and cumulative impairment losses.

The cost of property, plant and equipment includes expenses directly attributable to the acquisition of the items less government subsidies resulting from the difference between the market interest rates of the financial liabilities and the preferential government credit rates. The historical cost also includes revaluations and price-level restatement of opening balances at January 1, 2009, due to first-time exemptions in IFRS.

Subsequent costs are included in the value of the original asset or recognized as a separate asset only when it is likely that the future economic benefit associated with the elements of property, plant and equipment will flow to the Group and the cost of the element can be dependably determined. The value of the component that is substituted is derecognized. The remaining repairs and maintenance are charged to the income statement in the fiscal period in which they incurred.

Land is not depreciated. Other assets, net of residual value, are depreciated by distributing the cost of the different components on a straight line basis over the estimated useful life, which is the period during which the Company expects to use them.

The estimated useful lives by asset category are:

Assets	Range in years
Buildings	30-50
Plant and equipment	10-20
Warehouse installations and accessories	10-30
Other accessories	4-5
Motor vehicles	5-7
Other property, plant and equipment	3-8
Bottles and containers	2-8

The residual value and useful lives of assets are revised and adjusted at each reporting date, if necessary,

When the value of an asset is higher than its estimated recoverable amount, the value is reduced immediately to the recoverable amount.

Gains and losses on the disposal of property, plant, and equipment are calculated by comparing the disposal proceeds to the carrying amount, and are charged to the income statement.

2.7 Intangible assets

2.7.1 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Group's share in identifiable net assets of the subsidiary on the acquisition date. The goodwill is recognized separately and tested annually for impairment. Goodwill is carried at cost, less accumulated impairment losses.

Gains and losses on the sale of an entity include the carrying amount of the goodwill related to that entity.

The goodwill is allocated to cash-generating units (CGU) in order to test for impairment losses. The allocation is made to CGUs that are expected to benefit from the business combination that generated the goodwill.

2.7.2 Water rights

Water rights that have been paid for are included in the group of intangible assets, carried at acquisition cost. They are not amortized since they have no expiration date, but are annually tested for impairment.

2.8 Impairment losses

Assets that have an indefinite useful life, such as land or goodwill, are not amortized and are tested annually, or whenever there are circumstances or events that indicate impairment. Amortizable assets are tested for impairment whenever there is an event or change in circumstances indicating that the carrying amount might not be recoverable. The carrying value of the asset exceeding its recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

In order to evaluate impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were impaired are reviewed at each reporting date to determine if impairment loss should be reversed.

2.9 Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and accounts receivable, and assets hold until maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at the time of initial recognition.

2.9.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets available for sale. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold in the short term. Assets in this category are classified as current assets.

Losses or gains from changes in fair value of financial assets at fair value through profit and loss are recognized in the income statement under finance income or expenses during the year in which they occur.

2.9.2 Loans and accounts receivable

Loans and accounts receivable are not quoted in an active market. They are recorded in current assets, unless they are due more than 12 months from the reporting date, in which case they are classified as non-current assets. Loans and accounts receivable are included in trade and other accounts receivable in the consolidated statement of financial position they are presented at their amortized cost.

2.9.3 Other financial assets

Other Financial Assets corresponds to bank deposits that the Group's management has the positive intention and ability to hold until their maturity. They are recorded in current assets because they mature in less than 12 months from the reporting date and are presented at their amortized cost, less impairment.

Accrued interests are recognized in the consolidated income statement under finance income during the year in which they occur.

2.10 Derivatives and hedging

The derivatives held by the Company correspond to transactions hedged against foreign currency exchange rate risk and the price of raw materials and materially offset the risks that are hedged.

The derivatives are accounted for at fair value. If positive, they are recorded under “other current financial assets”. If negative, they are recorded under “other current financial liabilities.”

The Company’s derivatives agreements do not qualify as hedges pursuant to IFRS requirements. Therefore, the changes in fair value are immediately recognized in the income statement under ”foreign exchange difference”.

The Company does not use hedge accounting for its foreign investments.

The Company has also evaluated the derivatives implicit in financial contracts and instruments to determine whether their characteristics and risks are closely related to the master agreement, as stipulated by IAS 39.

Fair value hierarchy

The Company´s foreign exchange derivatives contracts resulted in total assets at June, 30 2012 (liability at December 31, 2012) classified within the other current financial assets (other current financial liabilities), respectively, and are carried at fair value in the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as price) or indirectly (i.e. derived from a price).
Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

During the period ended June 30, 2012, there were no transfers of items between fair value measurements categories all of which were valued during the period using level 2.

2.11 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method. The cost of finished products and of work in progress includes raw materials, direct labor, other direct costs and manufacturing overhead(based on a operating capacity) to bring the goods to marketable condition, but it excludes interest expense. The net realizable value is the estimated selling price in the ordinary course of business, less any variable cost of sale.

Estimates are also made for obsolescence of raw materials and finished products based on turnover and ageing of the items involved.

2.12 Trade receivable

Trade accounts receivable are recognized initially at their nominal value, given the short term in which they are recovered, less any impairment loss. A provision is made for impairment losses on trade accounts receivable when there is objective evidence that the Company will be incapable of collecting all sums owed according to the original terms of the receivable, based either on individual analyses or on global aging analyses. The carrying amount of the asset is reduced as the provision is used and the loss is recognized in administrative and sales expenses in the consolidated income statement by function.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, time deposits in banks and other short-term, highly liquid investments and low risk of change in value with purchased original maturities of three months or less.

2.14 Debt securities

Bank funding such as debt securities issued are initially recognized at fair value, net transaction costs. Liabilities with third parties are later valued at amortized cost. Any difference between the funding obtained (net of the costs required to obtain it) and the reimbursement amount is recognized in the income statement during the term of the debt using the effective interest rate method.

2.15 Government subsidies

Government subsidies are recognized at their fair value when it is sure that the subsidy will be received and that the Group will meet all the established conditions.

Official cost-related subsidies are deferred and recognized on the income statement in the period of the corresponding cost.
Official subsidies for the purchase of property, plant and equipment are deducted from the cost of the related asset in property, plant and equipment and recognized on the income statement on a straight-line basis during the estimated useful life of the related asset.

2.16 Income tax

The Company and its subsidiaries in Chile account for income tax according to the net taxable income calculated by the rules in the Income Tax Law. Its subsidiaries abroad do so according to the regulations of the country in which they operate.

Deferred taxes are calculated using the balance sheet - liability method on the temporary differences between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements, using the tax rate in the year of reversal of the difference.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be offset.

The company does not recognize deferred taxes for temporary differences from investments in subsidiaries and associates in which the Company can control the timing of reversal and it is likely that they will not be reversed in the foreseeable future.

2.17 Employee benefits

The Company has established a provision to for post retirement compensation according to years of service that will be paid to its employees according to the individual and collective contracts in place. This provision is accounted for at the actuarial value in accordance with IAS 19. The positive or negative effect on compensation because of changes in estimates (turnover, mortality, retirement, and other rates) is recorded directly in income.

The Company also has an executive retention plan. It is accounted for as a liability according to the guidelines of the plan. This plan grants certain executives the right to receive a fixed cash payment on a pre-set date once they have completed the required years of employment.

The Company and its subsidiaries have made a provisionaccount for the cost of vacation and other employee benefits on an accrual basis. This liability is recorded under provisions

2.18 Provisions

Provisions for litigation are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

2.19 Operating leases

Operating lease payments are recognized as expense on a straight-line basis over the term of the lease.

2.20 Deposits for returnable containers

This is a liability comprised of cash collateral received from customers for bottles and other returnable containers made available to them.

The liability pertains to the deposit amount that is reimbursed if the customer or distributor returns the bottles and cases in good condition, together with the original invoice. Estimation of the liability is based on the inventory of bottles given as a loan to clients and distributors, the estimated amount of bottles in circulation, and a historical average weighted value per bottle or case.

Deposits for returnable containers are presented as a current liability because the Company does not have a legal right to defer settlement for a period in excess of one year. However, the Company does not anticipate any material cash settlements for such amounts during the upcoming year.

2.21 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's business. Revenue is presented net of value-added tax, returns, rebates, and discounts and net of sales between the companies that are consolidated.

The Company recognizes revenue when earned and the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the Company.

2.22 Dividend payments

Dividend payments to the Company's shareholders are recognized as a liability in the consolidated financial statements of the Company, based on the obligatory 30% minimum in accordance with the Corporations Law.

2.23 Critical accounting estimates and judgments

The Company makes estimates and judgments about the future. Actual results may differ from previously estimated amounts. The estimates and judgments that might have a material impact on future financial statements are explained below:

2.23.1 Estimated impairment loss on goodwill

The Group tests goodwill for impairment loss on an annual basis or whenever there are indicators of impairment. The recoverable amounts of cash generating units are determined based on calculations of the value in use. The key variables that management calculates include the volume of sales, prices, marketing expenses and other economic factors. The estimation of these variables requires a material administrative judgment as those variables imply inherent uncertainties. However, the assumptions are consistent with our internal planning. Therefore, management evaluates and updates estimates according to the conditions affecting the variables. If these assets are deemed to have become impaired, they will be written off at their estimated fair value or future recovery value according to discounted cash flows. Free cash flows in Brazil and Argentina were discounted at a rate of 15%, and there was a gain on the respective assets, including the goodwill of the Brazilian and Argentine subsidiaries.

2.23.2 Impairment of receivables

The Company evaluates the possibility of collecting trade accounts receivable using several factors. When the Company becomes aware of a specific inability of a customer to fulfill its financial commitments, a specific provision for doubtful accounts is estimated and recorded, which reduces the recognized receivable to the amount that the Company estimates will ultimately be collected. In addition to specifically identifying potential uncollectible customer accounts, debits for doubtful accounts is determined based on historical collection history and a general assessment of trade accounts receivable, both outstanding and past due, among other factors. The balance of the Company's trade accounts receivable was ThCh$83,110,310 at June 30, 2012 (ThCh$114,618,699 at December 31, 2011), net of an allowance for doubtful accounts provision of ThCh$1,532,790 at June 30, 2012 (ThCh$1,544,574 at December 31, 2011). Historically, doubtful accounts have represented an average of less than 1% of consolidated net sales.

2.23.3 Property, plant, and equipment

Property, plant, and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of those assets. Changes in circumstances, such as technological advances, changes to the Company's business model, or changes in its capital strategy might modify the effective useful lives as compared to our estimates. Whenever the Company determines that the useful life of property, plant and equipment might be shortened, it depreciates the excess between the net book value and the estimated recoverable amount according to the revised remaining useful life. Factors such as changes in the planned use of manufacturing equipment, dispensers, and transportation equipment or computer software could make the useful lives of assets shorter. The Company reviews the impairment of long-lived assets each time events or changes in circumstances indicate that the book value of any of those assets might not be recovered. The estimate of future cash flows is based, among other things, on certain assumptions about the expected operating profits in the future. Company estimates of non-discounted cash flows may differ from real cash flows because of, among other reasons, technological changes, economic conditions, changes in the business model, or changes in the operating profit. If the sum of non-discounted cash flows that have been projected (excluding interest) is less than the carrying value of the asset, the asset will be written down to its estimated fair value.

2.23.4 Liabilities for returnable container collateral

The Company records a liability for deposits received in exchange for bottles and cases provided to its customers and distributors. This liability represents the amount of the deposit that must be returned if the client or distributor returns the bottles and cases in good condition, together with the original invoice. This liability is estimated on the basis of an inventory of bottles given on loan to customers and distributors, estimates of bottles in circulation and the weighted average historical cost per bottle or case. Management must make several assumptions in relation to this liability in order to estimate the number of bottles in circulation, the amount of the deposit that must be reimbursed and the timing of disbursements.

2.24 New IFRS and interpretations of the IFRS Interpretations Committee (IFRSIC)

The following IFRS and Interpretations of the IFRSIC have been published:

New Standards	**Mandatory Effective Date**
IFRS 9 Financial instruments: Classification and measurement	January 1, 2015
IFRS 10 Consolidated Financial Statements	January 1, 2013
IFRS 11 Joint Arrangements	January 1, 2013
IFRS 12 Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 Fair Value Measurement	January 1, 2013

IFRS 9 "Financial Instruments"

This Standard introduces new requirements for the classification and measurement of financial assets and early application is permitted. All financial assets must be classified in their entirety on the basis of the company's business model for financial asset management and the characteristics of contractual cash flows of financial assets. Under this standard, financial assets are measured at the amortized cost or fair value. Only financial assets classified as measured at the amortized cost must be impairment-tested. This standard applies to years beginning on or after January 1, 2015, and it can be adopted earlier.

IFRS 10 "Consolidated Financial Statements" / NIC 27 "Separate Financial Statements"

This Standard supersedes the part of IAS 27 on Separate and Consolidated Financial Statements that spoke of accounting for consolidated financial statements. It also includes matters in SIC-12, Special-Purpose Entities. IFRS 10 establishes one single control model that applies to all entities (including special purpose or structured entities). The changes made by IFRS 10 will require that management exercise significant professional judgment in determining which entity is controlled and which must be consolidated.

IFRS 11 "Joint Arrangements"/ NIC 28 "Investments in Associates and Joint Ventures"

IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Joint Venturers. IFRS 11 uses some of the terms used in IAS 31, but with different meanings. IAS 31 identifies 3 types of joint ventures, but IFRS 11 only considers 2 types (joint ventures and joint operations) when there is a joint control. Since IFRS 11 uses the IFRS 10 principle of control to identify control, determining whether there is a joint control can change. Moreover, IFRS 11 takes away the alternative of accounting for jointly controlled entities (JCEs) using a proportional consolidation. Instead, JCEs meeting the definition of joint ventures must be accounted for using the equity method. An entity must recognize the assets, liabilities, income and expenses, if any, of joint operations, which include jointly controlled assets, former jointly controlled operations and former JCEs.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 includes all consolidation-related disclosures that were previously in IAS 27 as well as all disclosures previously included in IAS 31 and IAS 28. These disclosures relate to the interests in related companies, joint arrangements, associates and structured entities. A number of new disclosures are also required.

IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a new guide on how to measure fair value, when required or permitted by IFRS. When an entity must use the fair value remains the same. The standard changes the definition of fair value—Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Some new disclosures are also added.

Improvements and amendments	**Mandatory Effective date**
IAS 1 Presentation of Financial Statements – Presentation of Other Comprehensive Income Components	July 1, 2012
IAS 12 Deferred Taxes: Recovery of Underlying Assets	January 1, 2012
IAS 19 Employee benefits (2011)	January 1, 2013
IAS 32 Financial Instruments Presentation	January 1, 2014

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Company´s financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. These amendments must be incorporated obligatorily for years beginning on or after July 1, 2012. They can be applied early, which must be disclosed.

IAS 12 "Income Taxes"

IAS 12 introduces a refutable presumption that deferred taxes on investment properties, measured using a fair value model, will be recognized on a sale presumption basis unless the entity has a business model that can show that the investment properties will be consumed by the business throughout its economic cycle. If it is consumed, a consumption basis must be adopted. The improvement also introduces the requirement that deferred taxes on non-depreciable assets measured using the revaluation model of IAS 16 must also be measured on a sales basis. It must be applied for years starting on or after January 1, 2012.

IAS 19 "Employee Benefits"

On June 16, 2011, the IASB published changes to IAS 19, Employee Benefits, which changed the accounting of defined benefit plans and termination benefits. The changes require recognizing changes in the liability for defined benefits and in the assets of the plan when those changes occur. The recognition of costs of past services is accelerated. The changes in the liability for defined benefits and the assets in the plan are disaggregated into three components: service costs, net interest on net (assets) liabilities for defined benefits and re-measurement of net (assets) liabilities for defined benefits. The net interest is calculated using a rate of return on high quality corporate bonds. This could be lower than the rate actually used to calculate the expected return on the plan's assets and result in a reduction in fiscal year profit. The changes take effect for years starting on or after January 1, 2013 and they can be applied early. A retroactive application is required, with certain exceptions.

IAS 32 "Financial Instruments Presentation"

The changes to IAS 32, issued in December 2011, are intended to clarify differences in how it applies to compensation and to reduce the level of diversity in actual practice. The standard applies effective January 1, 2014 and it can be adopted early.

The management of the Company and its subsidiaries is studying the impact of these new standards to evaluate the impact it would have over the consolidated financial statements.

2.25 Reclassifications and other adjustments

Certain amounts in the consolidated financial statements have been reclassified for comparability with those previously reported as of December 31, 2011. A summary of these items are presented below:

Consolidated Statements of Financial Position

	Previously reported 12.31.2011 ThCh$	Current Presentation 12.31.2011 ThCh $
Deferred tax assets (a)	8,060,227	-
Total non-current assets	**514,487,351**	**506,427,124**
Total assets	**750,019,570**	**741,959,343**
Other current financial liabilities (b)	12,280,310	23,093,402
Other current non-financial liabilities (b)	41,154,571	30,341,479
Total non-current liabilities	**196,643,904**	**196,643,904**
Deffered tax liabilities (a)	43,305,717	35,245,490
Total non-current liabilities	**131,396,746**	**123,336,519**
Total equity and liabilities	**750,019,570**	**741,959,343**

(a) Classification of deferred taxes – Deferred tax assets and liabilities related to the same tax jurisdiction are now presented net in all periods as stipulated by IAS 12.74. The amount of the reclassification totals ThCh$8,060,227.

(b) Guarantee deposits - deposits in guarantee in the amount of ThCh$10,813,092 were presented as other non-financial current liabilities as of December 31, 2011, are now presented as other financial current liabilities, since the eventual liquidation, would occur via a cash disbursement.

NOTE 3 – REPORTING BY SEGMENT

The Company provides information by segments according to IFRS 8 "Operating Segments," which establishes standards for reporting by operating segment and related disclosures for products, services, and geographic areas.

The Company's Board of Directors and Management measures and evaluates performance of segments according to the operating income of each of the countries where there are franchises.

The operating segments are determined based on the presentation of internal reports to the senior officer in charge of operating decisions. That officer has been identified as the Company Board of Directors as the board makes strategic decisions.

The segments defined by the Company for strategic decision-making are geographic. Therefore, the reporting segments correspond to:

- Chilean operations
- Brazilian operations
- Argentine operations

The three operating segments conduct their business through the production and sale of soft drinks, other beverages, and packaging.

The income and expense related to corporate management are assigned to the Chilean operation in the operating segment.

The total income by segment includes sales to unrelated customers and inter-segment sales, as indicated in the Company's consolidated statement of income.

A summary of the operations by segment of the Company is detailed as follows, according to IFRS:

For the period ended June 30, 2012	Chile Operation ThCh$	Argentina Operation ThCh $	Brazil Operation ThCh $	Consolidated Total ThCh $
Operating revenue from external customers	162,723,505	136,974,726	224,400,330	524,098,561
Interest income	441,372	252,315	761,876	1,455,563
Interest expense	(2,927,370)	(886,213)	(234,410)	(4,047,993)
Interest income, net	**(2.485.998)**	**(633,898)**	**527,466**	**(2,592,430)**
Depreciation and amortization	(10.188.682)	(5,098,492)	(8,691,958)	(23,979,132)
Sums of significant expenses items	(140,050,105)	(125,513,295)	(195,890,673)	(461,454,073)
Net income of the segment reported	**9,998,720**	**5,729,041**	**20,345,165**	**36,072,926**
Share of the entity in income of associates accounted for using the equity method, total	856,568	-	222,379	1,078,947
Income tax expense (income), total	(2,711,594)	(3,350,662)	(10,121,678)	(16,183,934)
Segment assets, total	**325,959,196**	**116,324,624**	**269,276,847**	**711,560,667**
Carrying amount in associates and joint ventures accounted for using the equity method, total	40,194,091	-	21,451,555	61,645,646
Capital expenditures and other	27,977,721	14,276,334	16,271,483	58,525,538
Liabilities of the segments, total	**168,623,307**	**59,717,742**	**68,604,520**	**296,945,569**
Cash flows provided by in Operating Activities	27,929,102	750,582	28,237,733	56,917,417
Cash flows used in Investing Activities	(13,184,060)	(13,221,197)	(16,270,418)	(42,675,675)
Cash flows used in Financing Activities	(9,676,482)	9,520,350	(121,274)	(277,406)

For the period ended June 30, 2011	Chile Operation ThCh $	Argentina Operation ThCh$	Brazil Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers	141,268,302	101,560,281	217,228,355	460,056,938
Interest income	894,168	49,767	687,243	1,631,178
Interest expense	(2,643,813)	(516,426)	(465,249)	(3,625,488)
Interest income, net	**(1,749,645)**	**(466,659)**	**221,994**	**(1,994,310)**
Depreciation and amortization	(7,398,178)	(3,484,217)	(7,588,231)	(18,470,626)
Sums of significant expenses items	(116,504,765)	(92,320,316)	(187,960,722)	(396,785,803)
Net income of the segment reported	**15,615,714**	**5,289,089**	**21,901,396**	**42,806,199**
Share of the entity in income of associates accounted for using the equity method, total	852,118	-	449,456	1,301,574
Income tax expense (income), total	(2,689,167)	(2,818,702)	(10,035,874)	(15,543,743)
Segment assets, total	**324,885,971**	**85,816,527**	**296,373,921**	**707,076,419**
Carrying amount in associates and joint ventures accounted for using the equity method, total	37,136,305	-	26,843,426	63,979,731
Capital expenditures and other	48,125,479	8,459,782	7,536,840	64,122,101
Liabilities of the segments, total	**194,090,465**	**42,263,223**	**74,441,336**	**310,795,024**
Cash flows provided by in Operating Activities	32,007,224	1,007,589	14,615,670	47,630,483
Cash flows used in Investing Activities	(2,831,044)	(6,766,584)	(6,569,712)	(16,167,340)
Cash flows used in Financing Activities	(6,050,982)	4,624,653	(125,204)	(1,551,533)

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows as of June 30, 2012 and December 31, 2011:

Description	06.30.2012	12.31.2011
By item	**ThCh$**	**ThCh$**
Cash	258,101	138,410
Bank balances	8,334,292	16,326,710
Time deposits	4,044,893	243,991
Money market funds	30,381,071	14,588,811
Cash and cash equivalents	**43,018,357**	**31,297,922**
By currency	**ThCh$**	**ThCh$**
Dollar	7,458,376	2,724,252
Euro	-	243,991
Argentine Peso	1,584,025	5,020,278
Chilean Peso	14,630,590	6,340,907
Real	19,345,366	16,968,494
Cash and cash equivalents	**43,018,357**	**31,297,922**

4.1 Time deposits

Time deposits defined as Cash and cash equivalents are detailed as follows at June 30, 2012 and December 31, 2011:

Placement	Entity	Currency	Principal	Annual Rate	06.30.2012
			ThCh$	**%**	**ThCh$**
05-22-2012	Banco Corpbanca – Chile	Chilean Pesos	4,400,000	6.72	4,029,115
06-05-2012	Banco BBVA – Argentina	Argentinean Pesos	15,661	11.00	15,778
		Total			**4,044,893**

Placement	Entity	Currency	Principal	Annual Rate	12.31.2011
			ThCh$	**%**	**ThCh$**
12-29-2011	Banco BBVA – Chile	Euros	243,449	0.35	243,991
		Total			**243,991**

4.2 Money Market

Money market mutual fund shares are valued at the share value at the close of each fiscal period. Below is a description for the end of each period:

Institution	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**
Mutual fund Select Banco Itaú – Chile	4,829,600	2,093,339
Mutual fund Soberano Banco Itaú – Brasil	14,939,313	6,281,070
Mutual fund Corporativo Banco BBVA – Chile	2,403,000	770,000
Western Assets Institutional Cash	7,163,531	2,876,982
Mutual fund Banco Galicia	9,208	2,566,901
Mutual fund Patrimonio Banco Caja Económica Federal – Brasil	887,907	-
Mutual fund Wells Fargo	137,246	519
Jefferies Bache – USA	11,266	-
Total Mutual fund	**30,381,071**	**14,588,811**

NOTE 5 – OTHER CURRENT FINANCIAL ASSETS

Below are the financial instruments held by the Company at June 30, 2012 and December 31, 2011, other than cash and cash equivalents. They consist of time deposits expiring in the short term (more than 90 days),restricted mutual funds and derivative contracts. The detail of financial instruments is detailed as follows:

Time deposits

Placement date	Maturity date		Entity	Currency	Principal	Annual Rate	Balance at 6.30.2012
					ThCh$	%	ThCh$
06-22-2012	08-21-2012	(1)	Banco Galicia - Argentina	Ar$	353,504	13.75	354,666
06-22-2012	08-21-2012	(1)	Banco Galicia - Argentina	Ar$	353,504	13.10	354,611
03-25-2012	03-20-2013		Banco Votorantim - Brasil	R$	17,420	8.82	17,728
					Total		**727,005**

Mutual Funds

Institution		ThCh$
Mutual Fund Banco Galicia (1)		697,775
	Subtotal	**697,775**

Derivative contracts

			ThCh$
Rights over foward agreements (See Note 20)		(2)	490,741
	Subtotal		**490,741**
Total other current financial assets	**Total**		**1,915,521**

(1) These are restricted financial investments because they were made to comply with the guarantees of derivatives transactions performed by the Company.

(2) Forward agreements asset positions are presented net in the amount of ThCh$687,731 and the liabilities positions in the same type of agreements in the amount of ThCh$196,990.

Time Deposits

Placement date	Maturity date		Entity	Currency	Principal	Annual Rate	12.31.2011
					ThCh$	%	ThCh$
08/04/2011	01/18/2012		Banco BBVA- Chile	UF	4,000,000	3.44	4,119,995
08/04/2011	01/18/2012		Banco Estado – Chile	UF	4,000,000	3.48	4,138,046
12/21/2011	05/09/2012		Banco Corpbanca – Chile	UF	2,500,000	5.00	2,505,892
12/21/2011	05/09/2012		Banco Chile – Chile	UF	2,500,000	4.70	2,505,684
12/16/2011	02/20/2012	(1)	Banco Galicia - Argentina	Ar$	711,717	20.00	716,403
03/25/2011	03/20/2012		Banco Votorantin - Brasil	R$	17,759	8.82	19,007
					Subtotal		**14,005,027**

Mutual Funds

Institution		**ThCh$**
Mutual Fund Banco Galicia (1)		1,656,156
	Subtotal	**1,656,156**
Total other current financial assets	**Total**	**15,661,183**

(1) These are financial investments the use of which is restricted because they were made to comply with the guarantees of derivatives transactions performed by the Company.

NOTE 6 – CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Note 6.1 Other current non-financial assets

Description	**06.30.2012** ThCh$	**12.31.2011** ThCh$
Prepaid insurance	668,887	77,228
Prepaid expenses	2,786,635	2,933,946
Fiscal credit remaining	14,233,628	11,704,342
Other current assets	201,904	45,342
Total	**17,891,054**	**14,760,858**

Note 6.2 Other non-current, non-financial assets

Description	**06.30.2012** ThCh$	**12.31.2011** ThCh$
Prepaid expenses	2,588,788	2,275,128
Fiscal credit	5,884,023	6,529,944
Judicial deposits (1)	20,445,118	19,989,604
Others	546,855	1,399,133
Total	**29,464,784**	**30,193,809**

(1) See Note 21.2

NOTE 7 – TRADE AND OTHER ACCOUNTS RECEIVABLE

The composition of trade and other accounts receivable is detailed as follows:

Commercial debtors and other current accounts receivable	06.30.2012 Assets before provisions	06.30.2012 Allowance for doubtful accounts	06.30.2012 Commercial debtors net assets	12.31.2011 Assets before provisions	12.31.2011 Allowance for doubtful accounts	12.31.2011 Commercial debtors net assets
Current commercial debtors	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Current credit operations debtors	55,735,441	(1,506,570)	54,228,871	86,732,234	(1,516,817)	85,215,417
Other current debtors	9,490,143	-	9,490,143	11,711,426	-	11,711,426
Current commercial debtors	**65,225,584**	**(1,506,570)**	**63,719,014**	**98,443,660**	**(1,516,817)**	**96,926,843**
Current anticipated payments	1,523,188	-	1,523,188	1,641,953	-	1,641,953
Other current accounts receivable	11,047,217	(26,220)	11,020,997	8,902,000	(27,757)	8,874,243
Commercial debtors and other current accounts receivable	**77,795,989**	**(1,532,790)**	**76,263,199**	**108,987,613**	**(1,544,574)**	**107,443,039**
Non-current accounts receivable						
Non-current credit operations	6,840,645	-	6,840,645	7,175,559	-	7,175,559
Other non-current debtors	6,466	-	6,466	101	-	101
Non-current accounts receivable	**6,847,111**	**-**	**6,847,111**	**7,175,660**	**-**	**7,175,660**
Commercial debtors and other accounts receivable	**84,643,100**	**(1,532,790)**	**83,110,310**	**116,163,273**	**(1,544,574)**	**114,618,699**

Stratification of debtor portfolio by current and non-current credit operations	Number of clients	06.30.2012	Number of clients	12.31.2011
		ThCh$		**ThCh$**
Up to date non-securitized portfolio	5,074	-	1,518	-
Non-securitized portfolio between 01 and 30 days	35,752	53,419,453	35,875	83,238,264
Non-securitized portfolio between 31 and 60 days	305	264,460	390	344,270
Non-securitized portfolio between 61 and 90 days	279	224,347	336	526,403
Non-securitized portfolio between 91 and 120 days	256	189,819	242	429,241
Non-securitized portfolio between 121 and 150 days	235	57,294	226	360,202
Non-securitized portfolio between 151 and 180 days	353	372,744	192	149,929
Non-securitized portfolio between 181 and 210 days	257	447,467	141	141,115
Non-securitized portfolio between 211 and 250 days	340	146,621	206	148,033
Non-securitized portfolio more than 250 days	551	7,453,881	527	8,570,336
Total	**43,402**	**62,576,086**	**39,653**	**93,907,793**

	06.30.2012	12.31.2011
	ThCh$	**ThCh$**
Current comercial debtors	55,735,441	86,732,234
Non- current comercial debtors	6,840,645	7,175,559
Total	**62,576,086**	**93,907,793**

The change in the impairment of receivables between January 1 and June 30, 2012 and January 1 and December 31,2011 is presented below:

Item	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**
Initial balance	**1,544,574**	**1,225,556**
Bad debt expense	670,691	1,610,540
Use of provision	(551,645)	(1,368,084)
Increase (decrease) because of foreign exchange	(130,830)	76,562
Movement	**(11,784)**	**319,018**
Ending balance	**1,532,790**	**1,544,574**

NOTE 8 – INVENTORY

The composition of inventory balances is detailed as follows:

Description	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**
Raw materials	24,264,602	29,518,840
Merchandise	8,949,009	6,949,830
Production inputs	786,424	1,211,163
Products in progress	253,321	256,273
Finished goods	11,124,828	11,215,868
Spare parts	11,016,445	8,849,970
Other inventory	993,422	765,020
Obsolescence provision (1)	(1,367,307)	(1,280,306)
Balance	**56,020,744**	**57,486,658**

The cost of inventory recognized as a cost of sales totaled ThCh$313,996,688 and ThCh$273,315,590 at June 30, 2012 and 2011, respectively.

(1) The provision for obsolescence is primarily related to the obsolescence of parts classified as inventories and less finished goods and raw materials.

NOTE 9 – INCOME TAX AND DEFERRED TAXES

At the close of the period June 30, 2012, the Company had a taxable profits fund for ThCh$20,297,651, comprised of profits with credits for first category income tax amounting to ThCh$20,262,926 and profits with no credit amounting to ThCh$34,725.

9.1 Current tax assets

Current tax receivables break down as follows:

Item	06.30.2012	12.31.2011
	ThCh$	ThCh$
Monthly provisional payments	1,860,485	1,646,502
Tax credits (1)	1,399,166	817,064
Other tax assets	60,928	-
Total	**3,320,579**	**2,463,566**

(1) That item corresponds to income tax credits on account of training expenses, purchase of property, plant and equipment and donations.

9.2 Current tax liabilities

Current tax payables correspond to the following items

Item	06.30.2012	12.31.2011
	ThCh$	ThCh$
Income tax	1,270,727	3,459,329
Other	-	361,918
Balance	**1,270,727**	**3,821,247**

9.3 Tax expense

The current and deferred income tax expenses for the periods ended June 30, 2012 and 2011 are detailed as follows:

Item	06.30.2012	06.30.2011
	ThCh$	ThCh$
Current tax expense	12,674,424	12,818,651
Adjustment to current tax from the previous fiscal year	208,755	387,660
Other current tax expenses	472,839	529,908
Current tax expense	**13,356,018**	**13,736,219**
Deferred tax expenses	**2,827,916**	**1,807,524**
Income tax expense	**16,183,934**	**15,543,743**

9.4 Deferred taxes

The net cumulative balances of temporary differences created deferred tax assets and liabilities, which are shown below:

	06.30.2012		12.31.2011	
Temporary differences	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Property, plant and equipment	217,583	21,030,011	897,101	22,769,301
Impairment accrual	602,283	-	865,769	-
Employee benefits	1,339,814	-	1,462,239	-
Post-employment benefits	-	390,348	-	510,613
Tax losses (1)	1,295,975	-	705,861	-
Contingency provision	1,835,921	-	2,215,553	-
Foreign exchange rate difference (Brazilian debt)	-	9,572,524	-	11,698,815
Allowance for doubtful accounts	163,312	-	368,947	-
Tax income for inventory holding (Argentina)	980,059	-	1,066,527	-
Tax incentives	-	9,358,324	-	7,900,864
Other	1,305,644	1,159,582	478,230	426,124
Subtotal	**7,740,591**	**41,510,789**	**8,060,227**	**43,305,717**
Net Liabilities		**33,770,198**		**35,245,490**

(1) Corresponding to our subsidiary in Chile, Embotelladora Andina Chile S.A., which is in the start-up process of its manufacturing and commercial operations. Tax losses in Chile do not have an expiration date.

9.5 Deferred tax liability movement

Movement in deferred liability accounts is detailed as follows:

Item	06.30.2012	12.31.2011
	ThCh$	ThCh
Initial Balance	**35,245,490**	**35,600,739**
Increase in deferred tax liabilities	2,230,906	2,309,907
Sale of ownership interest in Vital S.A.	-	(947,445)
Decrease due to foreign currency translation	(3,706,198)	(1,717,711)
Movements	**(1,475,292)**	**(355,249)**
Ending balance	**33,770,198**	**35,245,490**

9.6 Distribution of domestic and foreign tax expenses

As of June 30, 2012 and 2011, domestic and foreign tax expenses are detailed as follows:

Income tax	06.30.2012	06.30.2011
	ThCh$	ThCh$
Current taxes		
Foreign	(10,963,827)	(10,387,544)
Domestic	(2,392,191)	(3,348,675)
Current tax expense	**(13,356,018)**	**(13,736,219)**
Deferred taxes		
Foreign	(2,508,513)	(2,467,032)
Domestic	(319,403)	659,508
Deferred tax expense	**(2,827,916)**	**(1,807,524)**
Income tax expense	**(16,183,934)**	**(15,543,743)**

9.7 Reconciliation of effective rate

Below is the reconciliation of tax expenses at the legal rate and tax expenses at the effective rate:

Reconciliation of effective rate	**06.30.2012**	**06.30.2011**
	ThCh$	**ThCh$**
Income before taxes	**52,256,860**	**58,349,942**
Tax expense at legal rate (18,5%)	**(9,667,519)**	**-**
Tax expense at legal rate (20%)	**-**	**(11,669,989)**
Effect of tax rate in other jurisdictions	**(5,890,906)**	**(5,402,399)**
Permanent differences:		
Non-taxable revenues	484,633	2,490,559
Non-deductible expenses	(605,284)	(394,580)
Other increases (decreases) in charge for legal taxes	(504,858)	(567,334)
Adjustments to tax expenses	**(625,509)**	**1,528,645**
Tax expense at the effective rate	**(16,183,934)**	**(15,543,743)**
Effective rate	**31.0%**	**26.6%**

Below are the income tax rates applicable in each jurisdiction where the Company does business:

	Rate	
Country	**2012**	**2011**
Chile	18.5%	20%
Brasil	34%	34%
Argentina	35%	35%

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

10.1 Balances

Property, plant and equipment are itemized below for the close of each fiscal period:

Item	Property, plant and equipment, gross		Cumulative depreciation and impairment		Property, plant and equipment, net	
	06.30.2012	12.31.2011	06.30.2012	12.31.2011	06.30.2012	12.31.2011
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Construction in progress	56,701,127	47,924,160	-	-	56,701,127	47,924,160
Land	33,258,642	34,838,977	-	-	33,258,642	34,838,977
Buildings	91,031,853	93,603,989	(27,160,960)	(28,249,427)	63,870,893	65,354,562
Plant and equipment	258,982,350	264,342,629	(151,456,403)	(155,026,259)	107,525,947	109,316,370
Information technology	8,762,009	11,416,373	(6,489,287)	(9,273,033)	2,272,722	2,143,340
Fixed facilities and accessories	29.665.507	29,878,815	(15,194,588)	(14,428,606)	14,470,919	15,450,209
Vehicles	4,685,634	4,871,319	(2,937,989)	(2,932,515)	1,747,645	1,938,804
Improvements to leased property	137,673	153,483	(121,938)	(129,503)	15,735	23,980
Other property, plant and equipment (1)	256.294.457	250,672,995	(176,853,734)	(177,598,930)	79,440,723	73,074,065
Item	**739,519,252**	**737,702,740**	**(380,214,899)**	**(387,638,273)**	**359,304,353**	**350,064,467**

(1) Other property, plant and equipment is composed of bottles, market assets, furniture and other minor goods. The net balance of each of these categories at June 30, 2012 and December 31, 2011 is detailed as follows:

Other property, plant and equipment	06.30.2012	12.31.2011
	ThCh$	ThCh$
Bottles	44,066,549	43,138,347
Marketing and promotional assets	22,778,205	23,218,456
Other property, plant and equipment	12,595,969	6,717,262
Total	**79,440,723**	**73,074,065**

The Company has insurance to protect its property, plant and equipment and its inventory from potential losses. The geographic distribution of those assets is detailed as follows:

Chile : Santiago, Puente Alto, Maipú, Renca, Rancagua and San Antonio
Argentina : Buenos Aires, Mendoza, Córdoba and Rosario.
Brasil : Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo and Vitoria.

10.2 Movements

Movements in property, plant and equipment are detailed as follows between January 1 and June 30, 2012 and January 1 and December 31, 2011:

For the period ended 06.30.2012	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**47,924,160**	**34,838,977**	**65,354,562**	**109,316,370**	**2,143,340**	**15,450,209**	**1,938,804**	**23,980**	**73,074,065**	**350,064,467**
Additions	19,649,996	-	515,610	6,441,113	461,760	14,326	126,311	-	22,792,479	50,001,595
Disposals	-	-	-	-	(37,001)	-	-	-	(25,655)	(62,656)
Transfers among property, plant and equipment	(4,614)	-	3,478	(54,224)	-	53,594	-	-	1,766	-
Transfers from works under construction	(9,790,255)	-	3,253,506	5,779,751	323,052	197,247	107,329	-	129,370	-
Depreciation expense		-	(899,191)	(8,877,468)	(457,380)	(1,055,231)	(193,687)	(6,160)	(12,265,406)	(23,754,523)
Increase (decrease) in foreign currency translation	(841,759)	(1,580,335)	(4,593,472)	(4,741,244)	(144,260)	(187,210)	(90,641)	(2,085)	(3,633,431)	(15,814,437)
Other increases (decreases)	(236,401)	-	236,400	(338,351)	(16,789)	(2,016)	(140,471)	-	(632,465)	(1,130,093)
Total movements	**8,776,967**	**(1,580,335)**	**(1,483,669)**	**(1,790,423)**	**129,382**	**(979,290)**	**(191,159)**	**(8,245)**	**6,366,658**	**9,239,886**
Ending balance	**56,701,127**	**33,258,642**	**63,870,893**	**107,525,947**	**2,272,722**	**14,470,919**	**1,747,645**	**15,735**	**79,440,723**	**359,304,353**

For the period ended 12.31.2011	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**23,506,510**	**36,523,803**	**62,981,926**	**77,875,846**	**2,069,335**	**16,284,154**	**1,870,048**	**44,923**	**70,325,635**	**291,482,180**
Deconsolidation of Vital S.A. because control was lost	-	(1,789,538)	(5,234,227)	(6,749,334)	-	-	-	-	(732,167)	(14,505,266)
Additions	52,845,762	(973)	2,076,108	30,838,285	601,044	45,516	499,615	-	31,524,654	118,430,011
Disposals	(13,506)	(120,727)	(762,174)	(17,571)	(185)	(30,395)	-	-	(49,852)	(994,410)
Transfers from works under construction	(28,409,020)	283,495	8,785,405	21,589,748	398,449	1,810,434	14,956	-	(4,473,467)	-
Depreciation expense	-	-	(2,022,571)	(13,713,542)	(931,282)	(1,117,400)	(379,172)	(21,250)	(20,650,320)	(38,835,537)
Increase (decrease) in foreign currency translation	(24,574)	(67,205)	(179,705)	(542,938)	6,023	26,995	(1,980)	307	(280,024)	(1,063,101)
Other increases (decreases)	18,988	10,122	(290,200)	35,876	(44)	(1,569,095)	(64,663)	-	(2,590,394)	(4,449,410)
Total movements	**24,417,650**	**(1,684,826)**	**2,372,636**	**31,440,524**	**74,005**	**(833,945)**	**68,756**	**(20,943)**	**2,748,430**	**58,582,287**
Ending balance	**47,924,160**	**34,838,977**	**65,354,562**	**109,316,370**	**2,143,340**	**15,450,209**	**1,938,804**	**23,980**	**73,074,065**	**350,064,467**

NOTE 11 – RELATED PARTY DISCLOSURES

Balances and transactions with related parties as of June 30, 2012 and December 31, 2011 are detailed as follows:

11.1 Accounts receivable:

11.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	06.30.2012	12.31.2011
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S. A.	Shareholder	Chile	Chilean peso	2,483,099	6,014,176
86.881.400-4	Envases CMF S. A.	Associate	Chile	Chilean peso	-	338,765
93.473.000-3	Embotelladoras Coca-Cola Polar S.A.	Related to shareholder	Chile	Chilean peso	131,994	66,052
		Total			**2,615,093**	**6,418,993**

11.1.2 Non-current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	06.30.2012	12.31.2011
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean peso	9,312	11,187
		Total			**9,312**	**11,187**

11.2 Accounts Payable:

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	06.30.2012	12.31.2011
					ThCh$	ThCh$
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Argentine peso	6,105,859	962,725
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Real	2,639,781	6,287,520
96.705.990-0	Envases Central S.A.	Associate	Chile	Chilean peso	1,340,598	2,200,977
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean peso	128,903	-
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Chilean peso	208,021	732,249
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Chilean peso	1,467,275	1,175,567
		Total			**11,890,437**	**11,359,038**

11.3 Transacciones:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 06.30.2012
						ThCh$
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Sale of raw materials	Chilean peso	3,268,632
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Purchase of finished products	Chilean peso	12,372,449
93.473.000-3	Embotelladoras Coca-Cola Polar S.A.	Related to shareholder	Chile	Sale of raw materials	Chilean peso	278,773
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	10,598,605
96.705.990-0	Envases Central S. A.	Associate	Chile	Sale of raw materials	Chilean peso	1,729,838
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean peso	70,634,710
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean peso	2,020,026
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	6,048,659
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	943,499
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	2,995,540
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Concentrate purchase	Real	40,239,867
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Reimbursement and other purchases	Real	2,445,882
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Advertising participation payment	Real	7,384,541
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Concentrate purchase	Argentine peso	29,128,126
Foregin	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Advertising rights, rewards and others	Argentine peso	1,426,958
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Collection of advertising participation	Argentine peso	3,186,521
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	48,712,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	47,079,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean peso	223,027
84.505.800-8	Vendomática S.A.	Related to director	Chile	Sale of finished products	Chilean peso	578,657
79.753.810-8	Claro y Cía.	Related to director	Chile	Legal Counsel	Chilean peso	348,413
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean peso	364,607

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2012
						ThCh$
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Sale of raw materials	Chilean peso	5,589,681
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Collection of loans	Chilean peso	3,102,400
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Purchase of finished products	Chilean peso	21,687,373
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Loan granted	Chilean peso	2,600,000
96.705.990-0	Envases Central S. A.	Associate	Chile	Purchase of finished products	Chilean peso	19,170,427
96.705.990-0	Envases Central S. A.	Associate	Chile	Sale of raw materials	Chilean peso	3,345,527
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean peso	66,279,629
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean peso	2,300,351
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of marketing services	Chilean peso	791,098
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	Chilean peso	6,147,836
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	10,574,791
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	1,294,064
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	6,191,936
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Concentrate purchase	Reales	83,833,396
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Reimbursement and other purchases	Reales	1,371,278
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Advertising participation payment	Reales	18,489,621
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Concentrate purchase	Argentine peso	50,482,708
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Advertising rights, rewards and others	Argentine peso	2,099,957
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Collection of advertising participation	Argentine peso	5,078,692
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investm,ents in time deposits	Chilean peso	723,921
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Bank loans	Chilean peso	3,498,249
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean peso	1,434,234
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Payment of bank loans	Chilean peso	3,498,249
84.505.800-8	Vendomática S. A.	Related to director	Chile	Sale of finished products	Chilean peso	1,330,544
79.753.810-8	Claro y Cía.	Related to director	Chile	Legal Counsel	Chilean peso	246,548
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean peso	355,460

11.4 Payroll and benefits of the Company's key employees

Salary and benefits paid to the Company's key employees, corresponding to directors and managers, are detailed as follows:

Full description	**06.30.2012**	**06.30.2011**
	ThCh$	**ThCh$**
Executive wages, salaries and benefits	2,604,657	1,670,631
Director allowances	552,000	552,000
Total	**3,156,657**	**2,222,631**

NOTE 12 – EMPLOYEE BENEFITS

As of June 30, 2012 and December 31, 2011, the Company had recorded reserves for profit sharing and for bonuses totaling ThCh$3,647,028 and ThCh$6,354,816 respectively.

This liability is shown in accrued other non-current non-financial liabilities in the statement of financial position.

The charge against income in the statement of comprehensive income is allocated between the cost of sales, the cost of marketing, distribution costs and administrative expenses.

12.1 Personnel expenses

Personnel expenses included in the statement of consolidated comprehensive income were:

Description	**06.30.2012**	**06.30.2011**
	ThCh$	**ThCh$**
Wages and salaries	49,639,223	39,631,815
Employee benefits	12,562,612	9,143,150
Severance and post-employment benefits	1,279,880	1,214,268
Other personnel expenses	2,879,273	2,263,700
Total	**66,360,988**	**52,252,933**

12.2 Post-employment benefits

This item represents the post employment benefits valued pursuant to Note 2.17.

Post-employment benefits	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**
Non-current provision	5,757,495	5,130,015
Total	**5,757,495**	**5,130,015**

12.3 Post-employment benefit movement

The movements of post-employment benefits for the period ended June 30, 2012 and the year ended December 31, 2011 are detailed as follows:

Movements	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**
Initial balance	**5,130,015**	**7,256,590**
Service costs	585,778	288,386
Interest costs	78,438	471,678
Net actuarial losses	705,626	1,310,764
Benefits paid	(742,362)	(4,197,403)
Ending balance	**5,757,495**	**5,130,015**

12.4 Assumptions

The actuarial assumptions used at June 30, 2012 and December 31, 2011 were:

Assumption	**2012**	**2011**
Discount rate (1)	6.2%	6.5%
Expected salary increase rate (1)	4.7%	5.0%
Turnover rate	6.6%	6.6%
Mortality rate (2)	RV-2009	RV-2009
Retirement age of women	60 años	60 años
Retirement age of men	65 años	65 años

(1) The discount rate and the expected salary increase rate are calculated in real terms, which do not include an inflation adjustment. The rates shown above are presented in nominal terms to facilitate a better understanding by the reader.

(2) Mortality assumption tables prescribed for use by the Chilean Superintendence of Securities and Insurance.

NOTE 13 – INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

13.1 Balances

Investments in associates recorded using the equity method are detailed as follows:

Taxpayer ID	Name	Country of Incorporation	Functional Currency	Investment Cost 06.30.2012	Investment Cost 12.31.2011	Percentage interest 06.30.2012	Percentage interest 12.31.2011
				ThCh$	ThCh$	%	%
86.881.400-4	Envases CMF S.A. (1)	Chile	Chilean Peso	17,607,680	16,824,399	50.00%	50.00%
93.899.000-K	Vital Jugos S.A. (1)	Chile	Chilean Peso	15,233,017	12,568,269	57.00%	57.00%
76.389.720-6	Vital Aguas S.A. (1)	Chile	Chilean Peso	2,934,608	2,952,050	56.50%	56.50%
96.705.990-0	Envases Central S.A. (1)	Chile	Chilean Peso	4,418,786	4,223,890	49.91%	49.91%
Foreign	Kaik Participacoes Ltda. (2)	Brasil	Reales	1,207,384	1,304,027	11.31%	11.31%
Foreign	Sistema de Alimentos de Bebidas Do Brasil Ltda. (2)	Brasil	Reales	9,253,204	9,766,182	5.74%	5.74%
Foreign	Holdfab2 Participacoes Societarias Ltda.	Brasil	Reales	10,990,967	12,652,149	36.40%	36.40%
	Total			**61,645,646**	**60,290,966**		

(1) In these companies, regardless of the percentage of ownership interest held, it has been defined that no controlling interest is held, only a significant influence, given that there is not a majority vote to make strategic business decisions.
(2) In these companies, regardless of the percentage of ownership interest, it has been defined that it has significant influence since it has the right to appoint directors.

13.2 Movement

The movement of investments in associates recorded using the equity method is shown below, for to the period ended June 30, 2012 and the year ended December 31, 2011:

Details	06.30.2012	12.31.2011
	ThCh$	ThCh$
Initial Balance	**60,290,966**	**50,754,168**
Incorporation of Vital Jugos S.A.	-	13,114,268
Capital increases in equity investees	2,380,320	4,527,000
Sale of 43% ownership interest in Vital Jugos S.A.	-	(6,188,675)
Dividends received	-	(2,786,957)
Share in operating income	1,459,285	2,541,186
Goodwill in sale of property plant and equipment to Envases CMF	42,633	85,266
Amortization Fair Value Vital Jugos S. A.	(51,650)	
Decrease in foreign currency translation	(2,493,180)	(621,861)
Capital decrease (return of capital) in Envases CMF S.A.	-	(1,150,000)
Other, nets	17,272	16,571
Ending balance	**61,645,646**	**60,290,966**

The main movements for the periods ended 2012 and 2011 are detailed as follows:

- A special shareholders meeting of Vital S.A., our subsidiary, held on January 5, 2011, approved a capital increase of ThCh$1,278,000, which was paid in full on January 7, 2011. It also approved changing the name of the company to Vital Jugos S.A.

- On January 21, 2011, our subsidiaries Andina Bottling Investments S.A. and Andina Inversions Societarias S.A. together sold a 43% ownership interest in Vital Jugos S.A. to Embotelladoras Coca-Cola Polar S.A., (15%) and Coca-Cola Embonor S.A. (28%), for an amount of ThCh$6,841,889. The fair value of the 43% sold was ThCh$6,188,675 resulting in a gain of ThCh$ 653,214 which is presented as other gains (losses) in the income statement.

- As a result of the transactions, the Andina group lost control of Vital Jugos S.A., given that despite maintaining 57% ownership, substantive participating rights exist on behalf of the other shareholders in that at least one vote is required from the rest of the bottlers of Coca-Cola system for decision-making of financial policies and operation of the business. Accordingly, beginning on January 21, 2011, Vital Jugos S.A., is treated as investments accounted for using the equity method, being excluded from the consolidation. The fair value of the 57% of Vital Jugos S.A. retained amounts to ThCh$13,144,268.

- Additionally, because of the loss of control of Vital Jugos S.A., the difference between the estimated fair value and the book value of the investment remaining in the Company's possession (amounting to ThCh$867,414) was recognized as of a component of "Share in profit (loss) of equity method investees" within the income statement, at December 31, 2012.

- During the year ended December 31, 2011, capital contribution were made to Vital Jugos S.A., for a total amount of ThCh$3,249,000. These amounts are included as a component of the “capital increases in equity investees” disclosed above.

- During 2011, Sucos del Valle do Brasil Ltda. changed its name to Sistema de Alimentos de Bebidas do Brasil Ltda. and merged with Mais Industrias de Alimentos S.A. that same year. Rio de Janeiro Refrescos Ltda. held an interest of 6.16% in both companies, but after the corporate restructuring, basically to capitalize income, that share fell to 5.74%.

- During the period ended June 30, 2011, the Company has received dividends from its equity investee, Envases CMF S.A. in the amount of ThCh$1,461,957. During 2012 said company has not distributed dividends.

- In accordance with Special Shareholders’ Meeting of Envases CMF S.A., held during December 2011, a capital reduction was agreed in the amount of ThCh$2,300,000, of which the Company shall receive ThCh$1,150,000, which was paid during the month of January 2012.

- In accordance with Special Shareholders’ Meeting of our equity investee, Vital Jugos S.A., held April 10, 2012, a capital increase was agreed in the amount of ThCh$6,900,000, with 60% of the increase being paid on May 15, 2012 and the balance thereof will be paid during the course of the year.

- At a Special General Shareholders’ Meeting of the Company held June 25, 2012, the following was approved:

  (1) A merger by incorporation of Embotelladoras Coca-Cola Polar S.A. into Embotelladora Andina S.A., the latter absorbing the first, acquiring all of its assets and liabilities and the latter becoming the successor of all its rights and obligations. The merger was approved on the basis of the values arising from accounting books and legal records of Embotelladora Andina S.A. and Embotelladoras Coca-Cola Polar S.A. as of March 31, 2012. The merger shall be perfected on the date that the representatives of Embotelladora Andina S.A. and Embotelladoras Coca-Cola Polar S.A. grant a deed declaring that the merger has materialized by both entities in the same terms. Said deed will deliver physically to Embotelladora Andina S.A. all assets and liabilities contained in the books, inventories and balance sheets of Embotelladoras Coca-Cola Polar S.A., as well as those acquired between that date and the date of realization of the merger, The same instrument shall establish the provisions and deliver the necessary statements and mandates to register under the name of Embotelladora Andina S.A. the goods forming part of the assets of Embotelladoras Coca-Cola Polar S.A. Such deed must be formalized within a period of 60 days following the date of registration of the issuance of shares necessary to carry out the merger in the securities register of the Superintendencia de Valores y Seguros (the Chilean Superintendence of Securities and Insurance) date which must not exceed October 31, 2012 as established by the Shareholders Meeting.

(2) Increase the Company's capital to Ch$270,759,000.000, divided into 473,289,368 Series A shares and 473,289,368 Series B shares, through the issuance of 186,304,194 shares, divided into 93,152,097 Series A shares and 93,152,097 Series B shares, which will be entirely allocated to the shareholders of Polar in the proportion corresponding to the share exchange ratio and understood that they are fully paid at the date on which the merger with Polar's equity materializes. The issuance of shares results from the exchange ratios established in the expert opinions also approved by the Shareholders Meeting held June 25, 2012.

(3) Increase the number of company Directors from 7 to 14, and eliminate the existence of alternate directors. In order to maintain the relative participation of the directors elected by series B shares in the Board, it was agreed that Series B shares are entitled to elect 2 Directors and Series A shares are entitled to elect 12 Directors.

13.3 Reconciliation of Income by Investment in Associates:

Details	06.30.2012	06.30.2011
	ThCh$	ThCh$
Equity in income of associates	1,459,285	1,763,250
Non-realized earnings in inventory acquired from associates and not sold at the end of period, presented as a discount in the respective asset account (containers and/or inventories))	(371,321)	(504,309)
Amortization of gain sale of property plant and equipment Envases CMF	42,633	42,633
Fair value amortization of Vital	(51,650)	-
Income Statement Balance	**1,078,947**	**1,301,574**

13.4 Summmary information of associate:

The attached table presents summarized information regarding the Company´s equity investees as of June 30, 2012:

	Envases CMF S.A.	Vital Jugos S.A.	Vital Aguas S.A.	Envases Central S.A.	Kaik Participacoes Ltda.	Sistema de alimentos de bebidas do Brasil Ltda.	Holdfab 2 Participacoes Societarias Ltda.
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Total assets	49,769,518	35,099,184	7,047,130	15,700,625	10,666,269	227,406,494	30,701,525
Total liabilities	13,019,363	9,717,160	1,853,134	6,319,863	329	66,200,847	503,011
Total revenue	22,165,573	24,311,988	6,158,572	16,751,213	-	21,108,833	-
Gain (loss) of associate	1,481,296	559,306	(30,872)	390,495	289,753	1,894,922	(956,550)
Reporting date	06/30/2012	06/30/2012	06/30/2012	06/30/2012	05/31/2012	05/31/2012	05/31/2012

NOTE 14 – INTANGIBLE ASSETS AND GOODWILL

14.1 Intangible assets not considered goodwill

Intangible assets not considered as goodwill as of the end of each period are detailed as follows:

	June 30, 2012			December 31, 2011		
Description	**Gross Amount**	**Cumulative Amortization**	**Net Amount**	**Gross Amount**	**Cumulative Amortization**	**Net Amount**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Water rights	514,310	(98,866)	415,444	526,342	(103,879)	422,463
Software	9,055,468	(8,302,561)	752,907	8,974,534	(8,258,140)	716,394
Total	**9,569,778**	**(8,401,427)**	**1,168,351**	**9,500,876**	**(8,362,019)**	**1,138,857**

The movement and balances of identifiable intangible assets are detailed as follows for the period January 1 to June 30, 2012 and January 1 to December 31, 2011:

	June 30, 2012			December 31, 2011		
Description	**Water rights**	**Software**	**Total**	**Water rights**	**Software**	**Total**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Initial balance	422,463	716,394	1,138,857	428,626	936,969	1,365,595
Additions	-	152,020	152,020	-	418,182	418,182
Amortization	(3,447)	(224,609)	(228,056)	(7,207)	(661,989)	(669,196)
Other increases (decreases)	(3.572)	109,102	105,530	1,044	23,232	24,276
Final balance	**415,444**	**752,907**	**1,168,351**	**422,463**	**716,394**	**1,138,857**

14.2 Goodwill

Movement in goodwill is detailed as follows:

Period ended June 31, 2012

Cash generating unit	01.01.2012	Additions	Disposals or impairments	Foreign currency translation difference – functional currency different from currency of presentation	06.30.2012
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Brazilian operation	41,697,004	-	-	(4,190,167)	37,506,837
Argentine operation	15,855,174	-	-	(1,285,448)	14,569,726
Total	**57,552,178**	-	-	**(5,475,615)**	**52,076,563**

Period ended December 31, 2011

Cash generating unit	01.01.2011	Additions	Disposals or impairments	Foreign currency translation difference – functional currency different from currency of presentation	12.31.2011
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Operación Brasilera	42,298,955	-	-	(601,951)	41,697,004
Operación Argentina	15,471,380	-	-	383,794	15,855,174
Total	**57,770,335**	-	-	**(218,157)**	**57,552,178**

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

	06.30.2012	12.31.2011
Current	ThCh$	ThCh$
Bank loans	16,253,832	8,689,670
Bonds payable	3,576,594	3,426,922
Deposits in guarantee	10,575,757	10,813,092
Forward contract obligations (see note 20)	-	163,718
Total	**30,406,183**	**23,093,402**
Non-current		
Bank loans	32,198,361	5,081,986
Bonds payable	68,982,862	69,559,417
Total	**101,181,223**	**74,641,403**

15.1.1 Bank loans, current

Indebted Entity Tax ID,	Indebted Entity Name	Indebted Entity Country	Creditor Entity Tax ID,	Creditor Entity Name	Creditor Entity Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Maturity Up to 90 days	Maturity 90 days up to 1 year	Total at 06.30.2012 ThCh$	Total At 12.31.2011 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación	Argentina	Argentine peso	Monthly	18.85%	18.85%	1,390,946	923,750	2,314,696	5,537,442
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario (1)	Argentina	Argentine peso	Monthly	14.80%	9.90%	289,064	782,380	1,071,444	739,966
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Francés	Argentina	Argentine peso	At maturity	14.75%	14.75%	42,123	5,499,255	5,541,378	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santa Fe	Argentina	Argentine peso	At maturity	12.00%	12.00%	4,429,636	-	4,429,636	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine peso	At maturity	11.00%	11.00%	2,604,123	-	2,604,123	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Real	Monthly	9.40%	9.40%	-	142,365	142,365	187,334
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean peso	At maturity	6.83%	6.83%	2,317	85,540	87,857	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Chilean peso	At maturity	6.80%	6.80%	-	62,333	62,333	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	6.25%	6.25%	-	-	-	1,827,000
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	8.88%	8.88%	-	-	-	397,928
											Total	**16,253,832**	**8,689,670**

15.1.2 Bank loans, non current

Indebted Entity Tax ID,	Indebted Entity Name	Indebted Entity Country	Creditor Entity Tax ID,	Creditor Entity Name	Creditor Entity Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Maturity 1 year up to 3 years ThCh$	Maturity 3 years up to 5 years ThCh$	Maturity More than 5 years ThCh$	Total at 06.30.2012 ThCh$	Total at 12.31.2011 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario(1)	Argentina	Argentine peso	At maturity	14.80%	9.90%	1,148,130	2,678,970	-	3,827,100	4,684,408
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Real	Monthly	9.40%	9.40%	285,451	-	-	285,451	397,578
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean peso	At maturity	6.83%	6.83%	10,250,000	-	-	10,250,000	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Chilean peso	At maturity	6.80%	6.80%	7,500,000	-	-	7,500,000	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-K	Banco Santander	Chile	Chilean peso	At maturity	6.85%	6.85%	10,335,810	-	-	10,335,810	-
												Total	**32,198,361**	**5,081,986**

(1) The Bicentennial loan granted at a prime rate by Banco de la Nacion Argentina to Embotelladora del Atlantico S.A. is a benefit from the Argentine government to encourage investment projects. Embotelladora del Atlantico S.A. registered investment projects and received this loan at a prime rate of 9.9% annually. The loan has been recorded in the financial statements at the fair value, i.e. using the market rate of 14.8% per annum. The interest differential of ThCh$ 473,375 is recorded as a component of the fixed asset balance and depreciated over its estimated useful life.

15.2.1 Bonds payable

	Current		Non-Current		Total	
Composition of bonds payable	**06.30.2012**	**12.31.2011**	**06.30.2012**	**12.31.2011**	**06.30.2012**	**12.31.2011**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Bonds (face rate interest)	3,826,843	3,674,408	71,210,025	71,877,478	75,036,868	75,551,886
Expenses of bond issuance and discounts on placement	(250,249)	(247,486)	(2,227,163)	(2,318,061)	(2,477,412)	(2,565,547)
Net balance presented in statement of financial position	**3,576,594**	**3,426,922**	**68,982,862**	**69,559,417**	**72,559,456**	**72,986,339**

15.2.2 Current and non-current balances

The bonds correspond to Series B UF bonds issued on the Chilean market. These instruments are further described below:

Bond registration or identification number	Series	Face amount	Unit of adjustment	Interest rate	Final maturity	Interest payment	Next amortization of capital	Par value 06.30.2012 ThCh$	Par value 12.31.2011 ThCh$
Bonds, current portion									
SVS Registration No, 254, 6/13/2001	B	3.298.646	UF	6.5	06.01.2026	Semi-annually	12/01/2012	3,826,843	3,674,408
Total current portion								**3,826,843**	**3,674,408**
Bonds, non-current portion									
SVS Registration No, 254, 6/13/2001	B	3.298.646	UF	6.5	06.01.2026	Semi-annually	12/01/2013	71,210,025	71,877,478
Total, non-current portion								**71,210,025**	**71,877,478**

Accrued interest included in the current portion of bonds totaled ThCh$ 397,934 and ThCh$400,661 at June 30, 2012 and December 31, 2011, respectively

15.2.3 Non-current maturities

	Series	Year of maturity 2013	2014	2015	2016	after	Total non-current 12.31.2011
		ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
SVS Registration 254, 6/13/2001	B	3,651,865	3,889,237	4,142,038	4,411,270	55,115,615	71,210,025

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating at June 30, 2012

AA + : Rating assigned by Fitch Chile
AA + : Rating assigned by Feller & Rate

15.2.5 Restrictions

The following restrictions apply to the issuance and placement of the Company's bonds on the Chilean market in 2001 for a total of UF 3,700,000. Of that amount, UF3,298,646.34 is outstanding:

- Embotelladora Andina S.A. must maintain a debt level in which consolidated financial liabilities do not exceed 1.20 times the consolidated equity. As defined in the debt agreements, consolidated financial liabilities will be considered to be current interest-accruing liabilities, namely: (i) Other financial liabilities, plus (ii) Other non-current financial liabilities. Total equity plus non-controlling interests will be considered consolidated Equity.

- Consolidated assets must be kept free of any pledge, mortgage or lien for an amount at least equal to 1.30 times the consolidated unsecured current liabilities of the issuer.

- The franchise of The Coca-Cola Company in Chile, called Metropolitan Region, must be maintained and in no way forfeited, sold, assigned or transferred to a third party. This franchise is for the elaboration, production, sale and distribution of Coca-Cola products and brands according to the bottlers' agreement or periodically renewable licenses.

- The territory now under franchise to the Company by The Coca-Cola Company in Argentina or Brazil, which is used for the preparation, production, sale and distribution of Coca-Cola products and brands, must not be forfeited, sold, assigned or transferred to a third party, provided such territory represents more than 40% of the adjusted consolidated operating flow of the Company.

The Company was in compliance with all financial covenants at June 30, 2012 and December 31, 2011.

15.2.6 Repurchased bond

In addition to UF bonds, the Company holds bonds issued by itself that it has repurchased in full through companies that are integrated in the consolidation:

Through its subsidiaries, Abisa Corp S.A. (formerly Pacific Sterling), Embotelladora Andina S.A. repurchased its Yankee Bonds issued on the U.S. Market during the years 2000, 2001, 2002, 2007 and 2008. The entire placement amounted to US$350 million, of which US$200 million are outstanding and are presented after deducting the long-term liability from the other financial liabilities item.

Rio de Janeiro Refrescos Ltda. holds a liability corresponding to a US$75 million bond issue expiring in December 2012, with semi-annual interest payments. At June 30, 2012 and December 31, 2011, those bonds were held in full by Abisa Corp S.A., (formerly Pacific Sterling). Consequently, the assets and liabilities relating to that transaction have been eliminated from these consolidated financial statements. Furthermore, that transaction has been treated as an investment by the group in the Brazilian subsidiary, so the effects of foreign exchange differences between the dollar and the functional currency of each of the entities have been charged to other comprehensive income.

15.2.7 Forward contract obligations

Please see the explanation in Note 20.

NOTE 16 – TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

a) Trade and other current accounts payable are detailed as follows:

Item	06.30.2012	12.31.2011
	ThCh$	ThCh$
Trade accounts payable	92,874,172	112,963,542
Withholdings	2,707,777	14,977,133
Others	89	97
Total	**95,582,038**	**127,940,772**

b) The Company maintains commercial lease agreements for forklifts, vehicles, properties and machinery. These lease agreements have an average duration of one to five years excluding the renewal option of the agreements. No restrictions exist regarding the lessee by virtue of these lease agreements.

Future payments of the Company´s operating leases are the following:

	06.30.2012
	ThCh$
Maturity within one year term	3,745,344
Maturity after a term of one year to less than five years	1,730,103
Total	**5,475,447**

Total expenses related to operating leases maintained by the Company as of June 30, 2012 and 2011 amounted to ThCh$3,782,343 and ThCh$3,566,117, respectively.

NOTE 17 – PROVISIONS

17.1 Balances

The balances of provisions recorded by the Company at June 30, 2012 and December 31, 2011 are detailed as follows:

Description	06.30.2012	12.31.2011
	ThCh$	ThCh$
Litigation (1)	6,543,364	7,970,835
Total	**6,543,364**	**7,970,835**
Current	114,502	87,966
Non-current	6,428,862	7,882,869
Total	**6,543,364**	**7,970,835**

(1) These provisions correspond mainly to provisions for probable losses due to fiscal, labor and trade contingencies based on the opinion of management after consultation with its legal counsel.

17.2 Movements

Movement in the main items included under provisions is detailed as follows:

	06.30.2012			12.31.2011		
Description	**Litigation**	**Others**	**Total**	**Litigation**	**Others**	**Total**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Initial Balance at January 1	**7,970,835**	**-**	**7,970,835**	**4,328,367**	**-**	**4,328,367**
Additional provisions		-		-	-	-
Increase (decrease) in existing provisions	183,551	-	183,551	4,370,851	-	4,370,851
Provision used (payment made) on account of the provision)	(818,717)	-	(818,717)	(702,552)	-	(702,552)
Increase (decrease) foreign exchange rate difference	(792,305)	-	(792,305)	(25,831)	-	(25,831)
Total	**6,543,364**	**-**	**6,543,364**	**7,970,835**	**-**	**7,970,835**

NOTE 18 – OTHER CURRENT AND NON-CURRENT NON-FINANCIAL LIABILITIES

Other current and non-current liabilities at each year end are detailed as follows:

Description	06.30.2012	12.31.2011
	ThCh$	**ThCh$**
Minimum dividend liability (30%)	-	8,766,572
Dividend payable	108,618	6,876,934
Employee remuneration payable	3,647,028	6,354,816
Accrued vacations	6,462,980	7,723,738
Other	270,100	892,423
Total	**10,488,726**	**30,614,483**

Current	10,280,591	30,341,479
Non-current	208,135	273,004
Total	**10,488,726**	**30,614,483**

NOTE 19 – EQUITY

19.1 Paid-in Capital

The paid-in capital of the Company totaled ThCh$230,892,178 as of June 30, 2012, divided into 760,274,542 Series A and B shares. The distribution and classification of these is detailed as follows:

19.1.1 Number of shares:

Series	Number of shares subscribed	Number of shares paid in	Number of voting shares
A	380,137,271	380,137,271	380,137,271
B	380,137,271	380,137,271	380,137,271

19.1.2 Capital:

Series	Subscribed Capital	Paid-in Capital
	ThCh$	ThCh$
A	115,446,089	115,446,089
B	115,446,089	115,446,089
Total	**230,892,178**	**230,892,178**

19.1.3 Rights of each series (*) :

- Series A: Elect 12 of the 14 directors (6 of 7 directors up until June 25, 2012)
- Series B: Receives an additional 10% of dividends distributed to Series A and elects 2 of the 14 directors (1 of 7 directors up until June 25, 2012)

(*) Amendments related to the election of Directors shall be evidenced once the agreement of the Shareholders Meeting held June 25, 2012 is legalized.

19.2 Dividend policy

According to Chilean law, cash dividends must be paid equal to at least 30% of annual net profits, barring a unanimous vote by shareholders to the contrary. If there is no net profit in a given year, the Company will not be legally obligated to pay dividends from retained earnings. At the April, 2011 Annual Shareholders Meeting, the shareholders authorized the Board of Directors to pay interim dividends during July and October 2011 and January 2012, at its discretion.

During 2012, the Shareholders' Meeting approved an extraordinary dividend payment against the retained earnings fund. It is not guaranteed that those payments will be repeated in the future.

Regarding Circular Letter N°1945 of the Chilean Superintendence of Securities and Insurance, the Company does not present any adjustments to be made in order to determine distributable net earnings to comply with minimum legal amounts.

Pursuant to Circular Letter N° 1,945 of the Chilean Superintendence of Securities and Insurance dated September 29, 2009, the Company's Board of Directors decided to maintain the initial adjustments of adopting IFRS as retained earnings for future distribution.

Retained earnings at the date of IFRS adoption amounted to ThCh$19,260,703, of which ThCh$4,508,434 have been realized at June 30, 2012 and are available for distribution as dividends in accordance with the following:

Concept	Event when amount is realized	Amount of accumulated earnings at 01.01.2009	Realized at 06.30.2012	Amount of accumulated earnings at 06.30.2012
		ThCh$	ThCh$	ThCh$
Revaluation of assets	Sale or impairment	12,538,123	(3,855,425)	8,682,698
Foreign currency translation differences of investments in related companies	Sale or impairment	6,393,518	-	6,393,518
Full absorption cost accounting	Sale of products	813,885	(813,885)	-
Post-employment benefits actuarial calculation	Termination of employees	929,560	(398,277)	531,283
Deferred taxes complementary accounts	Amortization	(1,414,383)	559,153	(855,230)
Total		**19,260,703**	**(4,508,434)**	**14,752,269**

The dividends declared and paid during 2012 and 2011 are presented below:

Dividend payment date		Dividend type	Profits imputable to dividends	Ch$ per Series A Share	Ch$ per Series B Share
2011	January	Interim	2010	8.50	9.35
2011	May	Final	2010	13.44	14.784
2011	July	Additional	Retained Earnings	50.00	55.00
2011	July	Interim	2011	8.50	9.35
2011	October	Interim	2011	8.50	9.35
2012	January	Interim	2011	8.50	9.35
2012	May	Final	2011	10.97	12.67
2012	May	Additional	Retained Earnings	24.30	26.73

19.3 Reserves

19.3.1 Legal and statutory reserves

In accordance with Official Circular No. 456 issued by the Chilean Superintendence of Securities and Insurance, the legally required price-level restatement of paid-in capital for 2009 is presented as part of other equity reserves and was accounted for as a capitalization from Other Reserves with no impact on net income or retained earnings under IFRS. This amount totaled ThCh$5,435,538 at December 31, 2009.

19.3.2 Foreign currency translation reserves

This corresponds to the conversion of the financial statements of foreign subsidiaries whose functional currency is different from the presentation currency of the consolidated financial statements. Foreign currency translation differences between the receivable held by Abisa Corp S.A. and owed by Rio de Janeiro Refrescos Ltda. are also shown in this account, which has been treated as an investment in Equity Investees (associates and joint ventures). Foreign currency translation reserves are detailed as follows:

Description	06.30.2012	06.30.2011
	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	(18,670,488)	12,623,818
Embotelladora del Atlántico S.A.	(22,627,102)	(21,208,900)
Foreign currency translation differences Abisa Corp.- Rio de Janeiro Refrescos Ltda.	(5,198,425)	(1,625,164)
Total	**(46,496,015)**	**(10,210,246)**

The movement of this reserve for the fiscal periods ended June 30, 2012 and 2011 respectively is detailed as follows:

Description	06.30.2012	06.30.2011
	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	(17,395,631)	11,299,108
Embotelladora del Atlántico S.A.	(3,554,907)	(1,501,989)
Foreign currency translation differences Abisa Corp.- Rio de Janeiro Refrescos Ltda.	(3,085,598)	1,575,060
Total	**(24,036,136)**	**11,372,179**

19.4 Non-controlling interests

This is the recognition of the portion of Equity and income from subsidiaries that are owned by third parties, The detail of this account at June 30, 2012 is as follows:

	Non-controlling Interests		
Description	**Percentage %**	**Shareholders' Equity**	**Income**
		ThCh$	**ThCh$**
Embotelladora del Atlántico S.A.	0.0209	7,873	1,098
Andina Inversiones Societarias S.A.	0.0001	34	1
Total		**7,907**	**1,099**

19.5 Earnings per share

The basic earnings per share presented in the statement of comprehensive income are calculated as the quotient between income for the year and the average number of shares outstanding during the same period.

The earnings per share used to calculate basic and diluted earnings per share at June 30, 2012 and December 31, 2011, respectively, is detailed as follows:

Earnings per share	06.30.2012		
	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	17,177,927	18,894,999	36,072,926
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**45.19**	**49.71**	**47.45**

Earnings per share	06.30.2011		
	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	20,383,785	22,421,308	42,805,093
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**53.62**	**58.98**	**56.30**

NOTE 20 – DERIVATIVE ASSETS AND LIABILITIES

The company held the following derivative liabilities at June 30, 2012 and December 31, 2011:

20.1 Currency forwards for highly probable expected transactions:

During 2010, the Company made agreements to hedge the exchange rate in the purchases of fixed assets in a foreign currency during 2011. Those agreements were appraised at the fair value, resulting in a net profit of ThCh$325,587 for the period ended at June 30, 2011. No such agreements were outstanding at December 31, 2011 and June 30, 2012. Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income

In 2012, 2011 and 2010, the Company made agreements to hedge the exchange rate in the purchases of raw materials and future flows in 2011 and 2012. The outstanding agreements totaled ThUS$90,000 at June 30, 2012 (ThUS$42,500 at December 31, 2011). Those agreements were appraised at the fair value, resulting in a net profit of ThCh$645,778 for the period ended at June 30, 2012 (net gain of ThCh$94,425 at June 30, 2011), and assets for derivative contracts of ThCh$490,741 were recognized at June 30, 2012 (liabilities of ThCh$163,718 at December 31, 2011). Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

Fair value hierarchy

The Company had a total assets related to its foreign exchange forward contracts of ThCh$490,741 and liabilities to ThCh$163,718 at June 30, 2012 and December 31, 2011, respectively, which are classified within the other current non-financial liabilities and are carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as Price) or indirectly (i.e. derived from a Price)

Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

During the reporting period ended June 30, 2012, there were no transfers of items between fair value measurements categories all of which were valued during the period using level 2.

	Fair Value Measurements at June 30, 2012			
-	Quoted prices in actives markets for Identical Assets ThCh$	Significant other observable inputs ThCh$	Significant unobservable Inputs ThCh$	Total ThCh$
Assets:				
Current assets				
Other current financial assets	-	490,741	-	490,741
Total assets	**-**	**490,741**	**-**	**490,741**

NOTE 21 – CONTINGENCIES AND COMMITMENTS

21.1 Lawsuits and other legal actions:

The Parent Company and its Subsidiaries face litigation or potential litigation, in and out of court, that might result in material or significant losses or gains, in the opinion of the Company's legal counsel, detailed as follows:

1) Embotelladora del Atlántico S.A. is a party to labor and other lawsuits: Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$1,037,117. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and Equity, based on the opinion of its legal counsel.

2) Rio de Janeiro Refrescos Ltda. is involved in current lawsuits and probable lawsuits regarding labor, tax and other matters. The accounting provisions to cover contingencies of a probable loss total ThCh$5,391,745. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the Company, based on the opinion of its legal counsel. As it is customary in Brazil, the Company has been required by the tax authorities to guarantee contingencies in the amounts of ThCh$20,445,118 at June 30, 2012 and ThCh$19,989,604 at December 31, 2011.

3) Embotelladora Andina S. A. is involved in tax, commercial, labor and other lawsuits. The accounting provisions to cover contingencies for probable losses because of these lawsuits total ThCh$103,204. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the company, in the opinion of its legal advisors.

On April 28, 2011 the Company was legally informed of an anti-competition lawsuit filed by the Chilean Fiscalía Nacional Económica ("Chilean National Economic Prosecutor", the FNE) before the Tribunal de Defensa de la Libre Competencia ("Chilean Anti-Competition Court", the TDLC) against Embotelladora Andina S.A. and Coca-Cola Embonor S.A. This lawsuit indicates that said companies would have violated the regulation of free competition by establishing a system of granting incentives in the traditional distribution channel since these points of sale do not advertise, exhibit and/or commercialize, in any manner, the so called "B-brands" or alternative soft drink beverages. This lawsuit ended on November 22, 2011, by approval of the Anti-competition Court of the terms of reconciliation proposed November 15, 2011 by the National Economic Prosecutor, Embotelladora Latinoamericana S.A., Embotelladora Castel Ltda., Industrial y Comercial Lampa S.A., Sociedad Comercial Antillanca Ltda., Coca-Cola Embonor S.A. and Embotelladora Andina S.A..

As a result of this agreement, the Company assumed certain commitments that included allowing 20% of space to be available to other brands in refrigerators provided by Embotelladora Andina S.A. at certain points of sale in the traditional channel where there are no other refrigerators, for a period of five years

The reconciliation agreement did not impose fines nor constitute an acknowledgement of liability in the anti-competition offenses.

21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets as of June 31, 2012 are detailed as follows:

Guarantee in favor of	Provided by: Name	Provided by: Relationship	Committed assets: Carrying amount	Committed assets: Type	Carrying amount	Balance pending payment on the closing date of the financial statements: 2012	Balance pending payment on the closing date of the financial statements: 2011	Date of guarantee release: 2012	Date of guarantee release: 2014
					ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Export	11,639	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Import	6,117	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Substitution for collateral	443	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Export	7,594	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Purchase of resin	887				
Banco Galicia	Embotelladora del Atlántico S.A.	Subsidiary	Financial Instruments (Mutual funds)	Derivatives transactions	709,278	-	-	-	-
Banco Galicia	Embotelladora del Atlántico S.A.	Subsidiary	Time deposit	Derivatives transactions	682,181	-	-	-	-
Poder Judiciario	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term asset	20,445,119	-	-	-	-
Tesorero Municipal de Renca	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	45,255		45,255	-
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	150,552		-	150,552

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's businesses are exposed to diverse financial risks: market risk (including foreign exchange rate risk, fair value interest rate risk and price risk). The Group's global risk management program concentrates on the uncertainty of financial markets and tries to minimize potentially adverse effects on the financial returns of the Group. The Group uses derivatives to hedge certain risks. Below is a description of the primary policies established by the Group to manage financial risks.

Interest rate risk

As of June 30, 2012, the Company carried all of its debt at a fixed rate. Consequently, the risk of fluctuations in market interest rates as compared to the Company's cash flows is low.

Notwithstanding the previous, the Company's most significant indebtedness comes for the issuance of Bonds that are denominated in Unidades de Fomento, which is indexed to the inflation in Chile). If the inflation in Chile would have reached 3% instead of 1.3% for the period January 01 to June 30, 2012, the Company's results would have decreased by ThCh$1,130,947.

Foreign currency risk

Sales revenues earned by the Company are linked to the local currencies of countries in which it does business, the detail of which is detailed as follows:

CHILEAN PESO	BRAZILEAN REAL	ARGENTINE PESO
31%	43%	26%

Since the Company's income is not tied to the US dollar, the policy of managing that risk, meaning the gap between assets and liabilities denominated in that currency, has been to hold financial investments in dollar–denominated instruments for at least the equivalent of the liabilities denominated in that currency.

Additionally and depending on market conditions, the Company's policy is also to make foreign currency hedge contracts to reduce the foreign exchange rate impact on cash outflows expressed in US dollars, corresponding mainly to payments made to raw material suppliers. In accordance with the percentage of raw material purchases that are indexed to the US dollar, if the currencies were to devalue by 5% in the three countries where the Company operates, it would generate a cumulative decrease in income at June 30, 2012 of ThCh$2,395,980

The exposure to conversion differences of subsidiaries abroad (Brazil and Argentina), because of the difference between monetary assets and liabilities (i.e., those denominated in a local currency and consequently exposed to foreign currency translation risk from translation from their functional currency to the presentation currency of the consolidated statements) is only hedged when it is predicted that material adverse differences could occur and when the cost associated with such hedging is deemed reasonable by management. For the period from January through June 2012, the Brazilian real and Argentine peso recorded average devaluations of 9.16% and 4.60%, respectively, regarding the presentation currency of the same period in 2011. If the Brazilian real and the Argentine peso regarding the presentation currency would have devalued 16.0% and 7.0% respectively, the effect on earnings would have been a decrease in the amount of ThCh$1,269,202. On the other hand, at equity level, this same scenario would cause the rest of the conversion of assets and liabilities accounts to decrease equity by ThCh$12,543,391.

Commodities risk

The Company faces a risk of price fluctuations in the international markets for sugar, aluminum and PET resin, which are inputs required to produce beverages and, as a whole, account for 35% to 40% of operating costs. Procurement and anticipated purchase contracts are made frequently to minimize and/or stabilize this risk. When warranted by market conditions commodity hedges have also been used. The possible effects that exist in the present consolidated integral statements of a 5% eventual rise in prices of its main raw materials, would be a reduction in our accumulated results as of June 30, 2012 of aapproximately ThCh$3,615,190.

Liquidity risk

The products we sell are mainly paid for in cash and short term credit, therefore our main source of financing comes from the cash flow of our operations. This cash flow has historically- been sufficient to cover the investments necessary for the normal course of our business, as well as the distribution of dividends approved by the General Shareholders' Meeting. Should additional funding be required for future geographic expansion or other needs, the main sources of financing to consider are: (i) debt offerings in the Chilean and foreign capital markets (ii) borrowings from commercial banks, both internationally and in the local markets where we have operations; and; (iii) public equity offerings.

The following table presents our contractual and commercial obligations as of June 30, 2011:

	Year of maturity				
Item	**2012**	**2013**	**2014**	**2015**	**2016 and more**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Short-term bank debt	16,652,637	32,015,176	1,618,009	1,426,710	930,960
Long term bank debt	4,075,102	8,150,202	8,150,203	8,150,204	85,577,140
Bonds payable	5,447,855	4,216,383	3,775,528	3,607,701	3,537,591
Purchase obligations	2,735,016	2,020,656	277,565	230,717	211,492
Operating lease obligations	28,910,610	46,402,417	13,821,305	13,415,332	90,257,183

NOTE 23 – OTHER OPERATING INCOME

Other operating income is detailed as follows:

Description	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	ThCh$	ThCh$	ThCh$
Gain on disposal of property, plant and equipment	233,898	581,912	178,740	520,340
Adjustment judicial deposit (Brazil)	462,601	251,355	197,582	130,706
Other	75,160	120,776	6,622	110,102
Total	**771,659**	**954,043**	**382,944**	**761,148**

NOTE 24 – OTHER MISCELLANEOUS OPERATING EXPENSES

Other miscellaneous operating expenses are detailed as follows:

Description	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	ThCh$	ThCh$	ThCh$
Tax on bank debits	2,113,452	1,415,940	1,063,295	644,337
Write-off of property, plant and equipment	264,609	-	-	-
Contingencies	851,529	574,314	381,819	325,888
Professional service fees	310,254	50,045	148,127	38,381
Loss on the sale of property, plant and equipment	613,906	138,853	498,388	122,012
Merger Andina-Polar (see note 13.2)	1,641,298	-	246,505	-
Other	493,482	718,877	124,185	645,389
Total	**6,288,530**	**2,898,029**	**2,462,319**	**1,776,007**

NOTE 25 – FINANCE INCOME AND COSTS

Finance income and costs break down as follows:

a) Finance income

Description	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Interest income	1,276,358	1,328,067	690,028	842,543
Other interest income	179,205	303,111	44,684	128,612
Total	**1,455,563**	**1,631,178**	**734,712**	**971,155**

a) Finance costs

Description	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Bond interest	2,547,076	2,552,413	1,273,287	1,284,318
Bank loan interest	1,104,041	552,852	731,353	250,735
Other interest costs	396,876	520,223	212,865	294,790
Total	**4,047,993**	**3,625,488**	**2,217,505**	**1,829,843**

NOTE 26 – OTHER INCOME AND EXPENSES

Other gains and losses are detailed as follows:

Description	01.01.2012 06.30.2012	01.01.2011 06.30.2011	04.01.2012 06.30.2012	04.01.2011 06.30.2011
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Profit on the sale of shares in Vital S.A.	645,778	420,012	902,362	193,842
Gain (loss) derivatives transactions	-	653,214	-	-
Expenses at new Renca Plant	(400,453)		(343,365)	-
Other income and outlays	-	(673,570)		(406,862)
Total	(4,333)	(256,877)	(1,734)	(235,490)
Description	**240,992**	**142,779**	**557,263**	**(448,510)**

NOTE 27 – THE ENVIRONMENT

The Company has made disbursements totaling ThCh$1,473,208 for improvements in industrial processes, equipment to measure industrial waste flows, laboratory analyses, consulting on environmental impacts and other.

These disbursements by country are detailed as follows:

	Period 2012		Future commitments	
Country	Recorded as expenses	Capitalized to property, plant and equipment	Recorded as expenses	Capitalized to property, plant and equipment
	ThCh$	ThCh$	ThCh$	ThCh$
Chile	220,227	90,733	136,367	56,000
Argentina	343,286	11,119	570,015	116,166
Brasil	578,782	229,061	669,398	3,979,832
Total	**1,142,295**	**330,913**	**1,375,780**	**4,151,998**

NOTE 28 – SUBSEQUENT EVENTS

The agreement of merger between Embotelladora Andina S.A. and Embotelladoras Coca-Cola Polar S.A. held that for the transaction to take place shareholders representing more than 5% of the shares with voting rights not exercise a right to withdrawal. The deadline for the right to withdrawal resulting from the approval of the merger by incorporation of Embotelladoras Coca-Cola Polar S.A. into Embotelladora Andina S.A., agreed at the Special General Shareholders' Meeting held on June 25, 2012, was July 25, 2012. The percentage of shareholders who exercised the right to withdrawal amounted to 0.00002% of the Series A and 0.0021% of the Series B, which results in a payment to said shareholders of ThCh$21,725. Accordingly, Embotelladora Andina S.A. has complied with one of the requirements for the merger and can move forward with this process.

Except as noted above, there are no financial or other matters have occurred between the end of the period reported and the date of preparation of these financial statements that could significantly affect the assets, liabilities, and/or results of the Company.