Annual Report 2012

Coca-Cola ANDINA

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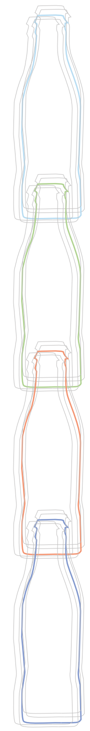
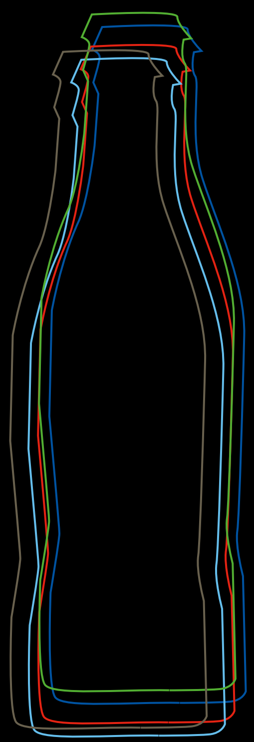
2012 Annual Report

Coca-Cola ANDINA





Our Company

Merger Andina-Polar

The merger of Embotelladoras Coca-Cola Polar and Embotelladora Andina materialized on October 1, 2012.

Coca-Cola Andina becomes the 2nd Coca-Cola bottler in South America and the 7th bottler in the world.

At a Special General Shareholder's meeting of Embotelladora Andina S.A. ("Andina") held June 25, 2012, the merger by absorption of Embotelladoras Coca-Cola Polar S.A. ("Polar"), and Andina was approved. On September 28, 2012 Andina and Polar signed the deed materializing the merger of their operations, in which they declared the merger materialized and perfected as of October 1, 2012. This operation allows Andina to consolidate its leadership position in the business of bottling products licensed by The Coca-Cola Company in the Southern Cone and generate opportunities for growth and value creation for its shareholders and employees. Consequently, Andina becomes the second Coca-Cola bottler in South America and the seventh bottler in the world, with operations in Argentina, Brazil, Chile and Paraguay. The operation materialized through a merger by absorption and an exchange of new shares issued by Andina, at a ratio of 0.33268606071 Andina Series A shares and 0.33268606071 Andina Series B shares for each share of Polar. The final process of exchange of shares took place on October 16, 2012.

Message from the Chairman of the Board

The stock market rewarded the Company's performance which led to significant increases in the price of our shares.

COST SAVINGS

SOLID VOLUME GROWTH

PROCESS INTEGRATION

NEW IDENTITY COCA-COLA ANDINA

PRIME TEAM OF COLLABORATORS

GREAT FUTURE CHALLENGES

MODERN PLANT IN RENCA

ABSORPTION OF COCA-COLA POLAR

On behalf of the Board of Directors that I preside, it is my pleasure to present to you the 2012 Annual Report. 2012 was a year marked by a major transformation in the company as a result of our merger with Coca-Cola Polar and the start-up of our new plant in Renca.

We sold 596 million unit cases, indicative of a proforma growth of 8.6%. Revenues totaled $1,172 billion, a proforma increase of 8.2%. EBITDA was $208 billion, increasing a proforma 3.5%. The year's results were adversely affected by a 13.9% depreciation of the Brazilian real compared to the Chilean peso (average for the year), which had a heavy impact on the conversion to pesos of the income from our Brazilian operation. The stock market rewarded both the company's performance and its good outlook, which led to significant increases in the price of our shares during 2012.

Andina's volumes grew solidly in the four countries where it does business despite Chile being the only country with a good-performing economy.

The **Chilean** economy grew 5.6% in 2012. The job market was very dynamic, so unemployment was low (the year ended at 6.1%). Inflation was just 1.5 percent, while growth was led by investment that rose 8.6%. Private spending grew a healthy 5.8%. As a consequence of the good terms of trade, the exchange rate remained below CLP$500 most of the year, which was good for us since a significant portion of the raw materials that we use are transacted in dollars. In this context, Andina's volumes rose a proforma 6.1%, leveraged by the launching of our 3-liter returnable bottle at the end of 2011 and a 22.5% growth in juices.

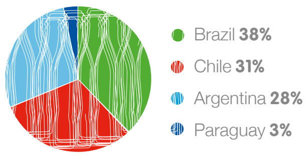
In **Argentina**, the proforma volume growth was 10.4%. There was a high growth in all categories and 1.3 market share points were gained in soft drinks. These results were attained in a setting where GDP grew just 2.0% and where inflation remained at high levels, close to 25%. The exchange rate depreciated an average of 10.2% in the year compared to the dollar and we expect the Argentine peso to continue devaluating more quickly during 2013.

The **Brazilian** economy behaved below market expectations, growing just 1%, while private spending grew 3%. However, unemployment remained low, below 6%, which encourages the consumption of our products. Andina's sales were greatly dynamic, seen in a 9.7% growth in our volumes in 2012, gaining 1.7 market share points in soft drinks, partly because of an improvement in market execution.

The **Paraguayan** economy contracted around -1.2% in 2012, the result of a drought and an outbreak of foot-and-mouth disease detected in late 2011 that caused markets for Paraguayan beef to close. Private spending barely rose 1%. This cycle is expected to be reversed in 2013 and GDP growth is estimated to reach 8%. Despite the negative economic scenario, volumes rose 4.9% as a whole in 2012, where juices (+46%) and water (+17%) performed the best.

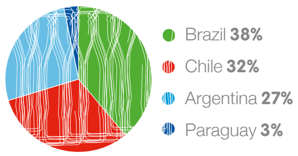
The year was marked, for **Coca-Cola Andina**, by **the merger with Coca-Cola Polar**, which finally culminated on October 1st by an exchange of shares. Coca-Cola Polar has been a Coca-Cola bottler for 41 years and operates franchises in Paraguay, part of Chile (2nd, 3rd 4th, 11th and 12th Regions) and the south of Argentina (provinces of Santa Cruz, Neuquén, Chubut, Tierra del Fuego, Río Negro, La Pampa and the western zone of the province of Buenos Aires). It supplies a total of 11.2 million inhabitants. Polar's 2011 sales totaled 144.9 million unit cases, generating revenues of CLP$294.8 billion.

The merger with Coca-Cola Polar required arduous and meticulous work in 2012 to define the new organizational structures, especially for operations where there were opportunities to identify and capitalize on the synergies. We also progressed in integrating processes and building a new identity as Coca-Cola Andina. We worked on creating a corporate-wide organizational culture that will be part of the basis for our growth. People development and the integrated identification of our company continue to be fundamental pillars in the Andina 2020 strategy, and we are confident that this process will extend to all our subsidiaries, including those added by the merger.



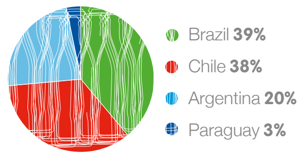
596 million unit cases

volume



US$2,410 million

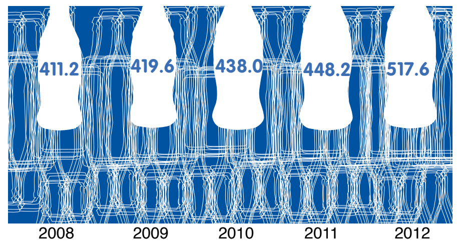
sales



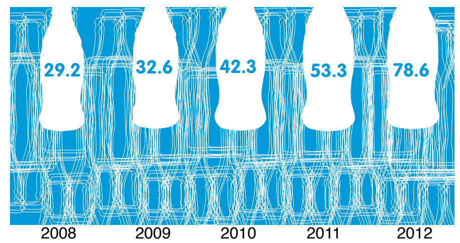
US$427 million

ebitda

soft drinks



juices & others, waters, beer



consolidated sales volume evolution[1] (million unit cases)

[1] Includes soft drinks, waters, juices and others sold in Andina's franchise for the years 2007-2010. For the years 2011 and 2012 we include sales to other bottlers. Additionally, 2012 figures incorporate 4th quarter volumes for the operation of ex-Coca-Cola Polar and Joint Ventures (Vital Jugos, Vital Aguas and Envases Central)

In October, we also acquired 40% of Sorocaba Refrescos through our Brazilian subsidiary. This is a Coca-Cola bottler located in the State of Sao Paulo that supplies 2.3 million people. In 2011, 37 million unit cases were sold. It was a US$73 million transaction, representing an important step towards consolidating our position in the Coca-Cola system in Brazil.

Another 2012 milestone was the inauguration of our new plant in Renca, Santiago, which required an investment of close to US$180 million. The new plant has 10 lines, 4 of which are state-of-the-art, and will increase our installed capacity by more than 40%. It has 30 LGV cranes that work in 9 of the 10 production lines. The finished product warehouse can be managed automatically, which helps keep the warehouse orderly and controlled. More than 500 guests, including Mr. Muhtar Kent, CEO of The Coca-Cola Company, and important authorities of Chile, attended the inaugural event.

US$11 million were invested in **Argentina** in 2012 in a new PET line that is already operative. US$17 million were also invested in a juice Hot Fill line that will begin to operate in the second quarter of 2013, and into a second Tetra Pak line that is already operative. Notable is our investment in a liquid sugar processing plant which began operating during the last quarter of 2012. As a result, we can now use raw sugar in our processes, which significantly reduces our costs.

The main investment in **Brazil** in 2012 was a returnable PET bottle line (US$21 million), which began operating in December 2012 and will enable us to reach our consumers with more accessible prices. Progress was made in internalizing distribution as 160 trucks were purchased, which will result in significant cost savings.

Finally, in **Paraguay**, a franchise incorporated to Andina's operation following the merger with Coca-Cola Polar on October 1st, total investments in the year 2012 were US$39 million. The main investments were US$11 million for the installation of a new production line for PET products, and US$10 million for cooling equipment, thus generating coverage of 53% of the total number of our customers.

The launching of new products also marked 2012. In our ongoing search to satisfy our consumers' needs, we launched a new tea brand, Fuze, and the "Sabores Caseros" (homemade flavors) beverage of Andina in **Chile**. In **Argentina**, we launched our Bonaqua mineral water. As indicated earlier, we began to produce and sell Coca-Cola in PET 2-liter returnable bottles in **Brazil**, and added the Coca-Cola 3-liter PET bottle in **Paraguay** as well as a change in the visual identity of our Dasani water.

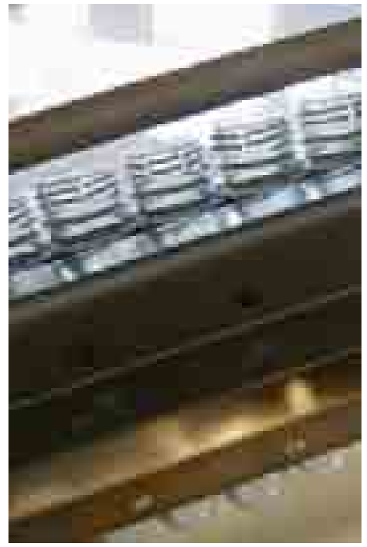
As we look towards the future, we see that we will be facing great challenges that we will confront with the energy and responsibility that characterize Coca-Cola Andina. We have a prime team of collaborators with ample experience in the business. This, and the support of The Coca-Cola Company, will help us continue to increase volumes, improve productivity and cultivate our relationship with the communities where we do business.

Juan Claro G.
Chairman of the Board of Directors

Coca-Cola Andina was born of the merger between Embotelladora Andina and Embotelladoras Coca-Cola Polar during the fourth quarter of 2012.

Coca-Cola Andina is among the seven largest Coca-Cola bottlers in the world, servicing franchised territories with almost 50 million people, delivering during 2012 more than 3.3 billion liters of soft drinks, juices, and bottled waters. Coca-Cola Andina has the franchise to produce and commercialize Coca-Cola products in certain territories of Argentina, Brazil, and Chile and in all of Paraguay. The Chadwick Claro, Garcés Silva, Hurtado Berger, Said Handal and Said Somavía families control Coca-Cola Andina in equal parts.

Consolidated Financial Highlights



Million nominal Chilean pesos, except for EOP share price

	IFRS			Chilean GAAP[1]	
	2012*	2011	2010	2009	2008
Net Sales	1,172,293	982,864	888,714	785,845	847,301
Operating Income	154,164	142,424	149,234	133,123	138,677
Net Income	88,269	97,027	103,600	97,985	94,836
EBITDA	207,988	181,922	186,248	169,929	176,734
Total Assets	1,539,836	741,959	695,206	648,945	602,957
Financial Debt	265,531	89,324	83,219	77,418	86,257
Shareholders' Equity	893,605	421,979	394,865	373,558	346,249
EOP price Andina A (Ch$)	2,437	1,850	1,920	1,440	1,175
EOP price Andina B (Ch$)	3,012	2,270	2,369	1,737	1,425
EOP price AKO A (US$)	29.94	20.85	23.80	16.82	10.52
EOP price AKO B (US$)	37.97	25.94	30.20	20.49	13.72

[1] Figures in Chilean GAAP are also expressed in nominal pesos of each year
* Includes figures of ex-Coca-Cola Polar only for the 4th quarter of 2012


ENVASE RETORNABLE
Coca-Cola

History

Since the 1940's until today

In 1946 Embotelladora Andina is established with the license to produce and distribute Coca-Cola products in Chile.

Coca-Cola Andina is among the seven largest Coca-Cola bottlers in the world, servicing franchised territories with almost 50 million people.

'40

In 1946 Embotelladora Andina is established with the license to produce and distribute Coca-Cola products in Chile. Transition from the individual bottle towards the 24-bottle case (today known as "unit case").

'60

In 1960 The San Joaquín Plant is inaugurated in Santiago. The Company acquires a 45% ownership interest in Embotelladora Concepción.

'70

In 1974 the Company acquires an additional 46% in Embotelladora Concepción. In 1975 the Company acquires a 34% ownership interest in Embotelladora Talca. In 1978 Termas Mineral de Chanqueahue and the brand Agua Mineral Vital are purchased. The Company increases to 80% its ownership interest in Embotelladora Talca. The Journalism Award is established with the spirit of recognizing the journalist who stands out for the ethical and professional quality of his job. In 1979 operations begin at the Chanqueahue Vital production facility in Rengo and Embotelladora Concepción in Temuco.

'80

Launch of the PET non-returnable 2-lt bottle. In 1981 the plastishield format is introduced in Chile, the most modern non-returnable format in the world. Launch of diet soft drinks, TAB and Sprite Light. In 1982 Andina sells its ownership interest in Embotelladora Talca and Embotelladora Concepción to Sociedad de Inversiones Williamson. In 1984 launch of Diet Coca-Cola. In 1985 Inversiones Freire acquires control over Andina. In 1986 sale of the bottling facility in Viña del Mar.

'90

In 1991 Envases Multipack in the packaging business begins operations. In 1992 Vital is born and dedicated to the business of juices and mineral waters in Chile. Andina acquires a minority ownership in INTI, a Coca-Cola product bottling Company in Córdoba, Argentina. In 1994 placement of 7,076,700 American Depositary Receipts (ADRs) on the NYSE, collecting US$127 million. Entrance to the Brazilian market begins with the acquisition of Rio de Janeiro Refrescos, bottling Company located in the city of Rio de Janeiro, with a bottling facility in Jacarepaguá. In 1995 Envases Central begins operations. Greater presence in the Argentine market with the acquisition of Embotelladora del Atlántico, controller of the Coca-Cola bottling facilities for the franchises of Rosario and Mendoza. In 1996 a 49% ownership interest of Vital is sold to The Coca-Cola Company along with the brands: Kapo, Andina and Vital. Expansion into Argentina continues, acquiring an additional 36% ownership interest in Embotelladora del Atlántico (EDASA), an additional 79% in INTI (today merged with EDASA), 100% of Complejo Industrial PET in Buenos Aires (dedicated to the packaging business), and a 15% of Cican, a Coca-Cola product canning facility. The Coca-Cola Company enters into Andina's ownership with an 11% stake. In 1997 stock split creating series A & B shares. An additional 5% stake in EDASA is acquired. US$350 million issue in Yankee Bonds in tranches of 10, 30, and 100 years. In 1998 Andina repurchases the 49% stake that The Coca-Cola Company held in Vital but The Coca-Cola Company remains with ownership of all brands.

In 2012 change of corporate image to Coca-Cola Andina.

In 1999 inauguration of the Montecristo production facility in Córdoba, Argentina.

2000

Acquisition of the Brazilian Coca-Cola bottler for Niteroi, Vitoria and Governador Valadares. In 2001 Joint Venture between Multipack and Crowpla creating the new Company Envases CMF for the packaging business. Andina issues UF 7,000,000 in bonds (7 and 25 years). Tender Offer for the partial repurchase of bonds issued in the US market. In 2002 EDASA concentrates all productive operations at the Montecristo production facility in Córdoba and shuts down the Mendoza and Rosario plants. In 2003 EDASA takes control over CIPET. Andina is awarded the "Carlos Vial Espantoso" award, which distinguishes the most relevant Chilean Company in terms of labor relations and with more dedication to human capital. In 2004 franchise swap between Rio de Janeiro Refrescos and a subsidiary of The Coca-Cola Company in the State of Minas Gerais for the franchise of Nova Iguaçu located in the State of Rio de Janeiro. Series B shares of Andina become eligible as investment instruments for the Chilean Pension Funds (Series A shares have always been eligible investment instruments). In 2005 Vital is divided into two companies, creating Vital Aguas. Hence, Vital exclusively develops the juice and other non-carbonated beverage business and Vital Aguas, along with the other Coca-Cola bottlers in Chile develops the water business. In 2006 the Company obtains the 2005 National Award for Quality and Competitiveness, distinction given by the Presidency of the Republic of Chile. Andina is the first Company in the mass consumption sector to obtain this award. In 2007 Andina inaugurates Maipú and Puente Alto Distribution Centers in Santiago. The Coca-Cola Company along with the Coca-Cola bottlers in Brazil create a Joint Venture, Mais Indústria de Alimentos, in order to enhance the non-carbonated business for the entire System in that country. In 2008 Andina incorporates the Benedictino brand to its water portfolio in Chile. Acquisition in Brazil through the Mais joint venture of the Sucos del Valle brand, leader in the juice segment in this market. In 2009 Andina commemorates its 15th Anniversary of listing on The New York Stock Exchange. In Argentina we received the National Award for Quality, the highest recognition granted to private companies and public organizations. In 2010 Andina significantly increases production and distribution capacity in the three franchises. In 2011 Andina commemorates 65 years and the new bottling facility in Chile begins operations. The juice business is restructured and Vital becomes Vital Jugos, a joint venture with the other Coca-Cola bottlers in Chile. In 2012 materialization of the merger with Embotelladoras Coca-Cola Polar and acquisition of 40% of Sorocaba Refrescos in Brazil. Change of corporate image to Coca-Cola Andina.

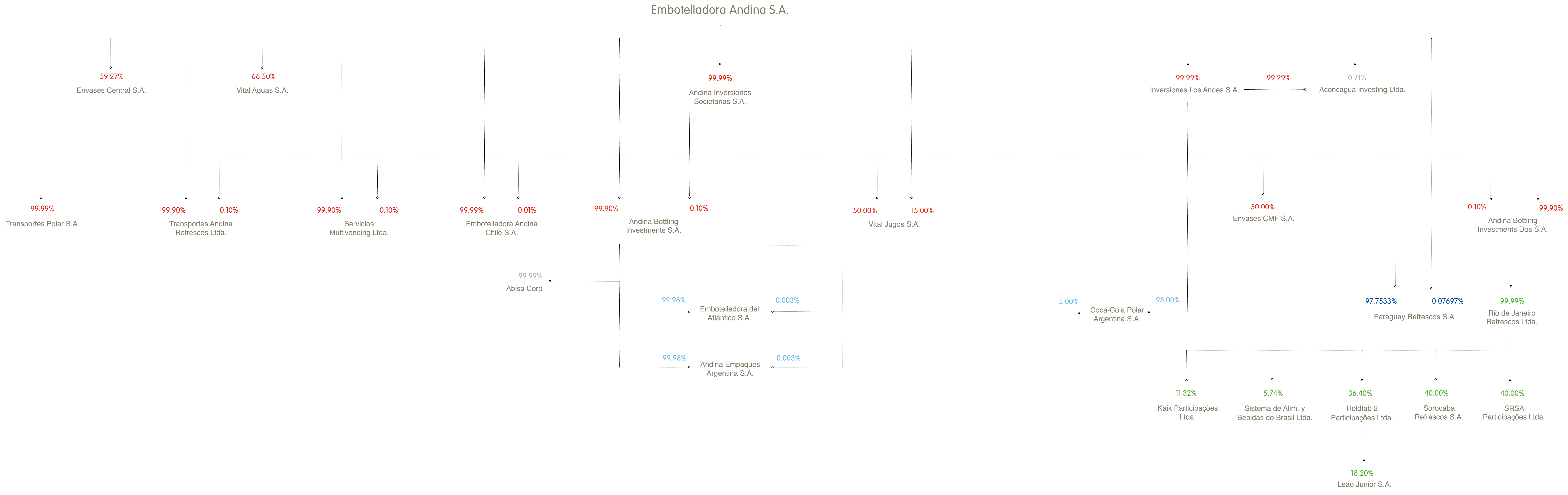
Deeds of Incorporation

Embotelladora Andina S.A. is an open stock corporation, incorporated by means of a public deed dated February 7, 1946, before the Notary Public of Santiago, Mr. Luciano Hiriart Corvalán. An abstract of the Company's bylaws is registered on page 768, N° 581 of the Santiago Registry of Commerce of 1946, and was published in the Official Daily Newspaper issue N° 20,413 dated March 25, 1946.

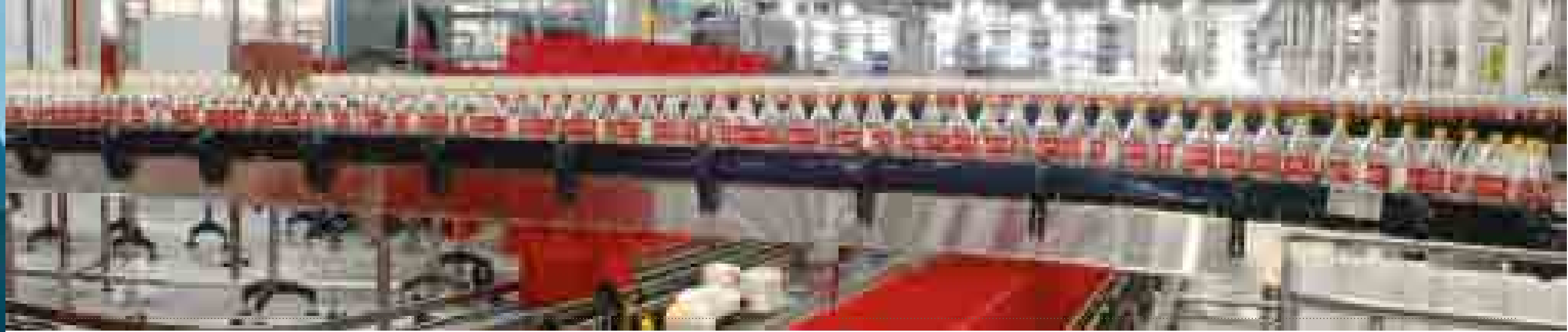
The Chilean Treasury Department, upon Decree N°1,364 of March 13, 1946, which is registered on page 770 N°582 of the Santiago Registry of Commerce of 1946, approved the Company's bylaws, authorized its creation, and declared it duly incorporated.

The latest amendment to the Company's bylaws was approved at the Special General Shareholders' Meeting held June 25, 2012. The minutes thereof were brought into a public deed dated July 12, 2012 before the Notary Public of San Miguel, Ms. Patricia Donoso Gomien. An abstract thereof is registered on page 49151 N°34479 of the Santiago Registry of Commerce of 2012, and was published in the Official Daily Newspaper dated August 1, 2012.

Company Structure



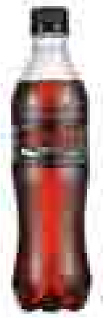
Argentina
Brazil
Chile
Paraguay
British Virgin Islands



Corporate Governance

The Company's Board of Directors is advised by an Executive Committee

MORE INFORMATION AVAILABLE ON OUR WEBSITE WWW.KOANDINA.COM



A Board of Directors[1], whose members are proposed and elected every three years by the General Annual Shareholders' Meeting, controls Andina's management. Board members are elected by separate voting of the Series A and Series B shareholders as follows: holders of Series A shares elect 12 Directors and holders of Series B shares elect 2 Directors. The Directors may or may not be shareholders, and will hold their offices for three years with the possibility to be re-elected for an indefinite number of periods.

The Company has an Executive Committee which was established by unanimous agreement of the Board of Directors of the Company at its session held on April 22, 1986, and its duty is to supervise the Company's general business and the control of operations on a permanent basis and through periodic sessions, and to propose guidelines concerning the administration of the Company's business. The members of the Executive Committee of the Board of Directors of Embotelladora Andina S.A. are the following directors: Eduardo Chadwick Claro, Arturo Majlis Albala, José Antonio Garcés Silva (junior), Gonzalo Said Handal and Salvador Said Somavía, who were elected during regular Board session N°1078 on July 31, 2012. The Chairman of the Board, Mr. Juan Claro Gonzalez and the Chief Executive Officer, Mr. Miguel Ángel Peirano, are also members of this committee, who participate by own right. This Committee meets permanently throughout the year normally holding three or four sessions a month.

Even though the Company has not established a formal process that allows its shareholders to communicate with the directors, shareholders desiring to do so may manifest their opinions, considerations or recommendations before or during the Shareholders' Meeting which will be heard and attended by the Chairman of the Board, or by the Chief Executive Officer of the Company, and any such recommendations will be submitted for the consideration of shareholders in attendance during the Meeting. Andina has not defined a formal policy with respect to the attendance of the directors at the Meeting, but it is customary for them to attend voluntarily. Likewise, Andina does not have a policy that is different from what is required by Chilean Law with respect to the nomination of a shareholder as a candidate to be a member of the Board of Directors of the Company. Consequently, any interested shareholder may attend a Meeting to propose a specific candidate as director when an election is to take place.

In accordance to Chilean Law, Andina is not required to have a Directors' Nominating Committee, as in other countries.

Further information regarding Corporate Governance matters and the difference with U.S. standards are included in our 20-F Form filed with the SEC every year, and on our website www.koandina.com.

[1] For the period ended December 31, 2012, the Board of Directors incurred in Ch$106.6 million for advisory expenses, primarily related to the review of the Company's strategic plan.

[1]The main expenses incurred by the Directors' Committee have been those resulting from counseling and research. During 2012 these expenses amounted to Ch$8.1 million.

The Directors' Committee and the Audit Committee fulfill among others, with financial oversight roles.

[2]The main expenses incurred by the Audit Committee have been those resulting from counseling on tax matters. During 2012 these expenses amounted to Ch$17.1 million.

Directors' Committee[1]

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance to the dispositions of Circular N°1956 and Circular N°560 of the Chilean Superintendence of Securities and Insurance, a new Directors' Committee was elected during Board Session N°1078 dated July 31, 2012, applying the same election criteria set forth by Circular N°1956. Mr. Gonzalo Parot Palma (as Committee Chairman), Mr. Arturo Majlis Albala and Mr. Enrique Cibié Bluth comprise the Committee.

The duties performed by this Committee during 2012, following the same categorization of faculties and responsibilities established by Article 50 bis of Company Law N°18,046, were the following:

• Examine the reports of external auditors, of the balance sheets and other financial statements, presented by the administrators or liquidators of the Company to the shareholders, and to take a position on such reports before they are presented to shareholders for their approval. In 2012 these matters were addressed during Sessions: N°106 on January 31; N°110 on May 29; N°112 on July 31; and N°116 on November 19.

• Propose names of External Auditors and Private Rating Agencies, accordingly to the Board of Directors that will then be proposed to the Shareholders' Meeting. This matter was addressed during Session N°108 on March 27, 2012.

• Examine information regarding the operations referred to by Title XVI of Law N°18,046 and report on these operations. For detailed information regarding these operations, please refer to the table on Note 11 of the Consolidated Financial Statements included in this annual report. In 2012 these matters were addressed during Sessions: N°110 on May 29; N°115 on October 29; and N°116 on November 19.

• Examine the salary systems and compensation plans of managers, principal officers and employees. During 2012, the Committee was informed about the changes of company officers and of the new guidelines for salary and compensation plans. In addition, Company management informed the Committee that it is studying a new compensation system to be analyzed, approved and implemented during the year 2013. During January 2013 session, the Committee received and revised a report regarding Coca-Cola Andina's salary and compensation system.

• Report to the Board of Directors whether it is convenient or not to hire an external auditing Company to render services that do not form part of the external audit, when they are not forbidden in accordance to article 242 of Chilean Law N°18,045, in that the nature of those services may generate a risk of loss of independence. In 2012 this matter was addressed during Sessions N°106 on January 31; Nº 110 on May 29; Nº111 on June 25; Nº112 on July 31; and Nº115 on October 29.

All other matters required by Company bylaws or that may be required by the Shareholders' Meeting or by the Board of Directors. During 2012, the following matters were addressed:

• Review anonymous reports: During Sessions: N°106 on January 31; N°107 on February 28; N°108 on March 27; N°109 on April 26; N°110 on May 29; N°111 on June 25; N°112 on July 31: N°113 on August 17; N°114 on September 24; N°115 on October 29; N°116 on November 19; and N°117 on December 17.

• Review and approve Annual Report: Session N°108 on March 27.

• Review and approve 20-F and fulfill Rule 404 of the Sarbanes- Oxley Act: Sessions N°108 on March 27; N°109 on April 26; and N°116 on November 19.

• Review lawsuits and contingencies: During Session N°112 on July 31.

• Approve Audit Committee budget: Session N°108 on March 27.

• Review pending legal proceedings: Session N°112 on July 31.

• Review Internal Audit reports: Sessions N°109 on April 26; N°113 on August 17; N°115 on October 29; and N°116 on November 19.

Sarbanes-Oxley Audit Committee[2]

In accordance with NYSE and SEC requirements regarding compliance with the Sarbanes-Oxley Act, the Board of Directors established the first Audit Committee on July 26, 2005. During Board Session N°1078 dated July 31, 2012, Mr. Gonzalo Parot Palma, Mr. Arturo Majlis Albala, and Mr. Enrique Cibié Bluth were elected as members of the Audit Committee.

It was determined that Mr. Gonzalo Parot Palma as well as Enrique Cibié Bluth comply with the independence standards set forth in the Sarbanes-Oxley Act, SEC and NYSE regulations. Also, Mr. Enrique Cibié Bluth has been appointed by the Board of Directors as the financial expert in accordance with the definitions of the listing standards of the NYSE and the Sarbanes-Oxley Act.

The resolutions, agreements and organization of the Audit Committee are governed by the rules relating to Board Meetings and to the Company's Directors' Committee. Since its creation, the sessions of the Audit Committee have been held with the Directors' Committee, since some of the functions are very similar and the members of both of these Committees are the same.

The Audit Committee Charter available on our website: www.koandina.com, defines the duties and responsibilities of this Committee. The Audit Committee is responsible for analyzing the Company's financial statements; supporting the financial supervision and rendering of accounts; ensuring management's development of reliable internal controls; ensuring compliance by the audit department and external auditors of their respective roles; and reviewing auditing practices.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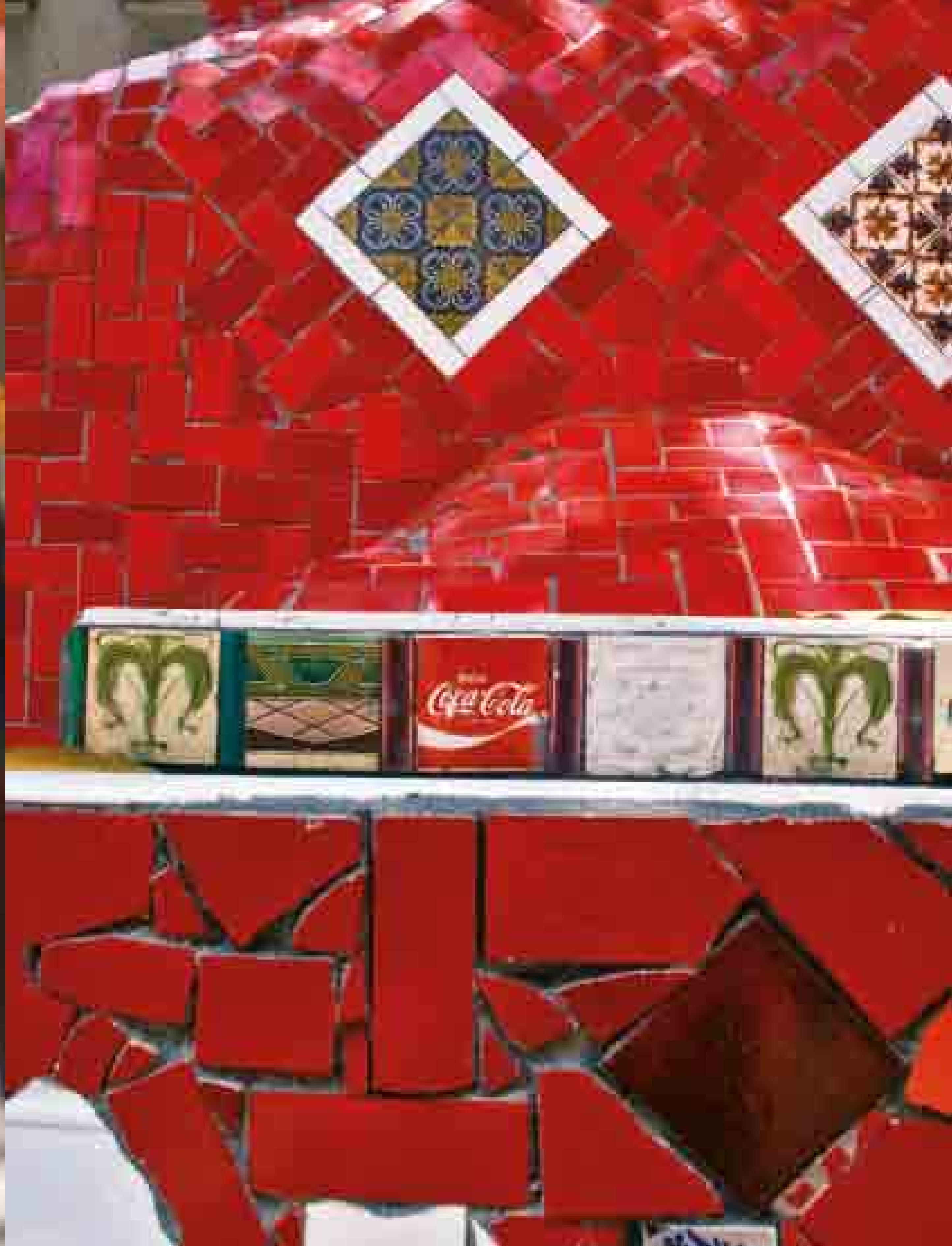

Coca-Cola

Juan Claro González[12]
Chairman of the Board
Entrepreneur
Rut: 5.663.828-8

Eduardo Chadwick Claro[13]
Vice Chairman of the Board
Civil Industrial Engineer
Rut: 7.011.444-5

José Antonio Garcés Silva[11]
Commercial Engineer
Rut: 8.745.864-4

Arturo Majlis Albala[14]
Attorney at Law
Rut: 6.998.727-3

Gonzalo Said Handal[6]
Commercial Engineer
Rut: 6.555.478-K

Salvador Said Somavía[10]
Commercial Engineer
Rut: 6.379.626-3

Brian J. Smith[5]
Bachelor of Arts & MBA
Foreign citizen

Board of Directors

1 • 2 • 3 • 4 • 5

6 • 7 • 8 • 9

10 • 11 • 12

13 • 14

Franz Alscher[4]
Economist & MBA
Foreign citizen

Enrique Cibié Bluth[2]
Commercial Engineer
Rut: 6.027.149-6

Juan Andrés Fontaine Talavera[3]
Commercial Engineer
Rut: Nº 6.068.586-1

José De Gregorio Rebeco[7]
Civil Industrial Engineer
Rut: 7.040.498-2

Gonzalo Parot Palma[8]
Civil Industrial Engineer
Rut: 6.703.799-5

Mariano Rossi[1]
Business Administrator
Foreign citizen

Ricardo Vontobel[9]
Business Administrator
Foreign citizen

Our Employees

Argentina / Brazil / Chile / Paraguay

	Managers and principal officers	Professionals and technicians	Other employees	Temporaries	Total 2012
Argentina					
Embotelladora del Atlántico S.A.	104	611	1,787	515	3,017
Andina Empaques Argentina S.A.	5	26	78	27	136
Brazil					
Rio de Janeiro Refrescos Ltda.	66	2,537	1,800	-	4,403
Chile					
Embotelladora Andina S.A.	69	1,040	1,707	332	3,148
Vital Jugos S.A.	3	126	288	65	482
Vital Aguas S.A.	2	33	53	14	102
Envases Central S.A.	3	19	60	8	90
Paraguay					
Paraguay Refrescos S.A.	24	1,019	79	122	1,244
Total	276	5,411	5,852	1,083	12,622

Administrative Structure

BOARD OF DIRECTORS

Executive Committee

Audit Committee

Directors' Committee

Chief Executive Officer
Miguel Ángel Peirano

Chief Projects Officer
Alan Dunford[1]

Chief Commercial Operations Officer
Cristián Mandiola

Chief Value Chain Officer
Alejandro Feureisen[2]

Chief HHRR Officer
Pablo Court[1]

Chief Processes and IT Officer
Germán Garib

Chief Strategic Planning Officer
Rodrigo Ormaechea

Chief Legal Officer
Jaime Cohen

Chief Financial Officer
Andrés Wainer

General Manager
Coca-Cola Andina Argentina
José Luis Solórzano

General Manager
Coca-Cola Andina Brasil
Renato Barbosa

General Manager
Coca-Cola Andina Chile
Abel Bouchon

General Manager
Coca-Cola Paresa Paraguay
Francisco Sanfurgo

[1]As of January 4, 2013 Pablo Court is replaced by Alan Dunford as Chief Human Resources Officer

[2]As of January 1, 2013, Alejandro Feuereisen is no longer Chief Value Chain Officer

Management Structure

Coca-Cola Andina's operations in Argentina, Brazil, Chile and Paraguay report to the Corporate Office.

CORPORATE OFFICE

Miguel Ángel Peirano
Chief Executive Officer
Rut: 23.836.584-4, Electrical Engineer

Andrés Wainer
Chief Financial Officer
Rut: 10.031.788-5, Economist

Alejandro Feuereisen[1]
Chief Value Chain Officer
Rut: 6.060.032-5, Business Administrator

Rodrigo Ormaechea
Chief Strategic Planning Officer
Rut. 23.314.352-9, Commercial Engineer & MBA

Pablo Court[2]
Chief Human Resources Officer
Rut: 7.062.927-5, Commercial Engineer

Jaime Cohen
Chief Legal Officer
Rut: 10.550.141-2, Attorney at Law

Germán Garib
Chief Process & Information Officer
Rut: 7.366.921-9, Civil Engineer

Cristián Mandiola
Chief Commercial Operations Officer
Rut: 7.055.490-9, Civil Industrial Engineer

Alan Dunford[2]
Chief Projects Officer
Rut: 7.033.714-2, Commercial Engineer

Ricardo Lledó
Controller
Rut: 10.399.990-1, Certified Public Accountant

[1]As of January 1, 2013, Alejandro Feuereisen is no longer Chief Value Chain Officer
[2]As of January 4, 2013 Pablo Court is replaced by Alan Dunford as Chief Human Resources Officer

Principal Operations

ARGENTINA

José Luis Solórzano
General Manager

Pablo Bardin
Industrial Manager

Fernando Ramos
Finance and Administration Manager

Santiago López
Logistics & Distribution Manager

Fabián Castelli
Commercial Manager

Mario Latorre
Quality Manager

Lilia Hidalgo
Human Resources Manager

Tomás Zarazaga
Innovation and Projects Manager

Hugo Aquerman
Institutional Relations Manager

Diego Garavaglia
Integration Manager

Roberto Otegui
Patagonia Manager

BRAZIL

Renato Barbosa
General Manager

Rodrigo Klee
Operations & Logistics Manager

David Parkes
Finance and Administration Manager

Daniel Cappadona
Sales Manager

Marcio Greco
Marketing Manager

Cecilia Lafayette
Quality Manager

Max Ciarlini
Human Resources Manager

Fernando Fragata
Legal Manager

CHILE

Abel Bouchon
General Manager

José Tupper
Operations Manager

Pablo Jabat
Finance and
Administration Manager

Sergio Rojas
Logistics Manager

Vicente Domínguez
Sales Manager

José Antonio Riesco
Marketing Manager

Rodrigo Marticorena
Human Resources Manager

José Luis Palacios
Security, Quality and
Environment Manager

Ignacio Cruz
Integration Manager

Karin Angerstein
Legal Deputy Manager

PARAGUAY

Francisco Sanfurgo
General Manager

Julio Fiandro
Production and Logistics Manager

Eduardo Yulita
Finance, Administration,
Systems and Supply Manager

Alberto Noguera
Sales Manager

Melina Bogado
Marketing Manager

María Teresa Llamosas
Human Resources Manager

Alberto Rivas
Projects and Services Manager

Carmen Pozo
Process Quality Deputy Manager

Company Ownership and Dividends

Series A

Series B

Total

[1]See Description of the Controlling Group on page 114

Twelve Main Shareholders	Series A	Series B	Total Shares	Ownership
Coca-Cola de Chile S.A.	67,938,179	67,938,179	135,876,358	14.35%
Inversiones Los Aromos Ltda*	52,989,382	52,989,382	105,978,764	11.20%
The Bank of New York	9,073,560	50,263,248	59,336,808	6.27%
Banco de Chile on behalf of third parties	18,569,266	48,062,069	66,631,335	7.04%
Inversiones Freire Gamma S.A.*	46,426,645	-	46,426,645	4.90%
Inversiones Freire Beta S.A.*	46,426,645	-	46,426,645	4.90%
Inversiones Freire Alfa S.A.*	46,426,645	-	46,426,645	4.90%
Inversiones Freire Delta S.A.*	46,426,645	-	46,426,645	4.90%
Banco Santander - JP Morgan	30,185,062	9,917,888	40,102,950	4.24%
Inversiones Mar Adentro Limitada*	-	38,978,263	38,978,263	4.12%
Inversiones SH Seis Limitada*	-	37,864,863	37,864,863	4.00%
Inversiones Caburga S.A.*	-	32,000,000	32,000,000	3.38%

*Company related to the Controlling Group

During 2012 the most significant change in the Company's ownership was the incorporation as shareholder of Inversiones Los Aromos Ltda. which occurred a a result of the merger by absorption of Embotelladoras Coca-Cola Polar S.A. materialized on October 1, 2012. In addition there was a transformation and subsequent division of Inversiones Freire Ltda. (today Inversiones Freire S.A.) and Inversiones Freire Dos Ltda. (today Inversiones Freire Dos S.A.) as described on page 119.

Dividends*

		Series A[1]	Series B[1]	Total paid[2]
January	Interim	8.5	9.35	6,785
May	Final	10.97	12.067	8,757
May	Additional	24.3	26.73	19,398
October	Interim	12.24	13.464	12,165
December	Interim	24.48	26.928	24,331
Total 2012		80.49	88.54	71,436
Total 2011		88.94	97.83	71,000
Total 2010		85.7	94.27	68,413
Total 2009		77.84	85.62	62,138

[1]Ch$ per share
[2]Million nominal Ch$

*All dividend payments were reported as material events and timely filed with Chilean Superintendence of Securities and Insurance and the SEC, and were also posted on our website.

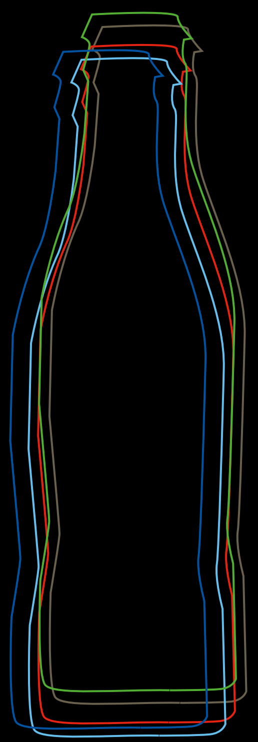
The dividend distribution policy has consisted of paying out a percentage not lower than 30% of the Company's earnings for the period, through quarterly interim dividends and one final dividend payable after the approval in April of the General Shareholders' Meeting of the following year. Also, since the year 2000 the Company has paid out every year an additional dividend, which is previously approved at the General Shareholders' Meeting.

During 2012 Distributable Earnings were equal to Net Income.

Shareholders' Summary and Comments

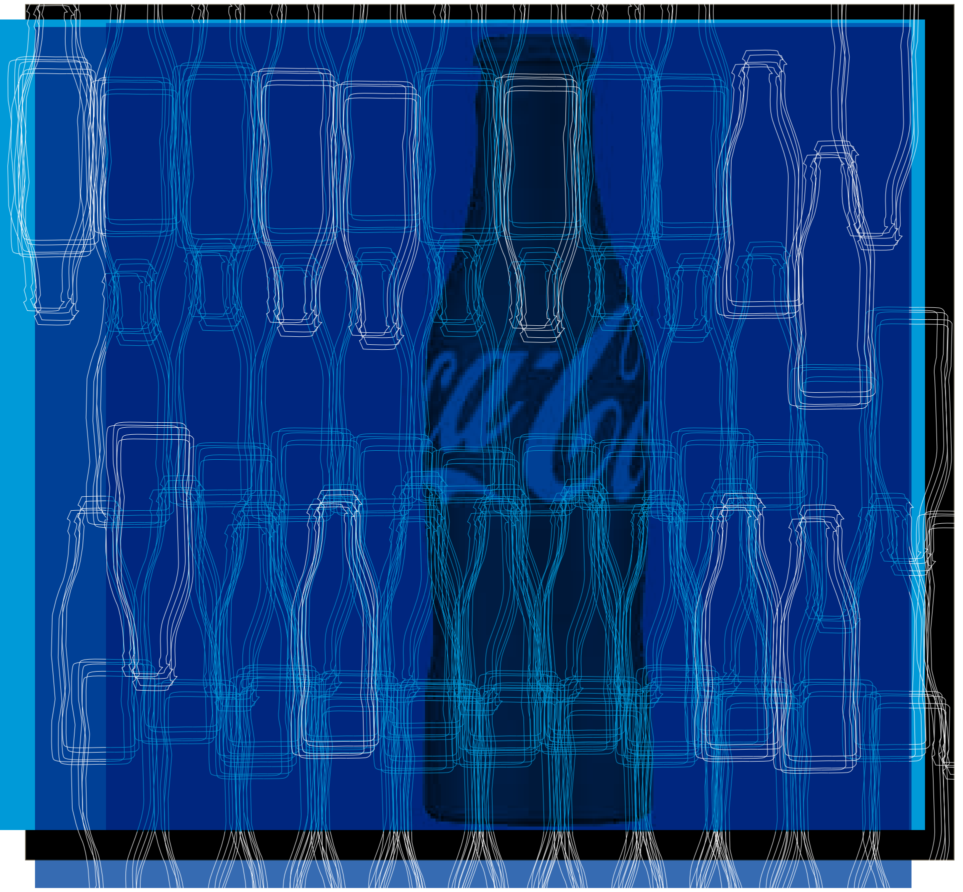
The Company has not received any comments regarding the development of the business from principal shareholders or groups of shareholders that represent or hold more than 10% of the shares issued with voting rights. However, the minutes of the Regular Shareholders' Meeting of 2012 include all observations made by every shareholder that expressed his/her opinion during said meeting.

Series A and Series B shares are mainly differentiated by their voting and economic rights. Holders of Series B shares are entitled to an additional dividend that is 10% greater than any dividend given to Series A shares.



Our Business

San Juan, Mendoza, San Luis, Córdoba, Santa Fé, Entre Ríos, La Pampa, Neuquén, Rio Negro, Chubut, Santa Cruz, Tierra del Fuego & Western Province of Buenos Aires.



Argentina

* 2012 figures incorporate operations of ex-Coca-Cola Polar only for the 4th quarter, except for per capita annual consumption and market share that consider data for the 12 months of 2012.
Sales Volume considering ex-Coca-Cola Polar operations for the full year 2012 would have been: Total 197.9 MUCs, Soft Drinks 182.9 MUCs, Juices & Others 4.3 MUCs and Waters 10.7 MUCs.

Coca-Cola ANDINA Argentina

Total Sales Volume* **167.0**
million unit cases
Soft drinks 153.4
Juices & Others 3.8
Waters 9.8

Total Per Capital Annual Consumption **328**
8 oz. bottles
Soft drinks 303
Juices & Others 11
Waters 14

Market Share** **Soft drinks** 59.1%
Juices & Others 18.1%
Waters 10.1%

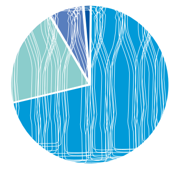
Operating Income **US$66.0** million
EBITDA US$89.0 million
Clients 72 thousand
Franchise extension 1,892 thousand km²
Franchise population 16.6 million

**Source: AC Nielsen

Sales by Format Soft Drinks

Sales by Channel

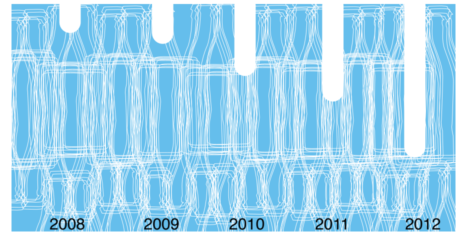
Sales by Flavor Soft Drinks



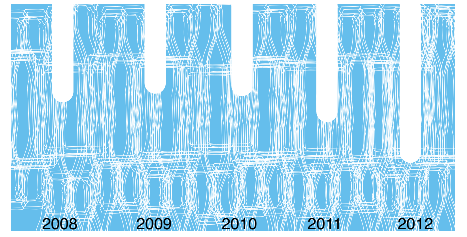
This information incorporates figures for ex-Coca-Cola Polar only for the 4th quarter of 2012

Sales Volume Evolution

(million unit cases)



waters, juices & others



soft drinks

This information incorporates figures for ex-Coca-Cola Polar only for the 4th quarter of 2012

Business Description°

Coca-Cola Andina Argentina produces and commercializes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Liviana, Schweppes Citrus, Schweppes Tónica, Schweppes Pomelo, Schweppes Lima Limón, Crush Naranja, Crush Lima Limón, Kin (carbonated and non-carbonated soda water), Dasani (carbonated and non carbonated purified water), Bonaqua (carbonated and non-carbonated mineral water) and Aquarius (flavored water). Additionally, it produces and commercializes Cepita, Powerade, and Black Fire energizing drink. It also commercializes the following beer brands: Budweiser, Corona, Guinnes, Heineken, Imperial, Palermo, Schneider as well as Yerba mate La Vuelta.

License Agreements

These Agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. In accordance with these contracts we have the right to produce and commercialize Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, the Coca-Cola Company has never authorized any other entity to produce or commercialize Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory. The Agreement states as franchise territory the provinces of Córdoba, Mendoza, San Juan, San Luis and Entre Ríos, as well as part of the provinces of Santa Fe and Buenos Aires (only San Nicolás and Ramallo). The Agreement with The Coca-Cola Company was extended for 5 years beginning February 10, 2012. The waters and juices bottling agreement is currently in the process of negotiation.

On the other hand as a result of the merger by absorption of Embotelladoras Coca-Cola Polar, the company has two agreements with The Coca-Cola Company, that authorize the distribution and commercialization of Coca-Cola products in the provinces of Chubut, Santa Cruz, Neuquén, Río Negro, La Pampa, Tierra del Fuego, Antarctica and South Atlantic Islands and certain parts of the province of Buenos Aires. These agreements are about to expire; therefore in December 2012 Embotelladora del Atlántico S.A. requested from The Coca-Cola Company an extension of the above agreements for an additional period of 5 years.

°For an in-depth description of our business in Argentina, refer to our annual report on Form 20-F which will be available beginning April 30, 2013 on our website: www.koandina.com

Production and Distribution

Coca-Cola Andina Argentina operates 3 production facilities for soft drinks, 1 located in Córdoba with 9 lines and an average utilization capacity during 2012 of 58.7%; 1 located in Bahía Blanca (Province of Buenos Aires) with 4 lines and an average utilization capacity during 2012 of 55.6%; 1 located in Trelew (Province of Chubut) with 2 lines and an average utilization capacity during 2012 of 65.2%. Additionally the Córdoba plant has the capacity to produce juices for which it has 2 lines with an average utilization capacity of 55.0% and it also has the capacity to produce mineral water and other products through 1 line with an average utilization capacity of 23.7%. Finally, at the Bahia Blanca plant the company has the capacity to produce juices through 2 lines with an average utilization capcacity of 88.5%

Also, during June 2012, we inaugurated at the Córdoba production facility, a plant of process for refining and purification of raw sugar which produces approximately 400 tons/per day of liquid sugar syrup ready for use in the manufacture of beverages. The process has multiple stages and is in full development given the complexity of the operation, hoping to reach its maximum performance during 2013. This innovative integration into the value chain is unique in the Coca-Cola system.

The distribution of products is carried out through third party distributing companies with a fleet of 65 contractors (46 of which were incorporated after the merger with Polar Argentina) with a total of 462 trucks (171 of which corresponded to Polar Argentina).

13.6 waters, juices & others
million unit cases

153.4
million unit cases
soft drinks

Clients and Suppliers

The twelve main clients are:
Jumbo Retail Argentina S.A., Inc Sociedad Anónima, Mistura S.A., Manzur Fortunato Alberto, Vargas José Luis., J y H Distribuciones S.R.L., Wal- Mart Argentina S.R.L,, Pont Andrés Roberto, Cyre S.A., Millán S.A. and Casanova Jorge Bernardo*.

The suppliers of main raw materials are:
Concentrate: Servicios y Productos para Bebidas Refrescantes S.R.L.[1]
Sweetener: Compañía Azucarera Concepción S.A., Ingenio y Refinería San Martín del Tabacal S.R.L., Ledesma S.A. Agrícola Industrial, Ingredion Argentina S.A., Atanor S.C.A. and Compañía Inversora Industrial S.A.

Water: We own water wells and pay a fee to the Dirección Provincial de Aguas Sanitarias.
Carbon Dioxide: Praxair Argentina S.R.L. and Air Liquide Argentina S.A.
Packaging (Bottles): Cattorini Hermanos S.A.C.I.F., Cristalerías de Chile S.A. and Cristal PET.
Boxes: Cabelma S.A., Envases Paraguayos S.A. and L'equipe Monteur S.A.
Caps: Alusud Argentina S.R.L., Aro S.A. Exportação Importação Indústria Comercio, Metalgráfica Cearence S.A., Inyecal S.A., Cristal PET and Sinea Plásticos S.A.*
Electric Energy: Central Térmica Alto Valle, Central Térmica Salta y Empresa Provincial de Energía de Córdoba (EPEC) and Empresa Distribuidora de Energía Sur S.A. (EDES)*.

*Client of the territory of ex-Coca-Cola Polar Argentina and supplier of the territory of ex-Coca-Cola Polar Argentina
[1]Shareholder
**Figures include operations of ex-Coca-Cola Polar only for the 4th quarter of 2012

328 8 oz bottles
total annual consumption per capita

72 thousand
clients

648.4
net sales**
million US$

59.1%
market share
soft drinks

ebitda**
89.0
million US$

Message from the General Manager, Argentina

2012 was a very challenging year on two fronts, the internal and the external fronts.

On the external front, the macroeconomic environment was much more complicated than 2011, with the economy growing only by 2%, although it continued to be leveraged on consumption.

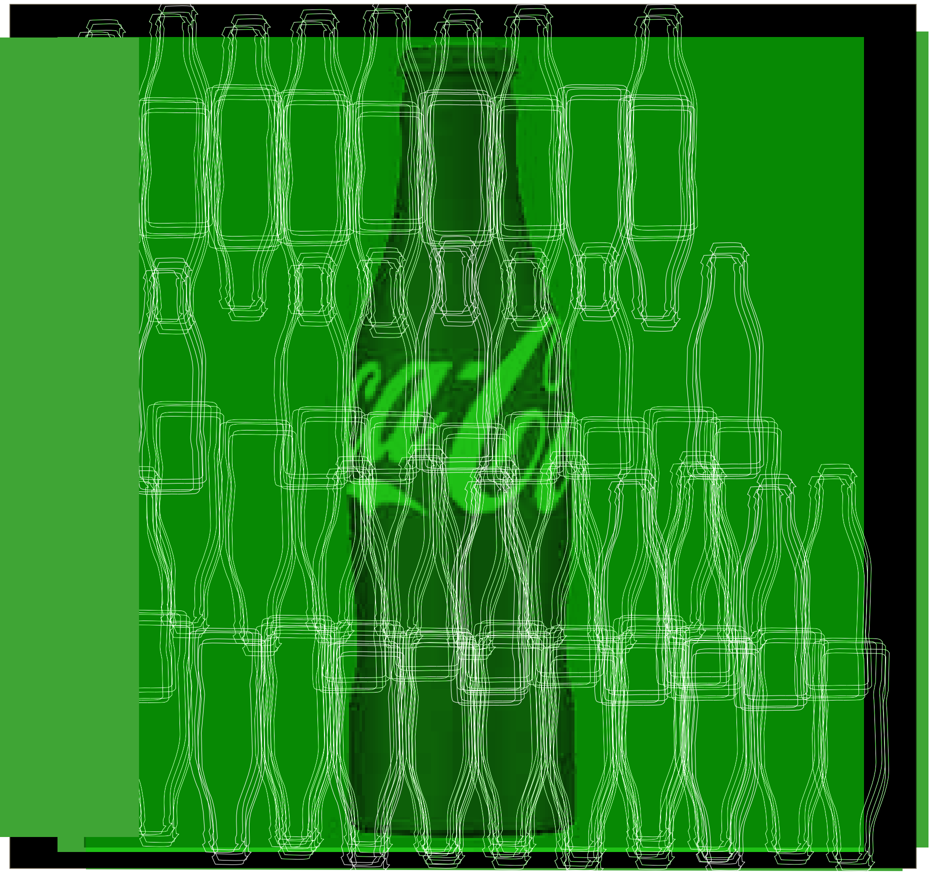
The “pro-consumption” model and adequate commercial strategies concerning the product portfolio, prices, market implementation capacities and investments in coolers led to a proforma volume growth rate of around 10% above the previous year. A total of 167.0 million unit cases were sold. This proforma growth occurred in two areas: soft drinks (+8.3%), giving us a 59.1 points of market share; and juices & waters (+40.7%). In this latter case, we launched a new category, mineral water, through the Bonaqua brand and continued to grow 27.0% in juices and 22.3% in isotonic beverages.

Internally, the challenge lay not only in increasing production and logistical capacities and implementing the new Coke One process system, which will help sustain this level of growth, but also in the merger and capture of synergies from the new territory annexed after the merger with Coca-Cola Polar Argentina S.A. Regarding our operation in Argentina this merger makes us the second largest bottler in the nation, with an additional franchise of 46.2 million unit cases annually, adding 1,200,000 square kilometers, two plants, nearly 30 distribution centers and 1,000 collaborators.

The strong commitment of Coca-Cola Andina Argentina’s team enabled us not only to reach the significant sales and market figures indicated above, but also generated a profit of 167.7 million Argentine pesos, a growth of 37.5% compared to the previous year.

With a view towards 2013, we are proud to say that we have the team to successfully complete the merger and integration of both companies.

José Luis Solórzano
Gerente General, Argentina



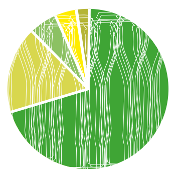
Brazil

ANDINA Brasil

Total Sales Volume million unit cases	**225.0**
	Soft drinks 197.8
	Juices & Others 16.2
	Waters 5.8
	Beers 5.2
Total Per Capital Annual Consumption[1] 8 oz. bottles	**307**
	Soft drinks 270
	Juices & Others 22
	Waters 7
Market Share[2]	**Soft drinks** 59.1%
	Juices & Others 48.2%
	Waters 12.5%
Operating Income	**US$132.9** million
EBITDA	US$166.0 million
Clients	68 thousand
Franchise extension	90 thousand km^2
Franchise population	17.6 million

[1]Includes soft drinks, waters, juices and others
[2]Source: A.C. Nielsen

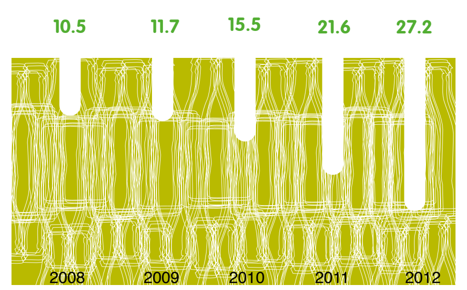
Sales by Format Soft Drinks



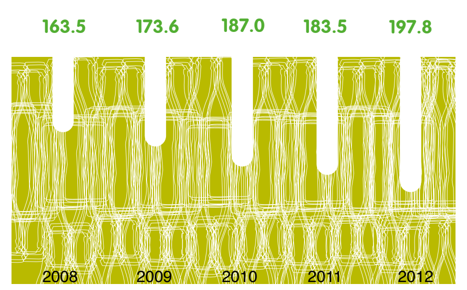
Sales by Channel

Sales by Flavor Soft Drinks

Sales Volume Evolution
(million unit cases)



waters, juices & others, beer



soft drinks

Business Description°

Coca-Cola Andina Brazil commercializes products of The Coca-Cola Company and Heineken. It produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Kuat, Kuat Zero, Fanta Laranja, Fanta Laranja Zero, Fanta Uva, Fanta Uva Zero, Sprite, Sprite Zero, Crystal (mineral water), Aquarius Fresh, Schweppes Tónica, Schweppes Tónica Light, Schweppes Citrus, Schweppes Citrus Light, Schweppes Club Soda, Schweppes Ginger Ale, Schweppes Ginger Ale, I9 (in 4 flavors), Kapo (in 6 flavors), Kapo Chocolate (flavored milk), Burn, Leão Ice Tea (regular and light in 2 flavors), Powerade (in 5 flavors), Del Valle Frut and Mais (in 8 flavors), Del Valle Limao e Nada, Del Valle Maracuja e Nada, and Matte Leão (in 12 flavors). Additionally it distributes the following beer brands: Kaiser, Heineken, Bavaria, Xingu, Summer, Sol, Dos Equis (XX), Murphys, Amstel, Edelweiss and Birra Moretti.

License Agreements

These agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, the Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory. The agreement states as franchise territory: the majority of the State of Rio de Janeiro, and the totality of the State of Espírito Santo.

°For an in-depth description of our business in Brazil, refer to our annual report on Form 20-F which will be available beginning April 30, 2013 on our website: www.koandina.com

The term of the agreement with The Coca-Cola Company is five years beginning October 3, 2012, ending October 2 2017, upon fulfillment of the terms of the agreement.

The Coca-Cola Company, Cervejarías Kaiser S.A., Molson Inc. and the Brazilian Association of Manufacturers of Coca-Cola entered into an agreement of understanding and a convention regarding the distribution of beer produced and imported by Kaiser, through Coca-Cola´s distribution system. The distribution agreements signed after May 30, 2003 have duration of 20 years and are renewable.

Production and Distribution

Coca-Cola Andina Brazil operates 2 production facilities located in Jacarepaguá in the State of Rio de Janeiro and in Vitoria in the State of Espírito Santo with a total of 14 lines. Average utilization capacity for the year 2012 was 76%. The distribution of products is carried out through third party and own distributing companies with an average fleet of 656 trucks. Additionally it manages 1,291 vending machines.

27.2 million unit cases waters, juices & others, beer

197.8 million unit cases soft drinks

Clients and Suppliers

The twelve main clients of Coca-Cola Andina Brazil are:
Prezunic Comercial Ltda., Sociedade Comercial Champfer Ltda., Casas Guanabara Comestíveis Ltda.,Carrefour Comércio e Indústria Ltda., Distribuidor de Bebidas Real Cola Ltda., Supermercados Mundial Ltda., Sendas Distribuidora S.A., Xantocarpa Participações Ltda., Franciscana Distribuidora Ltda., Zulemar Comércio de Bebidas Ltda., Super Mercado Zona Sul S.A. and Makro Atacadista S.A.

The suppliers of main raw materials are:
Concentrate: Recofarma Industrias do Amazonas Ltda.[1]
Sweetener: Copersucar Ltda.
Water: Companhia Estadual de Água e Esgoto do Rio de Janeiro, Companhia Espírito Santense de Sanenamento
Carbon dioxide: White Martins Gases S.A., Linde Gases Ltda.
Packaging (bottles): Brasalpla Brasil Indústria de Embalagens Ltda., Amcor PET Packaging do Brasil Ltda., and Owens-Illinois do Brasil Industria e Comercio S.A.
Aluminum cans and caps: Rexam Beverage Can South, Latapack Ball Embalagens Ltda.
Caps: Aro S.A., Berry Plastics Corporation and Closure Systems International (Brazil) Sistemas de Vedação Ltda.
Electric energy: Light S.A. and Centrais Elétricas S.A.

[1]Related to Shareholder

307 8 oz bottles total annual consumption per capita

68 thousand clients

928.6 net sales million US$

59.1% market share soft drinks

ebitda 166.0 million US$

Message from the General Manager, Brazil

The year 2012 was marked by a significant sales growth, by a considerable focus on managing income and by an ongoing search for operating efficiency. There is a huge potential for growth in our territories. Significant proof of that is the fact that despite the lean performance of the Brazilian economy in 2012, we increased sales by 9.7%, the highest volume growth in 10 years, totaling 225 million unit cases.

We grew 7.8% in soft drinks, twice the average rate for the Coca-Cola Brazil system, driven by a volume share gain of 1.7 points compared to 2011. We continued growing at a double-digit rate (23.9%) in the other categories (juices, water, isotonic beverages), especially in Water (+32.1%) and Powerade (+69.3%). Beer growth was also remarkable (40.7%); we grew 103.3% with the Heineken brand, putting us at the forefront in the premium beer segment.

Our success at managing income resulted in a growth of 18% in income compared to 2011. Price adjustments were designed to balance the equation of costs (inflation), customer prices and consumer prices.

The good results in income and volumes already mentioned were driven largely by a reinforcement of the commercial and logistical structure and by considerable investments. The key was to offer a better level of service to the market and capture value through those efforts.

The most notable investments in 2012 were: the purchase of the first Ref PET line of Coca-Cola Andina Brazil, 2 new filling machines, 1 blowing machine, the modernization of plants, the purchase of 160 trucks (after internalizing part of our distribution), and 407 vehicles; and an expansion of the capacity of our main distribution centers. Those investments aim to increase the efficiency of our operation and prepare it for a long-term growth cycle.

This approach enabled us to grow at robust rates this year and we are fully confident that our demand will continue to grow at an accelerated pace. Rio de Janeiro has the highest rate of investment per square kilometer on the planet and Coca-Cola Andina Brazil will be the first manufacturer to sponsor 2 major events, namely the World Cup and the Olympic Games, in a space of 3 years.

Finally, I want to thank the entire team for its commitment and effort without which we would not have been able to achieve the historic milestones that we did in 2012.

Renato Barbosa
General Manager Brazil

Chile

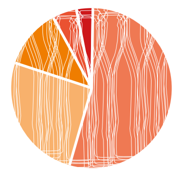
* 2012 figures incorporate operations of ex-Coca-Cola Polar only for the 4th quarter, except for per capita annual consumption and market share that consider data for the 12 months of 2012.
Sales Volume considering Coca-Cola Polar operations for the full year 2012 would have been: Total 211.8 MUCs, Soft drinks 170.7 MUCs, Juices and Others 19.2 MUCs and Waters 21.9 MUCs.

Coca-Cola ANDINA Chile

Total Sales Volume* million unit cases	**185.4**	
	Soft drinks	149.9
	Juices & Others	18.6
	Waters	16.8
Total Per Capital Annual Consumption oz. bottles	**473**	
	Soft drinks	390
	Juices & Others	41
	Waters	41
Market Share**	**Soft drinks**	69.5%
	Juices & Others	36.4%
	Waters	41.7%
Operating Income	**US$118.6** million	
EBITDA	US$168.6 million	
Clients	63 thousand	
Franchise extension	398 thousand km²	
Franchise population	9.1 million	

**Source: AC Nielsen

Sales by Format Soft Drinks



- Multi Serving Returnable **54.5%**
- Multi Serving Non-Returnable **27.2%**
- Single Serving Non-Returnable **10.1%**
- Single Serving Returnable **4.7%**
- Post Mix **3.6%**

Sales by Channel

- Traditional **51.1%**
- Supermarkets **20.0%**
- Wholesales **16.3%**
- On-premise **12.7%**

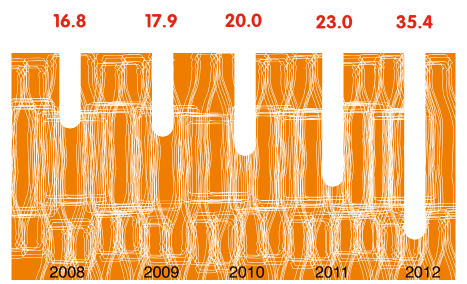
Sales by Flavor Soft Drinks

- Coca-Cola **59.5%**
- Others Regular **21.8%**
- Coca-Cola Light & Coca-Cola Zero **16.8%**
- Others Light **1.6%**

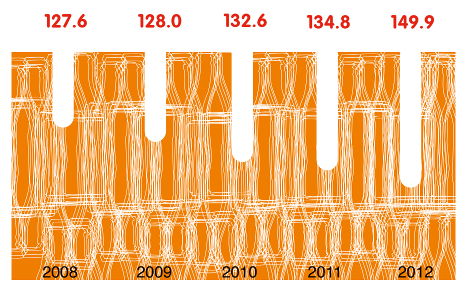
This information incorporates figures for ex-Coca-Cola Polar only for the 4th quarter of 2012

Sales Volume Evolution

(million unit cases)



waters, juices & others



softdrinks

This information incorporates figures for ex-Coca-Cola Polar only for the 4th quarter of 2012

Business Description°

Coca-Cola Andina Chile produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Limón, Fanta Uva, Fanta Frutilla, Fanta Roja, Fanta Zero Naranja, Sprite, Sprite Zero, Nordic Mist Agua Tónica, Nordic Mist Ginger Ale, Quatro sabor Guaraná, Quatro Light sabor Pomelo, Burn, Inca Kola, Inca Kola Zero, Cantarina Sabores, TAI Sabores and Benedictino. Additionally it distributes the products of Vital Jugos, Vital Aguas and Envases Central, and some liquor in Punta Arenas. These products are commercialized in returnable and non-returnable glass and PET bottles, post-mix syrup, cans and Tetra Pak.

License Agreements

These agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, The Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory.

This Agreement states as franchise territory: the Metropolitan Region in Santiago, the Province of San Antonio in the Fifth Region; and the Province of Cachapoal (including San Vicente de Tagua-Tagua) in the Sixth Region. The Bottler Agreement with The Coca-Cola Company is in full force and effect until January 1, 2018.

On the other hand and as a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina during 2012, The Coca-Cola Company authorized Embotelladora Andina to be the legal successor of the license agreement for the following territories in Chile: II, III, IV, XI, and XII regions as well the Chilean Antarctic, this agreement is currently in the process of being renewed.

°For an in-depth description of our business in Chile, refer to our annual report on Form 20-F which will be available beginning April 30, 2013 on our website: www.koandina.com

Production and Distribution

Coca-Cola Andina operates 4 production facilities throughout Chile. 1 located in Renca with 9 lines, which replaced the San Joaquín plant, that stopped operating on December 29, 2012. Utilization capacity for 2012 was 69%. 1 plant located in Coquimbo with 3 lines. Utilization capacity for 2012 was 61%. 1 plant in Antofagasta with 6 lines. Utilization capacity for 2012 was 46%; and 1 plant in Punta Arenas with 2 lines. Utilization capacity for 2012 was 34%.

The distribution of products from the Renca facility is carried out through the Company's subsidiary, Transportes Andina Refrescos and the distribution of products from the plants located outside the Metropolitan Area, through the Company's subsidiary TransPolar. Transportes Andina Refrescos counts with a fleet of 30 owned trucks and 370 third party trucks. TransPolar counts with a fleet of 171 third party trucks and 52 trailers.

Coca-Cola Andina also manages 2,270 vending machines for soft drinks and snacks through its subsidiary, Servicios Multivending, and 157 additional vending machines outside the central regions.

35.4 waters, juices & others
million unit cases

149.9
million unit cases
soft drinks

Clients and Suppliers

The twelve main clients are:
Walmart Chile Comercial S.A., Cencosud Retail S.A., Rendic Hnos. S.A., Hipermercados Tottus S.A., Alvi Supermercados Mayoristas S.A., Alimentos Fruna Ltda., Supermercados Montserrat S.A.C., Súper 10 S.A., Ekono S.A., Distribuidora Don Francis S.A., Soc. Quiroga Bernales Ltda., and Arcos Dorados Restaurantes de Chile.

The suppliers of main raw materials are:
Concentrate: Coca-Cola de Chile S.A.[1]
Sweetener: Industria Azucarera Nacional S.A.
Water: Aguas Andinas S.A.
Carbon dioxide: Linde Gas Chile S.A., Praxair Chile S.A. and Praxair Argentina.
Packaging (bottles): Envases CMF S.A.[2], Cristalerías de Chile S.A. and Cristalerías Toro S.A.C.I.
Aluminum cans and caps: Rexam Chile S.A.
Caps: Alusud Embalajes Chile Ltda., Sinea S.A., Alucaps Mexicana S.A. de C.V., Sánchez e Hijos Limitada and Aro.
Electric energy: Chilectra S.A.

[1] Shareholder
[2] Equity Investee
* Figures include ex-Coca-Cola Polar operation only for the 4th quarter of 2012

473 8 oz bottles
total annual consumption per capita

63 thousand
clients

770.8
net sales*
million US$

69.5%
market share
soft drinks

ebitda*
168.6
million US$

Message from the General Manager, Chile

In 2012, the Chilean economy performed solidly. Unemployment was low, inflation was controlled, and there was a healthy growth in consumption. This economic scenario was one of the reasons for the 10.5% growth in our net sales.

I feel that it is important to highlight the set of development and collaborative actions that we took in 2012 regarding our main clients in the traditional channel. One example is the heavy investment in more than 4,500 clients that were given new facades, machines and elements that would encourage the consumption of both our products and other categories. This initiative, which has helped position CRCs (community retail centers), was good not only because of the sales it generated for us, but also because of the relationship that it has created with this group of clients and of the improvement in the quality of life of the people living near them.

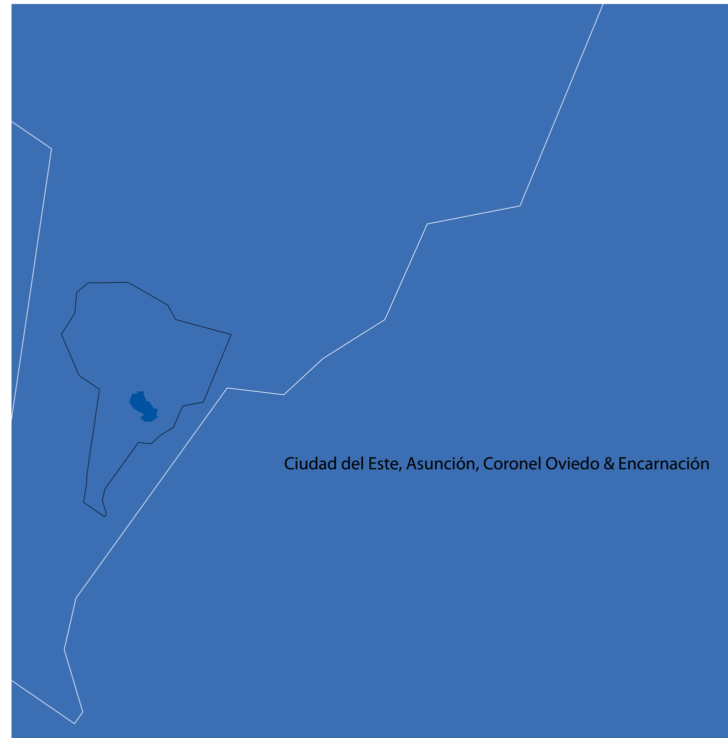
This year we added the Glaceau Vitamin Water to our portfolio in the PET 500 cc format. It is an alternative for people looking to add value to their diet. We also launched lemon-flavored Aquarius in this same line. In juices, we broke on to the market with "Sabores Caseros" (homemade flavors) of Andina del Valle in the PET 1L and returnable glass bottle formats. In the carbonated beverages category, we began producing the popular "Inca Kola" beverage in the PET 500 cc and PET 1.5L formats. We also added "Nordic Zero" in the PET 1.5L to the portfolio and we launched Fanta Roja in different formats in replacement of Fanta Frutilla. In the tea line, we innovated with a variety of flavors of Fuze Tea, an expert tea brand of the Coca-Cola system, in the PET 400 cc and PET 1.5L formats.

However, 2012 will always be a milestone in the history of Coca-Cola Andina because it is the year when we started up our new plant in Renca, built according to the highest standards of technology and environmental care. Renca ended December operating with its 10 production lines and fork lifts, all computer-controlled.

The merger of Embotelladora Andina and Coca-Cola Polar marked the last quarter of 2012. We have just begun the capture of synergies and transfer of best practices, which has been highly motivating and challenging to our entire team.

We will be facing new challenges in 2013, such as continuing to consolidate the achievements in recent years, incorporating new market opportunities and strengthening the leadership of our teams in order to meet the proposed goals.

Abel Bouchon S.
General Manager, Chile



Paraguay

* Sales Volume 2012 figures for the full year would have been: Total 63.1 MUCs; Soft Drinks 55.8 MUCs; Juices & Others 3.6 MUCs and Waters 3.7 MUCs

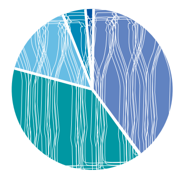
Coca-Cola PARESA Paraguay

°Total Sales Volume* million unit cases	**18.8**	
	Soft drinks	16.5
	Juices & Others	0.8
	Waters	1.5
Total Per Capital Annual Consumption 8 oz. bottles	**227**	
	Soft drinks	200
	Juices & Others	13
	Waters	13
Market Share**	**Soft drinks**	61.9%
	Juices & Others	33.6%
	Waters	55.1%
Operating Income°	**US$9.5** million	
EBITDA°	US$14.2 million	
Clients	48 thousand	
Franchise extension	407 thousand km²	
Franchise population	6.7 million	

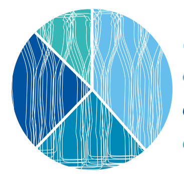
** Source: IPSOS

°Sales Volume, Operating Income and EBITDA figures correspond only to the 4th quarter of 2012

Sales by Format Soft Drinks



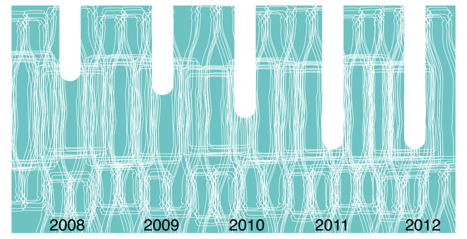
Sales by Channel



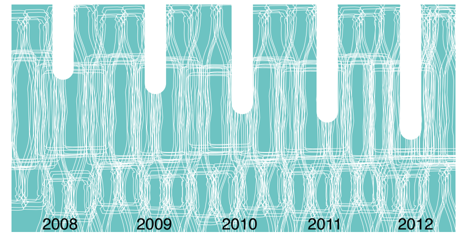
Sales by Flavor Soft Drinks

This information is based on data for the full year 2012

Sales Volume Evolution
(million unit cases)



Waters, Juices & Others



Soft Drinks

In order to have a better understanding of our business in Paraguay, we incorporate historic volume yearly figures, although the merger took place beginning the 4th quarter of 2012

Business Description°

Coca-Cola Paresa produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Naranja Mandarina, Fanta Guaraná; Fanta Piña, Schweppes Tónica, Schweppes Citrus, Sprite, Sprite Zero, Powerade Naranja, Powerade Manzana, Powerade Multifruta, Powerade Mora, Burn Energy, Crush Naranja, Crush Piña, Crush Pomelo, Aquarius Manzana, Aquarius Naranja, Aquarius Pera, Aguas Dasani Plain with and without gas, Frugos Durazno, Frugos Manzana, Frugos Naranja and Frugos Pera. These products are commercialized in returnable and non-returnable glass and PET bottles, bag-in-box syrup, cans and tetra.

License Agreements

These agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, the Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory.

The agreement states as franchise territory all of the Paraguayan territory and the duration has been extended until December 1, 2014.

° For an in-depth description of our business in Paraguay, refer to our annual report on Form 20-F which will be available beginning April 30, 2013 on our website: www.koandina.com

Production and Distribution

Coca-Cola Paresa operates 1 production facility located in Asunción with a total of 7 bottling lines, 2 tetra lines and 2 blowing lines. Average utilization capacity for the year 2012 was 84%. During the month of December a new production and blowing line was installed which will begin operating in April 2013.

The distribution of products is carried out through third party distributing companies with an average fleet of 216 trucks that deliver our products to our clients throughout Paraguay. Additionally, we count on 38 third party trucks for the transportation of our products among the different cities in the country.

7.3 waters, juices & others
million unit cases
full year 2012

55.8
million unit cases
soft drinks
full year 2012

Clients and Suppliers

The twelve main clients of Coca-Cola Paresa are :

Cadena de Supermercados Stock, Cadena de Supermercados S6, Cadena de Supermercados España, Mc Donalds, Cadena de Supermercados Real, Cadena de Supermercado Salemma, Cadena de Supermercado Pueblo, Burger King, Cadena de Supermercados Luisito, Cadena de Supermercado Todo Carne, Tienda de Conveniencia Petrobras Spacio[1], Cadena de Supermercado Gran Via.

The suppliers of main raw materials are:

Concentrate: Servicios y Productos Argentina[1]; and Recofarma Indústrias do Amazonas Ltda.[2]
Sweetener: Azucarera Paraguaya S.A.
Water: Coca-Cola Paresa owns water wells.
Carbon dioxide: Liquid Carbonic (Praxair)
Packaging (bottles): Cattorini Hnos. (glass)
Plastic caps: Sinea S.A.
Crown Caps: Aro S.A.
Preforms: Industrias PET S.A.
Electric energy: ANDE-Administración Nacional de Electricidad

[1]Shareholder
[2]Company related to shareholder
*Figures correspond only to the 4th quarter of 2012

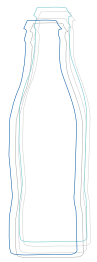
227 8 oz bottles
total annual consumption per capita

48 thousand
clients

65.9
net sales*
million US$

61.9%
market share
soft drinks

ebitda*
14.2
million US$



Message from the General Manager, Paraguay

The performance of the Paraguayan economy in 2012 was not good. The GDP contracted -1.2%, mainly because of the effects of the drought that had an adverse impact on the farming campaign, and the outbreak of hoof-and-mouth disease that led to the closing of markets for Paraguayan beef. This interrupted two years of very good economic activity. Nonetheless, considering the 12 months of 2012, we sold 63 million unit cases and grew 5% compared to the previous year (carbonated beverages: +2.4%; waters, juices and other products: +28.5%).

Returnable formats impulsed the increase in soft drinks sales, (+17% 2L Ref PET), thus improving coverage and introducing bottles to stores and consumers. Other factors of influence in our growth were innovations on the market, in particular the 1-liter screw-top glass bottle and the 3-liter Coca-Cola PET bottler, responding to a growing preference of our consumers.

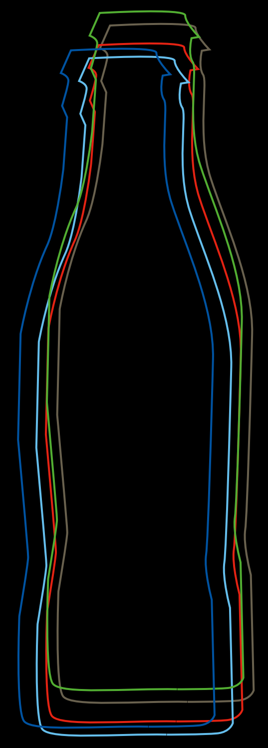
We continue growing significantly in other categories. In the segment for waters, we launched the 2.25-liter PET format on the market and also changed the visual identity of our Dasani water. In the juice category, we consolidated our leadership, becoming first in consumer preferences just 15 months after being on the market and growing 46% in the year.

As part of our focus on our end consumers, we have broadened the market service model through RTM (Route to Market) to improve the level of service and thus strengthen and develop our customers. There are 10,600 customers under this model, backed by an investment of more than 10,000 coolers, with which 53% of all our clients count with these coolers.

In order to continue confronting the sustained growth of Coca-Cola Paresa, we have expanded our logistical and production capacities by adding a finished product warehouse measuring 3,600 m^2, roofing the truck loading yard and installing a new PET product production line that will begin full production during the first quarter of 2013.

2012 was a year of great effort and challenges overcome thanks to the excellent team of professional, committed collaborators, who drive us to continue setting challenging goals and working every day to meet them.

Francisco Sanfurgo
General Manager Paraguay



Other Operations

Other Operations

Argentina Andina Empaques Argentina S.A.

Chile Vital Jugos S.A. • Vital Aguas S.A. • Envases Central S.A. • Envases CMF S.A.

ANDINA EMPAQUES ARGENTINA

At a Special General Shareholders' Meeting held November 1, 2011, Embotelladora del Atlántico decided to divide part of its equity to form a new company under the name of Andina Empaques Argentina S.A., transferring to this company all activity and assets necessary in order to develop the operations of the Packaging Division. Accounting and tax effects began January 1st, 2012, so this is the first year of economic exercise.

As a successor of the Packaging Division and aligned with our strategy to become the sole supplier of the Andina Group, during 2012 we delivered non-returnable preforms and returnable PET bottles to Coca-Cola Andina Argentina. Outside the Andina Group, Coca-Cola Femsa in Buenos Aires continued being our main client.

Production and Sales by Format

Andina Empaques Argentina operates 1 plant for the production of preforms and returnable PET bottles located at Tigre in the province Buenos Aires, Argentina. The plant has 12 injection lines and 3 blowing lines.

Average utilization capacity during 2012 was 90.3% for injection lines and 68.1% for blowing lines. Sales by format during 2012 were 44 million returnable PET bottles and 590 million preforms for non-returnable PET bottles. During 2013 we expect to continue increasing installed capacity for injection lines and blowing lines and a new line for caps will be installed.

Main suppliers of raw materials

Resin: DAK Americas Argentina S.A., Nan Ya Plastics Corp., Far Eastern New Century, DAK Americas U.S.A., Cabelma S.A.
Coloring: Colormatrix, Kemkoll, Clariant
Ink: Nazdar Shawnee
Labels: Multi-Color Corp.
Packaging: Argencraf S.A., N.E.M. S.A., Afema S.A., Tramontana S.A.
Electric energy: Edenor S.A., Cammesa, Duke Energy S.A., Termoandes S.A.

Clients

The main clients are: Embotelladora del Atlántico S.A., Embotelladora Andina S.A., Coca-Cola Femsa S.A., Grupo Arca, Complejo productivo Mediterráneo, Reginald Lee S.A., Spal Brasil, Monresa, Envases CMF S.A., Paraguay Refrescos S.A.

VITAL JUGOS S.A.

In agreement with The Minute Maid Co. and Coca-Cola de Chile S.A., Vital Jugos S.A. produces nectars, fruit juices, fantasy drinks and isotonics under the brands: Andina del Valle (fruit juices and fruit nectars), Kapo (fantasy drink) FUZE Tea (ready-to-drink tea), Powerade (isotonic); Aquarius, (non-carbonated beverage containing 10% fruit juice) and Glaceau Vitamin Water (nutrient enhanced water beverage). The juice brand Andina del Valle is commercialized in Tetra Pak packaging, non-returnable PET bottles, and in returnable and non-returnable glass bottles. Kapo is commercialized in sachets; FUZE Tea in non-returnable PET bottles; Powerade in Tetra Pak packaging and non-returnable PET bottles; Aquarius in returnable glass bottles; and Glaceau Vitamin Water in non-returnable PET bottles.

In January of 2011, the juice production business is restructured allowing the incorporation of the other Coca-Cola bottlers in Chile to the ownership of Vital S.A., which changes its corporate name to Vital Jugos S.A. As a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina materialized on October 1st 2012, the ownership structure of Vital Jugos

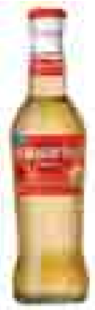
Vital Jugos

68.3% Andina
31.7% Embonor

SALES BY CLIENT

73.6% Andina
16.9% Kapo
5.9% Powerade
3.6% Fuze Tea & Others

SALES BY PRODUCT



47.4% Multi Serving Non-Returnable
41.0% Single Serving Non-Returnable
6.6% Multi Serving Returnable
5.0% Single Serving Returnable

SALES BY FORMAT

was amended beginning November 2012 as follows: Andina Inversiones Secretaries 50%, Embonor S.A. 35% y Embotelladora Andina S.A. 15%.

Juice Bottler Agreement

In 2005, Vital Jugos S.A. and the The Coca-Cola Company ("TCCC") entered into a Juice Bottler Agreement by which TCCC authorized Vital Jugos S.A. to produce, prepare and bottle in packaging previously approved by TCCC the abovementioned brands. The Agreement will expire on December 31, 2015, and sets forth that Andina and Embonor have the right to purchase products from Vital Jugos S.A. Additionally, Andina, Vital Jugos and Embonor have agreed with TCCC the respective agreements and authorizations to produce, package, and sell these products at their respective production facilities.

Production and Distribution

Vital Jugos operates one production facility located in Santiago with 8 lines for the production of Andina del Valle Fuze Tea, Powerade, Aquarius and Glaceau Vitamin Water; and 7 lines for the production of Kapo. Average utilization capacity for the year 2012 was 55.8%. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Vital Jugos. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

Main Suppliers

Concentrate: Coca-Cola de Chile S.A.[1]
Sweetener: Industria Azucarera Nacional S.A.
Fruit Pulp: Aconcagua Foods S.A., Tresmontes Lucchetti Agroindustrial S.A., Fenix Fruit Concentrates S.A., Arcor S.A.C.I., Boland Pulp, Sucocitrico Cutrale S.A., Flora Floresta do Araguaia C.A. Ltda., Empresas Carozzi S.A., Predilecta Alimentos Ltda., Citrovita Agro Industrial Ltda., Louis Dreyfus Commodities, Via Nectare, Del Oro S.A., Industrias Alimenticias Mendocinas S.A.
Packaging, Bottles and Cans: Tetra Pak de Chile Ltda., Envases del Pacífico S.A.[2], Aluflex S.A., Envases CMF S.A.[3], Cristalerías de Chile S.A., Cristalerías Toro S.A.C.I., Sánchez y Cía. Ltda.
Tapas: Alusud Embalajes Chile Ltda., Alucap S.R.L., Portola Packaging Inc.

[1] Shareholder
[2] Shareholder related
[3] Equity Investee

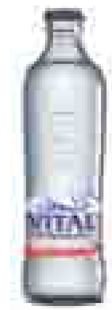
Vital Aguas

73.6% Andina
26.4% Embonor

SALES BY CLIENT

94.0% Agua Mineral Vital
6.0% Benedictino

SALES BY PRODUCT



57.8% Multi Serving Non-Returnable
41.2% Single Serving Non-Returnable
1.0% Single Serving Returnable

SALES BY FORMAT

VITAL AGUAS S.A.

In agreement with The Coca-Cola Company, Vital Aguas S.A. prepares and bottles the following brands: Vital (mineral water) in the following versions: with gas, without gas and Soft Gas; and Benedictino (purified water) in the following versions: with gas and without gas. Vital mineral water is commercialized in returnable glass bottles and non-returnable PET bottles and Benedictino is commercialized in non-returnable PET bottles. As a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina materialized on October 1st 2012, the ownership structure of Vital Aguas was amended beginning November 2012 as follows: Embotelladora Andina S.A. 66.5% and Embonor S.A. 33.5%.

Water Manufacturer and Packaging Agreement

In 2005, Vital Aguas and The Coca-Cola Company entered into a Water Manufacturing and Packaging Agreement for the preparation and packaging of beverages that will be in effect until December 31, 2015, regarding the brands Vital, Chanqueahue, Vital de Chanqueahue and Dasani; incorporating at the beginning of 2008 the Benedictino brand to the product portfolio elaborated by Vital Aguas S.A. in accordance to this agreement.

Production and Distribution

Vital Aguas S.A. operates 4 production lines for mineral water and purified water at the production facility located in Chanqueahue, in the municipality of Rengo in Chile. During 2012, average utilization capacity was a 68.2%. In Chile, exclusively Andina and Embonor, the other Coca-Cola bottler in the country, distribute the products of Vital Aguas. The distribution agreements stipulate the distribution of products in each of the bottler's respective franchise territories.

Main Suppliers

Concentrate: Coca-Cola de Chile S.A[1]
Carbon dioxide: Aga Chile S.A.
Packaging: Envases CMF S.A.[2], Cristalerías de Chile S.A., Cristalerías Toro S.A.C.I. and Sánchez y Cía. Ltda.
Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L., and Aptar.

[1] Shareholder
[2] Equity Investee


Andina and Embonor are partners in the packaging business since 2012.

ENVASES CENTRAL S.A.

The Company is mainly focused on the production of the following brands of soft drinks: Coca-Cola, Fanta and Sprite and non-carbonated beverages containing 10% fruit juice, Aquarius (pear, apple, grape and pineapple) and the energy drink Burn. The canning of these products is in 350 ml, 310 ml and 250 ml cans, and the bottling is in non-returnable PET bottles of 250 ml, 500 ml, 580 ml, and 1.5 lt (only for Aquarius). The Coca-Cola bottlers in Chile, along with Coca-Cola de Chile, share the ownership of Envases Central. Embotelladora Andina holds a 59.27% stake, Embotelladora Coca-Cola Embonor holds a 34.31%, and Coca-Cola de Chile holds a 6.42% stake.

License Agreement

These agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. The agreement with The Coca-Cola Company is for a 5 year period, beginning January 1st 2010.

Production and Distribution

Envases Central S.A. operates 1 production facility located in Santiago, with 1 line for cans and 1 line for PET bottles. During 2012, the canning and bottling lines operated at an average of 65% and 59%, respectively. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Envases Central. The distribution agreements stipulate for the distribution of products within each of the respective franchise territories.

ENVASES CMF S.A.

Envases CMF produces returnable and non-returnable bottles, returnable and non-returnable preforms; caps and seals. In January 2012, Cristalerías de Chile sold its 50% ownership interest it had in Envases CMF to Embonor Empaques S.A., thus the property of Envases CMF is equally divided among Andina Inversiones Societarias (a wholly owned subsidiary of Embotelladora Andina) and Embonor Empaques.

Production and Sales by Format

Envases CMF operates 1production facility for the manufacture of PET bottles located in Santiago. The plant has 12 preform injection lines, 11 blowing lines, 12 lines for conventional injection and 4 injector and extruding blowing lines. During 2012, average utilization capacity of the production lines was 94.9%, 91.4%, 88.4% and 80.1%, respectively.

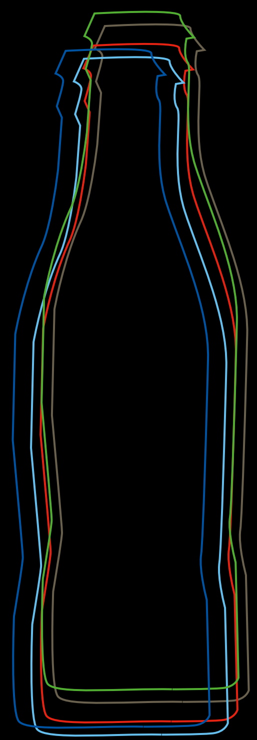
Sales by format during 2012 were 284 million non-returnable PET bottles, 31 million returnable PET bottles and 385 million preforms for non-returnable bottles.

Main Suppliers

Resin: DAK Americas Argentina S.A., Nan Ya Plastics Corp., Lotte Chemical Corp., Far Eastern Textile Ltda., Indorama Ventures Polymers Mexico, IDC America LLC, Jiangyn Xingyu Co. Ltda.
Masterbatch: Clariant Colorquimica Chile S.A., Marzullo S.A.
Ink: Nazdar Shawnee
Labels: Empack Flexibles S.A., Multi-Color Corp.
Packaging: Impresos y Cartonajes S.A., 3 Volcanes Ltda., Plastiberg Ltda., Corrupac S.A., Garibaldi S.A., Empack Ltda.
Electric Energy: Chilectra S.A.

Main Clients

Coca-Cola bottlers in Chile, Soprole S.A.; Watts S.A., Córpora Tres Montes S.A., The T-Company S.A., Viña Concha y Toro S.A., Viña Santa Rita S.A., Alpla C.R. S.A., Embotelladora de Sula S.A. Honduras, Sociedad de Productos Plásticos Duraplas Ltda., Fábrica de Envases Plásticos S.A.



Corporate Social Responsibility

We have chosen to live positively with our customers, consumers, society and the environment.

Training went hand-in-hand with the Company's growth:

- Route-to-Market: 3,302 hours of training to 381 employees.
- Competency Reinforcement Program: sales and HR actions that provided tools to optimize key skills and know-how.
- Distributor Sales Force Development: 3,640 hours of training to 476 individuals.
- Coke One: +2,200 hours of training to +400 end users from the Central, Cuyo and Seaboard sectors.
- Improvement of lines 7 and 8, line 9, the hot fill and Bonaqua areas: 5,638 hours of training to 457 employees.
- As to continuing improvement, we optimized format designs and are gradually adding more products to short-finish, recycled PET, B2B and Plant Bottle production.

ARGENTINA

Social Responsibility • Human Capital • Sustainability

Environment

We are aiming for a sustainable growth on the basis of an economic, social and environmental balance. We are incorporating rainwater catchment to any buildings we enlarge and we are replanting ten times the number of trees affected by those works. And natural lighting is the rule in building design.

We are continuing with the project called "Our ERA, our Commitments," which fosters an efficient use and care of Energy, the minimization and Recycling of our waste, and a reduction, recycling and replenishment of water (Agua in spanish).

30 Happiness Squares were installed in different cities of the Coca-Cola Andina Argentina Franchise and 500 trees were planted.

We are certain that nothing that we do is worth causing an accident and we assume our responsibility for choosing safety above all. Senior management has formalized that commitment by a central safety committee and 6 steering committees that cover all of the regions of Coca-Cola Andina Argentina.

Community

Our continuing efforts to better ourselves have been rewarded by the 2011 Eco-Efficiency award and the 2012 Quality award in the Province of Córdoba, which has strengthened our social license to do business.

We conducted the 3rd consecutive social perception survey and were ranked 2nd in the society where we do business, we have renewed our commitments to the high-risk sectors and are focusing on issues of concern to our community:

2012 Focuses:

- Good Neighbor
- Sports and Social Wellbeing
- Education; Social Inclusion
- Environmental Care

We are developing synergies with our customers to achieve better results. Examples are the post-consumption recycling campaign with Ferniplast called "One bottle for a thousand smiles" and the recycling program with Walmart called "A Transforming Optimism." In 2012, this latter accounted for 54% of the total volume collected in Córdoba.

We are working on the entire chain of value in a focused effort to fulfill our promise of provoking a moment of happiness with each bottle that will reduce the number of claims to a level in line with that of a world leader.

People

We help people improve through a variety of development actions:

- Talent Development Program
- Andina University
- Andina Leadership Program
- Hiring Disabled Individuals: Our objective of securing the commitment to diversity and social inclusion is firm. We expect to offer job opportunities to this segment of the population in 2013.
- Young Professional Program
- Integration Seminars: The "United towards Building" integration seminars were held for the first time before launching the new corporate image of Coca-Cola Andina as part of the integration process of the Polar and Andina groups. The aim was to implant the Andina 2020 Vision. Around 100 employees from A Roof for my Country, a non-governmental organization, helped build 7 houses in an underprivileged sector of Córdoba.
- New Employee Welcome Program

The Company is opening doors to give young people their first job opportunity.

Investments in the Environment

In 2012, we made several investments to modernize our production lines that increased efficiency and improved sustainability, such as short-finish bottle production (-1.4 g per bottle), a 30% reduction in blowing energy consumption and a reduction in water consumption by implementing the air rinser. Our water ratio is 1.81 liters of water/beverage.

BRAZIL

Social Responsibility • Human Capital • Sustainability

Environment

As part of our objective of being a sustainable Company, we adopted 3 grand environmental priorities: recycling, reducing water consumption and reducing the energy utilization ratio in our production processes.

Our waste management initiatives have resulted in recycling 87% of waste. Compared to last year, we reduced the waste ratio per liter of beverage by 14% (13.9 g to 11.9 g).

Community

• Disabled Individual Training Program:
In this project, disabled individuals are given two years of professional training at SENAI, a professional education institute. The goal is for them to learn about the different areas of a Company (such as human resources, finance, marketing, logistics and sales) and then find a job. We are currently educating 150 students and are working to insert as many of that number as possible into positions that become available in the Company.

• Volunteer Work – Optimism Day:
On Optimism Day, our employees are invited to go out on the routes with salespeople to commit customers to participating in the "Week of Transforming Optimism". During that week, part of the profit on all of the products in our portfolio is transferred to in social and environmental projects of the Coca-Cola Institute. Andina Brazil has been the bottler with the largest number of volunteers in this effort for 3 consecutive years.

People

• Coca-Cola Collective Project: Collective is more than a social project; it is an innovative initiative called "Social Business" developed in a partnership with Coca-Cola Brazil since 2010. This initiative reaps benefits for both the Company and the community. We are fostering professional training in underprivileged areas and we are helping hundreds of people in the younger generation find their first job through our business partners.

In addition to improving their future outlook, this younger generation gains buying power and develops their communities while we improve our business opportunities. Coca-Cola Andina Brazil currently has 22 Collectives and has already trained more than 5 thousand people in the younger generation and hired more than one thousand. It is presently the bottler with the highest employability index in the Coca-Cola System.

• Young Apprenticeship Program: Coca-Cola Andina Brazil's Young Apprenticeship Program is a corporate social responsibility initiative that focuses on youths aged 15 to 22 and aims to insert them into the job market. The Company is opening doors to give these young people their first job opportunity.

The program has a practical module and a theory module and is imparted at educational institutions in three different ways that allow flexible hours and both a technical and administrative education. Currently, around 130 youths of this program are working with us.

Coca-Cola Foundation

Thanks to the collaboration of the Coca-Cola Foundation, Coca-Cola Andina Chile financed scholarships to underprivileged students for the ninth consecutive year. As a result, they have access to a technical-professional high school education. And to contribute to the quality of teaching, Advanced Scientific Education Technology (TAVEC) Laboratories were set up in schools that were winners in the "Science for All" contest for high-school students and "Children have the floor" for pre-school and grade school students.

Community Support

Our new plant in Renca will soon be the destination of school field trips. Students will be given a guided tour of our production process and will experience the "Happiness Factory," a unique space that mixes design, technology and the magic of the World of Coca-Cola.

CHILE

Social Responsibility • Human Capital • Sustainability

Environment

The main action in 2012 was the program for the recycling of raw and packaging materials. Paper, cardboard, plastics, wood, junk metal and glass were collected. Our Environmental Area leads the project and the purpose is to sort and reuse waste generated by operations.

The PET container is compacted and has been processed at the Renca plant since August, and then delivered to a specialized company. Wood is sent to a sustainable waste manager that processes it into biofuel. Internal recycling at the Renca facilities increased the percentage of recycled material from 33% in August 2011 to 78% by December 2012.

We have also continued with the Plant Bottle program that uses 30% vegetable material in individual returnable bottles. This reinforces our commitment to work with sustainable containers.

Community

One of the emblematic community projects, aimed specifically at our traditional customers, was the installation of 400 new Community Retail Centers (CRC). The goal of 930 was met in 2012 and covered a total of 4,500 customers. The development of these CRCs in safe, easily accessible locations has meant not only an increase in our sales, but also improvements in the quality of life of local inhabitants. The challenge for 2013 is to implement 250 CRCs in regions.

Along these same lines, the "Aim High" Program was launched in 2012, with the support of ORT Chile. This social responsibility initiative aims to improve opportunities for 20,000 small and mid-sized businesses, increase their profit and have a direct impact on the quality of life of the owners, families and the communities where they do business. Today, this project is the largest privately financed training activity in Chile.

Volunteer employees of Coca-Cola Andina Chile continued in 2012 with our Junior Achievement program that gives entrepreneurial tools to high-risk children and youths.

We also worked with the community on donating non-returnable bottles to build and finish the facade of the Recycling Center located in the borough of La Reina, in Santiago, and to install playground equipment in squares.

People

Coca-Cola Andina Chile has always believed that training our workers is fundamental to continuing on the path of growth and development. For that reason, 5,408 employees were trained during 2012, 1,300 in quality and safety induction.

Each member of our Company--executives, professionals, technicians, clerks, sales people, workers and re-stockers--received 78.5 hours of training over time that transmitted clear messages about the importance of human capital to an optimal operation of our processes.

Under that framework, in 2012 the "Andina Chile Leaders Program" began, focused on giving executives, managers and supervisors of the Company the necessary tools to understand the strategic role that they play in transforming the culture of Coca-Cola Andina Chile. More than 180 people participated and it will be extended in 2013 to regions in order to firmly implant the Coca-Cola Andina leadership style.

Living Positively is the platform that embraces the commitments of the Coca-Cola System to sustainable development and is the framework for internal and external actions.

Environment

We have been consistently managing our water sustainably by implanting rainwater catchment projects, reusing wash water and optimizing sanitation processes (CIP). In 2012, we significantly improved our water consumption ratio by reducing water consumption 18% per liter of beverage as compared to the previous year.

We worked the entire year on reducing power consumption by implementing a low-pressure PET bottle blowing project, using solar panels and installing a new energy-economic boiler to our infrastructure.

PARAGUAY

Social Responsibility • Human Capital • Sustainability

Environment

Internally, we continued to recycle raw materials and containers at our Plant (paper, cardboard, plastics, wood and glass).

Externally: (i) Coca-Cola Paresa participated in the International Coastal Cleanup Day. Volunteer employees collected waste and garbage to help create an awareness of the importance of caring for bodies of water. More than 21,300 kilos of waste have been collected since it started in 2012; (ii) Since 2008, Paraguay has been celebrating "Environment Day" during which volunteer employees plant trees. A total of 120,000 small trees have been planted from 2009 to 2012 as part of this celebration under a program called "Paraguay Breathes Easily," implemented in conjunction with a NGO.

Community

"Learning to be an entrepreneur in the Environment" (AEMA) is a joint program of Coca-Cola and Junior Achievement. The objective is for school-age children from different public schools in Greater Asuncion to learn about, and become aware of, environmental care. More than 12,300 children have received instruction since it began in 2012.

Coca-Cola Paresa promotes exercise in underprivileged school-age children. It teaches them games that require movement but no infrastructure or investment. This initiative is being implemented by Growing in Movement, a NGO, and has helped 7,429 children since its start in 2012.

Coca-Cola Paresa is supporting the Key Events for Health Care Professionals. It communicates the concepts of Wellbeing to health care professionals and students, mainly in the area of nutrition.

Coca-Cola Paresa has programs in place to minimize the consumption of water and power, manage waste and treat effluents. It has also made environmental and wellbeing alliances under which actions are taken to benefit the community.

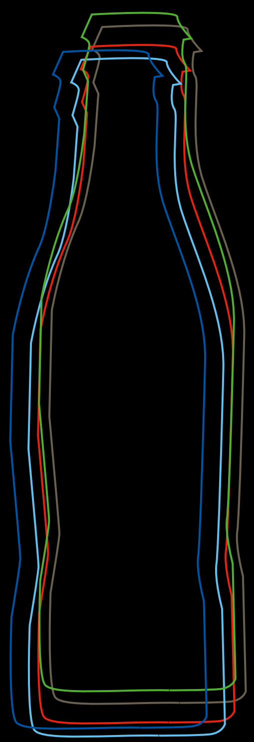
People

We believe that our dedicated professional collaborators are our most valuable capital. For that reason, we have implemented human resource practices that endeavor to increase the positive valuation of the Company and improve the job climate.

Coca-Cola Paresa encourages its employees to become actively involved in the Living Positively vision by volunteering annually on dates such as Water Day, Environment Day, WWF Earth Hour, and International Coastal Cleanup Day.

We are also constantly developing leadership and teamwork skills through our Coaching Programs and strengthening Teams of Excellence through a training curriculum focused on strategic projects. In 2012, our aim was the Route-to-Market (RTM) Project that developed new commercial roles.

We have improved our Operating Excellence Management model, our Good Manufacturing Habits (GMH) and Safety, this latter through the Safe Work Promoter (SWP) Program. The main goal is for people to be trained in the different aspects of safety for all.



Additional Information

Capital Expenditures

nominal million dollars

	2012	2011	2010
Argentina			
Embotelladora del Atlántico S.A.*	91.9	52.3	19.3
Andina Empaques Argentina S.A.	4.4	-	-
Brazil			
Rio de Janeiro Refrescos Ltda.	74.3	59.8	69.8
Chile			
Embotelladora Andina S.A.*	108.8	150.2	91.5
Vital Jugos S.A.**	3.0	-	6.5
Vital Aguas S.A.**	0.1	-	-
Envases Central S.A.**	0.6	-	-
Paraguay			
Paraguay Refrescos S.A.**	12.5	-	-
Total	295.6	262.3	187.1

* Figures include the operation of ex-Coca-Cola Polar for the 4th quarter of 2012

** Figures only consider the 4th quarter of 2012

FINANCIAL ACTIVITIES

During 2012, the Company used external financing to cover temporary cash deficits and part of its investment plan. As of December 31, 2012, the Company presented a negative Net Cash Position in the amount of US$440.5 million. Accumulated excess cash is invested in money markets. The Company holds 43.6% of its financial investments in Brazilian reais, 26.3% in Chilean pesos, 13.0% in Argentine pesos, 12.2% in Paraguayan guaranies and 4.9% in US dollars. Total financial assets amounted to US$115.9 million. Accumulated cash surplus is invested in money markets.

The Company's financial debt level was US$556.4 million, where 51.3% is denominated in Unidades de Fomento (UF), 24.4% in Chilean pesos, 15.9% in Brazilian reais, 6.1% in Argentine pesos, and 2.3% in US dollars.

Andina uses exchange rate hedging agreements from time to time to backup some commitments in currencies different from those used in its operations, due to obligations arising from acquisition of fixed assets as well as raw material purchases.

INVESTMENT AND FINANCING POLICY

The Deeds of Embotelladora Andina do not define a fixed financing structure or an investment policy.
To define the financing and investment policies is within the faculties that the Shareholders have given the Board of Directors which has resulted in that the Company has traditionally privileged the use of own resources for financing its investments. On the other hand, during Board Session held December 22, 2011, supplemented by the agreements during Board Session held August 28, 2012, a series of limitations that require the prior approval of the Board of Directors were established for the Company's legal representatives, in the following matters: (i) acquire, encumber and dispose of real estate; (ii) pledge all types of movable property; (iii) establish partnerships of any kind and dispose of shares, rights or options on them; (iv) initiate any voluntary bankruptcy procedure; (v) perform all sorts of trading of futures and derivatives, with the exception of those related with hedging in the prices of sugar-which will be governed by the internal politics of the company; (vi) to carry out all kinds of operations with securitization companies; as well as the issuance and placement of bonds or other debt securities; and (vii) enter into loans in amounts exceeding US$60 million.

Embotelladora Andina and its subsidiaries maintain annual insurance agreements with top of the line companies.

INSURANCE

Embotelladora Andina and its subsidiaries maintain annual insurance agreements with top of the line companies. The principal insurance policies cover: fire risks, earthquake and losses due to stoppage, including lost profits as a result of such accidents. Additionally, there are other policies with specific coverage among others: air, sea and land transportation, motor vehicles, terrorism, civil liability and product civil liability.

RISK FACTORS[1]

We have identified the following risks that could significantly and adversely affect the Company's financial condition and operating results:

• Relationship with The Coca-Cola Company ("TCCC"): More than 98% of our sales are derived from the distribution of products bearing trademarks owned by TCCC. According to the bottling agreements TCCC has the ability to exercise substantial influence over the business of Embotelladora Andina through its rights under these agreements, and can have a negative impact on our margins; among them, unilaterally set prices for concentrates it sells to us. We depend on TCCC to renew said agreements and we cannot assure that these will be renewed or extended upon maturity, and even if they are renewed, we cannot assure that the extension will be granted under the same terms of the current agreements. In addition, any acquisition on our behalf of Bottlers of Coca-Cola products in other countries may require, among others, the consent of TCCC.

Annual insurance agreements with top of the line companies

Our growth and profitability depend on the economic conditions of the countries where we operate

• We operate in a highly competitive market in terms of prices: In our franchise territories we compete with bottlers of regional brands as well as Pepsi bottlers.

Although we believe that we are well positioned to maintain or increase sales volumes at acceptable levels in all our franchise territories, competition may continue and we cannot assure that such competition will not intensify in the futurethat could also negatively affect our profitability.

• Our raw materials are subject to exchange rate risk and price volatility: We use numerous raw materials in the production of beverages and packaging, including sugar and resin. Since these prices are often fixed in U.S. dollars, the Company is subject to the exchange rate risk of the localcurrency in each one of its operations. If the Chilean peso, the Brazilian real or the Argentine peso devaluated significantly with respect to the U.S. dollar, the cost of certain raw materials could rise significantly and this could adversely affect our operating results. Additionally, these raw materials are subject to international prices' volatility that could also negatively affect our profitability.

• Instability in the supply of utility services and fuel: All our operations depend on a stable supply of utilities and fuel. Given the relative economic instability in the countries where we operate, particularly in Argentina, we cannot assure that this will not affect the capacity to obtain utilities or fuel in the future.

• Our growth and profitability depend on the economic conditions of the countries where we operate: Operating results depend significantly on the economic and political conditions prevailing in the markets of Argentina, Brazil, Chile and Paraguay ; including: (i) inflation, we cannot guarantee that, under strong competitive pressures, we will be able to increase prices to compensate inflation; (ii) volatility of local currencies with respect to the U.S. dollar and the Chilean peso derived from governmental economic policies of those countries;

(iii) exchange controls and withholding taxes can limit the repatriation of investments; and (iv) monetary, credit

[1]For additional information refer to The Company-Risk Factors on our website: www.koandina.com

and tariff policies or of any other nature that have an impact over the course of the economies of Argentina, Brazil, Chile and/or Paraguay.

• Perception of risk in emerging economies: As a general rule, international investors consider Argentina and Paraguay and to a lesser extent Chile and Brazil, to be emerging market economies. Economic conditions and the market for securities of emerging market countries influence investors' perception regarding the securities of companies located in these countries. Investors' behavior regarding the economic realities of one country can affect the securities of issuers in other countries, including Chile.

• The market for our shares may be volatile and illiquid: The Chilean securities markets are substantially smaller, less liquid and more volatile than most of the major securities markets in developed countries. The lack of liquidity owing, in part, to the relatively small size of the Chilean securities markets may have a material adverse effect on the trading prices of our shares.

EQUIPMENT

Main equipment is composed of bottling lines and auxiliary equipment, market assets, and packaging and distribution assets. All of them are well preserved and are sufficient to sustain the normal functioning of operations.

RESEARCH AND DEVELOPMENT

Given the line of business and the support provided by The Coca-Cola Company as franchisor to its bottlers, Coca-Cola Andina's research and development expenses are not meaningful.

The Board of Directors defines financing and investment policies.

Our growth and profitability depend on the economic conditions of the countries where we operate.

Properties and Facilities

We maintain production plants in each of the principal population centers that comprise the franchise territories. In addition, we maintain distribution centers and administrative offices in each of the franchise territories. The following table sets forth in square meters, our principal properties, and facilities in each of the franchised territories:

	Main Use	Surface (Square Meters)
ARGENTINA		
Embotelladora del Atlántico S.A.		
Córdoba	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	1,009,516
Santo Tomé	Offices / Warehouses	89,774
San Juan	Offices / Warehouses	48,036
Mendoza	Offices / Warehouses	41,579
Rosario	Offices / Warehouses	28,070
Río IV	Cross Docking	7,482
San Luis	Offices / Warehouses	6,069
Bahía Blanca	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	31,280
Chacabuco	Offices / Distribution Centers / Warehouses	5,129
Pergamino	Offices / Distribution Centers / Warehouses	1,195
General Pico	Offices / Distribution Centers / Warehouses	2,547
Neuquén	Offices / Distribution Centers / Warehouses	5,400
Trelew	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	16,024
Andina Empaques Argentina S.A.		
Buenos Aires	Production of PET bottles and preforms	27,043
Total Argentina		1,319,144
BRAZIL		
Rio de Janeiro Refrescos Ltda.		
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	249,470
Vitória	Offices / Production of Soft Drinks / Warehouses	93,320
Nova Iguaçu	Warehouses	82,618
Bangu	Distribution Centers	44,389
Campos	Distribution Centers	42,370
Cachoeira do Itapemirim	Cross Docking	8,000
Sao Cristovao	Distribution Centers	4,500
Sao Goncalo	Distribution Centers	10,880
Cabo Frio	Distribution Centers	1,985
Sao Pedro da Aldeia	Distribution Centers	10,139
Total Brasil		547,671

	Main Use	Surface (Square Meters)
CHILE		
Embotelladora Andina S.A.		
Metropolitan Region	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	494,386
Rancagua	Warehouses	25,920
San Antonio	Warehouses	19,809
Antofagasta	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	34,729
Coquimbo	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	31,383
Punta Arenas	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	109,517
Coyhaique	Warehouses	5,093
Taltal	Warehouses	975
Tocopilla	Warehouses	562
Calama	Warehouses	10,700
Ovalle	Warehouses	6,223
Vallenar	Warehouses	5,000
Copiapó	Warehouses	26,800
Vital Jugos S.A.		
Metropolitan Region	Offices / Production of Juices	40,000
Vital Aguas S.A.		
Rengo	Offices / Production of Waters	12,375
Envases Central S.A.		
Metropolitan Region	Offices / Production of Soft Drinks	50,100
Total Chile		873,572
PARAGUAY		
Paraguay Refrescos S.A.		
San Lorenzo	Offices / Production of Soft Drinks / Warehouses	275,292
Coronel Oviedo	Offices / Warehouses	32,911
Encarnación	Offices / Warehouses	12,744
Ciudad del Este	Offices / Warehouses	14,620
Total Paraguay		335,567

We have full ownership of our properties and they are not subject to material encumbrances

Subsidiaries and Equity Investees

CHILE

	Embotelladora Andina Chile S.A.°	Vital Jugos S.A.°	Vital Aguas S.A.°	Transportes Andina Refrescos Ltda.*	Transportes Polar S.A.
Address	Av. Miraflores 8953, Santiago	Av. Américo Vespucio 1651, Santiago	Chanqueahue s/n, Rengo	Av. Carlos Valdovinos 462, Santiago	Av. Carlos Valdovinos 462, Santiago
Chilean Tax Id. N°	76.070.406-7	93.899.000-K	76.389.720-6	78.861.790-9	93.473.000-3
Telephone	(56-2) 2338 0520	(56-2) 2620 4103	(56-2) 2620 4103	(56-2) 2550 9445	(56-2) 2550 9445
Shareholders' Equity (as 12/31/12)	ThCh$ 14,069,067	ThCh$ 20,675,167	ThCh$ 4,331,154	ThCh$ 500,000	ThCh$ 1,619,315
% Subsidiary Investment Represents of Parent Company Asset	0.91	1.34	0.28	0.03	0.11
Corporate Purpose	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Manufacture, distribute and commercialize all kinds of food products, juices and beverages.	Manufacture, distribute and commercialize all kinds of waters and beverages in general.	Provide administration services and management of domestic and foreign ground transportation.	Cargo transportation in general in the beverage industry and other elaborated merchandise.
Board of Directors/Management Council	Miguel Ángel Peirano[1] Andrés Wainer[1] Jaime Cohen[1]	Alejandro Feuereisen[1] Abel Bouchon[1] Cristián Hohlberg Cristián Mandiola[1] Germán Garib[1] (a) Pablo Jabat[1] (a) José Domingo Jaramillo (a) Javier Rodas[2] (a)	Alejandro Feuereisen[1] Abel Bouchon[1] José Domingo Jaramillo Cristián Mandiola[1] Germán Garib[1] (a) Pablo Jabat[1] (a) Matías Mackenna (a) Javier Rodas[2] (a)	Abel Bouchon[1] Pablo Jabat[1] José Tupper[1] Vicente Domínguez[1] Ignacio Cruz[1] (a) Magdalena Viertel[1] (a)	Eduardo Chadwick[3] Andrés Herrera Cristián Mandiola[1]
General Manager	Abel Bouchon[1]	César Vargas	César Vargas	-	-

[1]Embotelladora Andina S.A. officer
[2]Presented his resignation to the Board of Directors in October 2012, leaving a vacant seat
[3]Director and member of the Controlling Shareholder of Embotelladora Andina S.A.
(a) Alternate

	Servicios Multivending Ltda.*	Envases CMF S.A.°	Envases Central S.A.°	Andina Bottling Investments S.A.°	Andina Bottling Investments Dos S.A.°
Address	Av. Miraflores 8953, Santiago	La Martina 0390, Santiago	Av. Miraflores 8755, Santiago	Av. El Golf 40, Of. 401, Santiago	Av. El Golf 40, Of. 401, Santiago
Chilean Tax Id. N°	78.536.950-5	86.881.400-4	96.705.990-0	96.842.970-1	96.972.760-9
Telephone	(56-2) 2677 2700	(56-2) 2544 8222	(56-2) 2599 9300	(56-2) 2338 0520	(56-2) 2338 0520
Shareholders' Equity (as 12/31/12)	ThCh$ 500,000	ThCh$ 32,981,986	ThCh$ 7,562,354	ThCh$ 240,010,693	ThCh$ 8,714,160
% Subsidiary Investment Represents of Parent Company Asset	0.03	2.14	0.49	15.50	0.57
Corporate Purpose	Commercialize products through equipment and vending machines.	Manufacture, acquire and commercialize all types of containers and packaging; and provide bottling services.	Manufacture and packaging of all kinds of beverages, and commercialize all kinds of packaging.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Carryout exclusively foreign permanent investments or lease all kinds of real estate.
Board of Directors/Management Council	Abel Bouchon[1] José Luis Solórzano[1] Andrés Wainer[1] Vicente Domínguez (a)	Alejandro Feuereisen[1] Andrés Vicuña Cristián Hohlberg Germán Garib[1] Matías Mackenna Andrés Wainer[1]	Miguel Ángel Peirano[1] Abel Bouchon[1] Jorge Garduño Cristián Hohlberg José Jaramillo Cristián Mandiola[1] Jaime Brianson (a) José Tupper[1] (a) Pablo Jabat[1] (a) Antón Szafronov (a) Raúl Reyes (a) Javier Rodas (a)	Miguel Ángel Peirano[1] Alejandro Feuereisen[1] Andrés Wainer[1] Jaime Cohen[1]	Miguel Ángel Peirano[1] Andrés Wainer[1] Jaime Cohen[1] Alejandro Feuereisen[1] (a) Pablo Court (a) Germán Garib[1] (a)
General Manager		Christian Larraín	Patricio Delpiano	Miguel Ángel Peirano	Miguel Ángel Peirano

[1]Embotelladora Andina S.A. officer
°Closed Stock Corporation
*Limited responsibility companies that do not have a Board of Directors, rather they have a Management Council
(a) Alternate

Subsidiaries and Equity Investees

CHILE

	Andina Inversiones Societarias S.A.°	Inversiones Los Andes Ltda.°°
Address	Av. El Golf 40, Of. 401, Santiago	Miraflores 9153, Renca, Santiago
Chilean Tax Id. N°	96.836.750-1	96.971.280-6
Telephone	(56-2) 2338 0520	(56-2) 2338 0520
Shareholders' Equity (as 12/31/12)	ThCh$ 34,468,893	ThCh$ 77,237,135
% Subsidiary Investment Represents of Parent Company Asset	2.24	5.02
Corporate Purpose	Invest in all types of companies and commercialize food products in general.	Invest in all kinds of goods and real estate for itself or on behalf of third parties.
Board of Directors/Management Council	Miguel Ángel Peirano[1] Andrés Wainer[1] Jaime Cohen[1] Alejandro Feuereisen[1] (a) Pablo Court [1] (a)	Cristián Mandiola[1] Jaime Cohen[1] Andrés Wainer[1] Miguel Ángel Peirano[1]
General Manager	Miguel Ángel Peirano[1]	

°°Inversiones Los Andes is a limited responsability company whose managing partner is Embotelladora Andina, that designated representatives to carry out the management of the company
[1]Embotelladora Andina S.A. officer
(a) Alternate

BRAZIL

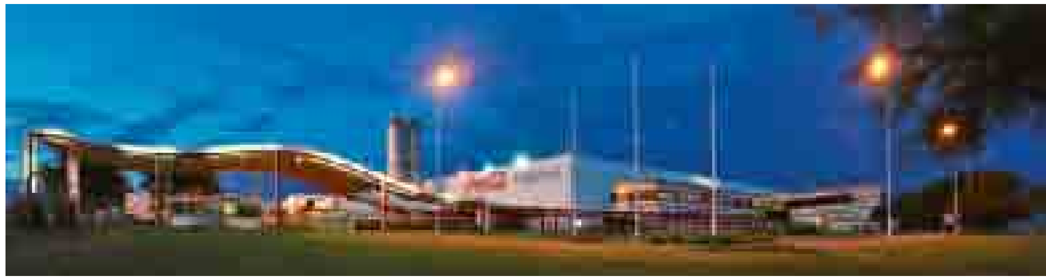
	Rio de Janeiro Refrescos Ltda.	Kaik Participações Ltda.
Address	Rua André Rocha 2299, Taquara, Jacarepaguá, Rio de Janeiro	Av. Maria Coelho de Aguiar 215, bloco A, 1° Andar, Jardim São Luis, São Paulo
Brazilian Tax Id N°	00.074.569/0001-00	40.441.792/0001-54
Telephone	(55-21) 2429 1779	(55-11) 2102 5563
Shareholders' Equity (as 12/31/12)	ThCh$ 31,754,392	ThCh$ 235
% Subsidiary Investment Represents of Parent Company Asset	2.06	0.00
Corporate Purpose	Manufacture and commercialize beverages in general, powdered juices and other related semi-processed products.	Invest in other companies with own resources.
Board of Directors/Management Council	Fernando Fragata Rodrigo Klee David Parkes	Luiz Eduardo Tarquinio Carlos Eduardo Correa Ricardo Vontobel[1] Francisco Miguel Alarcón Ruy Campos Vieira Alejandro Feuereisen[2]
General Manager	Renato Barbosa	-

[1]Director of Embotelladora Andina S.A.
[2]Embotelladora Andina S.A. officer

	Sistema de Alimentos e Bebidas do Brasil Ltda.	Holfab2 Participações Societárias Ltda.	Leão Junior S.A.	Sorocaba Refrescos S.A.	SRSA Participações Ltda.
Address	Rodivia BR 101, Km 139, Fazenda s/n (parte), Canivete, Spirito Santo	Rua Lauro Muller, 116 - conj. 2302 (parte), Botafogo, Rio de Janeiro	Av. Getúlio Vargas, 253, Bairro Rebouças, Curitiba, Paraná	Rod.Raposo Tavares, Km 104, Jardim Jaraguá, Sorocaba, São Paulo	Rua Antonio Aparecido Ferraz, 795, Sala 01, Jardim Itanguá, Sorocaba, São Paulo
Brazilian Tax Id N°	01.895.188/0001-46	11.731.861/0001-66	76.490.184/0001-87	45.913.696/0001-85	10.359.485/0001-68
Telephone	(55-11) 3809 5000	(55-21) 2541.3387	(55-11) 3809 5000	(55-15) 3229 9930	(55-15) 3229 9906
Shareholders' Equity (as 12/31/12)	ThCh$ 101,758,278	ThCh$ 34,302,856	ThCh$ 26,209,367	ThCh$ 13,745,956	ThCh$ 4,697
% Subsidiary Investment Represents of Parent Company Asset	6.61	2.23	1.70	0.89	0.00
Corporate Purpose	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Purchase and sale of real estate investments and property management.
Board of Directors/Management Council	Gothardo Heindel Soares de Gouvea Edison Pereira da Silva Alexandre Bratt Sergio Ferreira dos Santos Mauro Sergio Ribeiro	Fernando Fragata Eduardo Lacerda Fernandes Ricardo Vontobel[2] Daniel Sledge Herbert	Gothardo Heindel Soares de Gouvea Edison Pereira da Silva Alexandre Bratt Sergio Ferreira dos Santos Mauro Sergio Ribeiro	Renato Barbosa[1] Cristiano Biagi Giordano Biagi Márcio Greco[1]	Renato Barbosa[1] Cristiano Biagi Giordano Biagi Márcio Greco[1]
General Manager	Axel De Meeus Cleber Rocha Vieira	-	Axel De Meeus Cleber Rocha Vieira	Luiz Lacerda Biagi	Luiz Lacerda Biagi

[1]Rio de Janeiro Refrescos officer
[2]Director of Embotelladora Andina S.A.

Subsidiaries and Equity Investees



ARGENTINA

	Embotelladora del Atlántico S.A.	Andina Empaques Argentina S.A.	Coca-Cola Polar Argentina S.A.
Address	Ruta Nacional 19, Km 3,7, Córdoba	Austria 650 - Gral. Pacheco - Partido de Tigre	Avda. Corrientes 1302, piso 6°, Buenos Aires C1035ABH
Argentine Tax Id N°	30-52913594/3	30-71213488-3	30-68590417-5
Telephone	(54-351) 496 8888	(54-11) 4715 8000	(54-291) 481 0880
Shareholders' Equity (as 12/31/12)	ThCh$ 3,090,0770	ThCh$ 2,472,553	ThCh$ 49,536,361
% Subsidiary Investment Represents of Parent Company Asset	0.20	0.16	3.22
Corporate Purpose	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Design, produce and commercialize plastic products, mainly packaging.	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.
Board of Directors/Management Council	Gonzalo Manuel Soto[2] José Luis Solórzano Jaime Cohen[1] Laurence Paul Wiener (a) Adriana Paola Caballero (a)	Gonzalo Manuel Soto[2] Alejandro Feuereisen[1] Jaime Cohen[1] Laurence Paul Wiener (a) Adriana Paola Caballero (a)	Eduardo Chadwick[3] Joaquín Ibáñez Cristián Mandiola[1] Jorge Luis Pérez Alati Alan Dunford[1] Andrés Herrera (a) Jorge Herrera (a) Carlos Lavín (a) Hans Maier[1] (a)
General Manager	José Luis Solórzano	Daniel Caridi	-

[1] Embotelladora Andina S.A. officer
[2] External Counsel
[3] Director and member of the Controlling Shareholder of Embotelladora Andina S.A.
(a) Alternate

PARAGUAY

	Paraguay Refrescos S.A.
Address	Acceso Sur, Ruta Ñemby Km 3,5 - Barcequillo - San Lorenzo
Paraguayan Tax Id Nº	80003400-7
Telephone	((595) 21-959-1000
Shareholders' Equity (as 12/31/12)	MMGS 9,904,604
% Subsidiary Investment Represents of Parent Company Asset	0.64
Corporate Purpose	Manufacture, distribute and commercialize, non alcoholic carbonated and non-carbonated beverages
Board of Directors/Management Council	Eduardo Chadwick[1] Andrés Herrera Cristián Mandiola[2] Martín Franzini Carlos Eugenio Lavín Ruben Marturet (a)
General Manager	Francisco Sanfurgo

[1] Director and member of the Controlling Shareholder of Embotelladora Andina S.A.
[2] Embotelladora Andina S.A. officer
(a) Alternate

BRITISH VIRGIN ISLANDS

	Abisa Corp.	Aconcagua Investing Ltda.
Address	Vanterpool Plaza, 2°piso, Wickhams Cay 1, Road Town Tortola	Vanterpool Plaza, 2°piso, Wickhams Cay 1, Road Town Tortola
BVI Registration N°/Chilean Tax Id N° / BVI Registration Nº	512410 / RUT 59.144.140-K	569101
Telephone	(1-284) 494 5959	(1-284) 494 5959
Shareholders' Equity (as 12/31/12)	ThCh$ 12,594,313	ThCh$ 523,599
% Subsidiary Investment Represents of Parent Company Asset	0.82	0.03
Corporate Purpose	Invest in financial instruments.	Invest in financial instruments.
Board of Directors/Management Council	Miguel Ángel Peirano[1] Andrés Wainer[1] Jaime Cohen[1] Germán Garib[1]	Andrés Herrera Cristián Mandiola[1] Francisco Winter
General Manager	-	-

[1] Embotelladora Andina S.A. officer

Controlling Group

The following group of individuals with an agreement to act together (the "Agreement") controls Embotelladora Andina S.A. ("Andina"):

One) Controlling Group

• Inversiones Freire S.A. ("Freire"), Inversiones Freire Alfa S.A. ("Freire Alfa"), Inversiones Freire Beta S.A. ("Freire Beta"), Inversiones Freire Gamma S.A. ("Freire Gamma") and Inversiones Freire Delta S.A. ("Freire Delta");

• Inversiones Freire Dos S.A. ("Freire Dos"), Inversiones Freire Dos Alfa S.A. ("Freire Dos Alfa"), Inversiones Freire Dos Beta S.A. ("Freire Dos Beta"), Inversiones Freire Dos Gamma S.A. ("Freire Dos Gamma") and Inversiones Freire Dos Delta S.A. ("Freire Dos Delta"); and,

• Inversiones Los Aromos Limitada ("Los Aromos").

Freire owns 23 Series A shares of Andina and Freire Alfa, Freire Beta, Freire Gamma and Freire Delta, each own 46,426,645 Series A shares of Andina.

Freire Dos owns 4 Series A shares of Andina, and Freire Dos Alfa, Freire Dos Beta, Freire Dos Gamma and Freire Dos Delta each own 3,574,999 Series A shares of Andina.

Los Aromos owns 52,989,382 Series A shares of Andina.

The final controller of Freire, Freire Dos, Freire Alfa, Freire Alfa Dos, Freire Beta, Freire Beta Dos, Freire Gamma, Freire Gamma Dos, Freire Delta, Freire Delta Dos and Los Aromos are the same shareholder companies and representatives for management, in accordance with the foregoing:

Two) Shareholders or partners of the companies that form the Controlling Group:

1. Freire: Inversiones Freire S.A., Chilean Tax Id. 96.450.000-2:

(a) Each of the following companies established in the Republic of Panama owns 24.07% of the shares: (i) Dolavan Finance Inc., Chilean Tax Id. 59.038.210-8, whose final controller (as representative for management) is Mr. José Antonio Garcés Silva, Chilean Tax Id. 3.984.154-1; (ii) Hydra Investment and Shipping Corp., Chilean Tax Id. 59.033.840-0, whose final controller (as representative for management) is Mr. Alberto Hurtado Fuenzalida, Chilean Tax Id. 2.593.323-0; (iii) Ledimor Financial Corp., Chilean Tax Id. 59.038.220-5, whose final controller (as representative for management) is Mr. José Said Saffie, Chilean Tax Id. 2.305.902-9; and (iv) Wilsim Corporation, Chilean Tax Id. 59.006.660-5, whose final controller (as representative for management) is Mr. Gonzalo Said Handal, Chilean Tax Id. 6.555.478-K; and

(b) Each of the following companies owns 0.93% of the shares: (i) Inversiones Dolavan Chile Limitada, Chilean Tax Id. 77.861.410-3, this Company is controlled by Dolavan Finance Inc. (99.9% direct ownership interest); (ii) Inversiones Ledimor Chile Limitada, Chilean Tax Id. 77.862.680-2, this Company is controlled by Ledimor Financial Corp. (81.88965% direct ownership interest); (iii) Hydra Inversiones Limitada, Chilean Tax Id. 77.861.620-3, this Company is controlled by Hydra Investment and Shipping Corp. (99% direct ownership interest); and (iv) Inversiones Santa Virginia Limitada, Chilean Tax Id. 78.324.940-5, this Company is controlled by Wilsim Corporation (99.04% direct ownership interest).

2. Freire Dos: Inversiones Freire Dos S.A., Chilean Tax Id. 78.816.440-8:

Each of the companies mentioned in paragraph 1(a) above owns 23.99% of the shares, each one having the same representative for management as stated in the recently mentioned paragraph, and each of the companies mentioned in paragraph 1(b) above owns 1.01% of the shares.

3. Freire Alfa: Inversiones Freire Alfa S.A., Chilean Tax Id. 76.238.936-3, Wilsim Corporation 96.28% ownership and Inversiones Santa Virginia Limitada 3.72% ownership, whose final controller (as representative for management) is Mr. Gonzalo Said Handal.

4. Freire Dos Alfa: Inversiones Freire Dos Alfa S.A., Chilean Tax Id. 76.238.167-2, Wilsim Corporation 95.96% ownership, and Inversiones Santa Virginia Limitada 4.04% ownership, whose final controller (as representative for management) is Mr. Gonzalo Said Handal.

5. Freire Beta: Inversiones Freire Beta S.A., Chilean Tax Id. 76.238.934-7, Ledimor Financial Corp. 96.28% ownership, and Inversiones Ledimor Chile Limitada, 3.72% ownership, whose final controller (as representative for management) is Mr. José Said Saffie.

6. Freire Dos Beta: Inversiones Freire Dos Beta S.A., Chilean Tax Id. 76.238.172-9, Ledimor Financial Corp. 95.96% ownership, and Inversiones Ledimor Chile Limitada 4.04% ownership, whose final controller (as representative for management) is Mr. José Said Saffie.

7. Freire Gamma: Inversiones Freire Gamma S.A., Chilean Tax Id. 76.238.919-3, Hydra Investment and Shipping Corp., 96.28% ownership and Hydra Inversiones Limitada, 3.72% ownership, whose final controller (as representative for management) is Mr. Alberto Hurtado Fuenzalida.

8. Freire Dos Gamma: Inversiones Freire Dos Gamma S.A., Chilean Tax Id. 76.238.176-1, Hydra Investment and Shipping Corp., 95.96% ownership and Hydra Inversiones Limitada, 4.04% ownership, whose final controller (as representative for management) is Mr. Alberto Hurtado Fuenzalida.

9. Freire Delta: Inversiones Freire Delta S.A., Chilean Tax Id. 76.238.937-1, Dolavan Finance Inc., 96.28% ownership and Inversiones Dolavan Chile Limitada, 3.72% ownership, whose final controller (as representative for management) is Mr. José Antonio Garcés Silva.

10. Freire Dos Delta: Inversiones Freire Dos Delta S.A., Chilean Tax Id. 76.238.181-8, Dolavan Finance Inc., 95.96% ownership and Inversiones Dolavan Chile Limitada, 4.04% ownership, whose final controller (as representative for management) is Mr. José Antonio Garcés Silva.

11. Los Aromos: Inversiones Los Aromos Limitada, Chilean Tax Id. 79.689.020-7, Inversiones Las Gaviotas Limitada, 25.50% ownership, Chilean Tax Id. 99.508.800-2 (represented by Mrs. María de la Luz Chadwick Hurtado, Mr. Eduardo Chadwick Claro and Mrs. Patricia Claro Marchant); Mrs. María de la Luz Chadwick Hurtado, 18.47% ownership Chilean Tax Id. 5.669.789-K; Mrs. María Soledad Chadwick Claro, 18.47% ownership Chilean Tax Id. 7.011.445-3; Mrs. María Carolina Chadwick Claro, 18.47% ownership Chilean Tax Id. 7.011.443-7; Mr. Eduardo Alejandro Chadwick Claro, 18.47% ownership Chilean Tax Id. 7.011.444-5; and Mrs. Patricia Claro Marchant, 0.62% ownership Chilean Tax Id. 2.859.271-K.

Three) Direct and indirect ownership interest in Andina of the members of the Controlling Group (pursuant to the Agreement) or related people (including Series A and Series B shares):

	Series A	Series B
Freire	23	-
Freire Dos	4	-
Ownership interest by Series	0.00001%	-

	Series A	Series B
Freire Alfa	46,426,645	-
Freire Dos Alfa	3,574,999	-
Inversiones SH Seis Limitada[1]	2,987,731	37,864,863
The estate of Jaime Said Demaría	-	49,600
Ownership interest by Series	11.1960%	8.0108%

[1]Inversiones SH Seis Limitada, Chilean Tax Id. 76.273.760-4, this Company is controlled (99.98% of direct and indirect ownership) by the following people: Jaime Said Handal, Chilean Tax Id. 4.047.015-8; Bárbara Said Handal, Chilean Tax Id. 4.708.824-0; Javier Said Handal, Chilean Tax Id. 6.384.873-5; Marisol Said Handal, Chilean Tax Id. 6.384.872-7; Cristina Said Handal, Chilean Tax Id. 5.522.896-5; and Gonzalo Said Handal.

	Series A	Series B
Freire Beta	46,426,645	-
Freire Dos Beta	3,574,999	-
Inversiones Caburga Ltda.[2]	2,985,731	32,000,000
Inversiones Ledimor Chile Limitada	-	17,650,863
José Said Saffie	-	49,600
Ownership interest by Series	11.1956%	10.5011%

[2]Inversiones Caburga Ltda., Chilean Tax Id. 96.854.480-2, this Company is controlled (50.8% of direct and indirect ownership) by the following people: José Said Saffie, Chilean Tax Id. 2.305.902-9; Isabel Margarita Somavía Dittborn, Chilean Tax Id. 3.221.015-5; Salvador Said Somavía, Chilean Tax Id. 6.379.626-3; Isabel Said Somavía, Chilean Tax Id. 6.379.627-1; Constanza Said Somavía, Chilean Tax Id. 6.379.628-K and Loreto Said Somavía, Chilean Tax Id. 6.379.629-8.

	Series A	Series B
Freire Gamma	46,426,645	-
Freire Dos Gamma	3,574,999	-
Inversiones HB S.A[3]	1,569,731	8,898,212
Inversiones Mar Adentro Limitada[4]	-	38,978,263
Alberto Hurtado Fuenzalida	-	49,600
Ownership interest by Series	10.8964%	10.1262%

[3]Inversiones HB S.A., Chilean Tax Id. 96.842.220-0 this Company is controlled (100% of indirect ownership) by the following people: Alberto Hurtado Fuenzalida, Chilean Tax Id. 2.593.323-0; Madeline Hurtado Berger, Chilean Tax Id. 7.050.867-2; and Pamela Hurtado Berger, Chilean Tax Id. 7.050.827-3.

[4]Inversiones Mar Adentro Limitada, Chilean Tax Id. 96.935.980-4, this Company is controlled (61.37% of direct ownership) by Inversiones HB S.A.

	Series A	Series B
Freire Delta	46,426,645	-
Freire Dos Delta	3,574,999	-
Inversiones Nueva Sofia S.A[5]	2,985,731	25,678,583
José Antonio Garcés Silva	-	49,600
Ownership interest by Series	11.1956%	5.4360%

[5]Inversiones Nueva Sofía S.A., Chilean Tax Id. 76.366.690-5, this Company is controlled (100% of direct ownership) by the following people: José Antonio Garcés Silva, Chilean Tax Id. 3.984.154-1; María Teresa Silva Silva, Chilean Tax Id. 3.717.514-5; María Paz Garcés Silva, Chilean Tax Id. 7.032.689-2; María Teresa Garcés Silva, Chilean Tax Id. 7.032.690-6; José Antonio Garcés Silva, Chilean Tax Id. 8.745.864-4; Matías Garcés Silva, Chilean Tax Id. 10.825.983-3; Andrés Garcés Silva, Chilean Tax Id. 10.828.517-6; and Inversiones Milenio S.A., Chilean Tax Id. 96.839.700-1, this Company is controlled (100% of direct and indirect ownership) by all the people indicated in this paragraph.

	Series A	Series B
Los Aromos	52,989,382	52,989,382
Ownership interest by Series	11.1960%	11.1960%

Four) The only shareholder who is not a member of the Controlling Shareholder, and that holds a direct ownership interest in Andina in excess of 10% is:

	Series A	Series B
Coca-Cola de Chile S.A.	67,938,179	67,938,179
Ownership interest by Series	14.35%	14.35%

Share Trading Information

During 2011 and 2012 main shareholders, shareholders related to directors, shareholders related to Controlling Shareholders and Company officers reported the following transactions of the Company's Series A and Series B shares, all of them for the purpose of financial investment:

2011 Series A	Relationship	Shares Purchased	Price ($)	Total Transaction (ThCh$)
Inversiones Caburga S.A.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,416,000	$ 1,767	2,502,072
Inversiones Nueva Sofía S.A.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,416,000	$ 1,767	2,502,072
Inversiones SH Seis Ltda.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,418,000	$ 1,767	2,505,606
Inversiones HB S.A.*	Member of the Controlling Group	1,569,731	$ 2,000	3,139,462

* As of Decmeber 31, 2011 and 2012 these 1,569,731 shares remained in the custody of a stockbroker

2012 Series A	Relationship	Shares Purchased	Price ($)	Total Transaction (ThCh$)
Coca-Cola de Chile S.A.	Majority Shareholder	27,385,377	$ 865.951478	23,714,407.69

2012 Series B	Relationship	Shares Purchased	Price ($)	Total Transaction (ThCh$)
Coca-Cola de Chile S.A.	Majority Shareholder	27,385,377	$ 865.951478	23,714,407.69

On October 3, 2012, Andina's Controlling Group reported on the transformation and subsequent split of Inversiones Freire Limitada and Inversiones Freire Dos Limitada. As a result of said restructuring Inversiones Freire Limitada is now known as **Inversiones Freire S.A.** ("Freire") forming also the following four companies: (i) Inversiones Freire Alfa S.A., (ii) Inversiones Freire Beta S.A., (iii) Inversiones Freire Gamma S.A., and (iv) Inversiones Freire Delta S.A. Likewise, Inversiones Freire Dos Limitada is now known as **Inversiones Freire Dos S.A.** ("Freire Dos) also creating the following four companies: (i) Inversiones Freire Dos Alfa S.A., (ii) Inversiones Freire Dos Beta S.A., (iii) Inversiones Freire Dos Gamma S.A., and (iv) Inversiones Freire Dos Delta S.A.

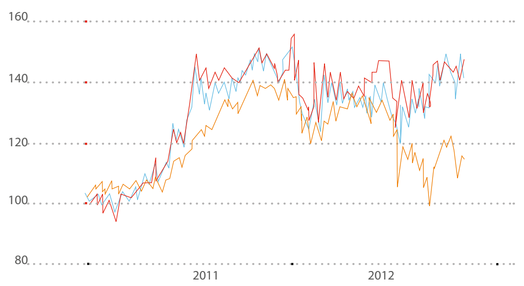
Prior to the preceding restructuring Freire owned 185,705,603 Series A shares of Andina and due the restructuring it remained with 23 Series A shares, and each one of the companies: Inversiones Freire Alfa S.A., Inversiones Freire Beta S.A., Inversiones Freire Gamma S.A., and Inversiones Freire Delta S.A were assigned 46,426,645 Series A shares. The transfer of shares was materialized on October 2, 2012.

Likewise, prior to the division, Freire Dos owned 14,300,000 Series A shares of Andina and due to the restructuring it remained with 4 Series A shares, and each one of the companies: Inversiones Freire Dos Alfa S.A., Inversiones Freire Dos Beta S.A., Inversiones Freire Dos Gamma S.A., and Inversiones Freire Dos Delta S.A were assigned 3,574,999 Series A shares. The transfer of shares was materialized on October 2, 2012.

Stock Market Trading Information

Bolsa de Comercio de Santiago

Andina's shares are traded on the Chilean Stock Market since 1955. The Securities Registry N° is 00124. In 1997 there was a stock split dividing Andina's shares into two series. The ticker symbol on the Chilean Stock Exhange for Andina's shares is Andina A and Andina B. Andina's stock in Chile is handled by Sercor www.sercor.cl



This chart reflects the daily behavior for the two-year period ending December 31, 2012 of Andina's Series A and Series B shares compared with the Chilean selective price index, IPSA (Base value = 100)

ANDINA-A	Shares Traded (million)	Total Traded[1] (million Ch$)	Average Price (Ch$)
2010			
1st Quarter	10.35	13,749	1,314
2nd Quarter	11.84	17,169	1,457
3rd Quarter	10.56	18,711	1,809
4th Quarter	19.91	36,811	1,885
2011			
1st Quarter	14.17	25,958	1,822
2nd Quarter	9.05	16,569	1,809
3rd Quarter	9.75	17,080	1,784
4th Quarter	2.58	4,781	1,872
2012			
1st Quarter	10.75	20,923	1,946
2nd Quarter	13.80	29,657	2,149
3rd Quarter	9.14	19,810	2,167
4th Quarter	10.52	25,125	2,388

ANDINA-B	Shares Traded (million)	Total Traded[1] (million Ch$)	Average Price (Ch$)
2010			
1st Quarter	19.53	31,607	1,610
2nd Quarter	22.83	40,121	1,765
3rd Quarter	38.31	82,558	2,140
4th Quarter	38.43	87,849	2,301
2011			
1st Quarter	20.99	45,608	2,170
2nd Quarter	18.53	39,756	2,146
3rd Quarter	17.10	35,173	2,070
4th Quarter	14.77	33,376	2,255
2012			
1st Quarter	19.19	45,350	2,363
2nd Quarter	17.06	44,479	2,608
3rd Quarter	22.33	59,673	2,672
4th Quarter	55.25	164,446	2,976

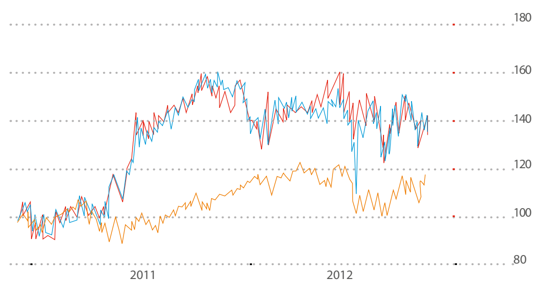
[1] Total Traded calculated as the Average Price times volume of ADRs Traded
Source: Bloomberg

Stock Market Trading Information

New York Stock Exchange

Andina's ADRs were listed on the New York Stock exchange in 1994. One ADR is equal to 6 shares of common stock. In 1997 there was a stock split dividing Andina's shares into two series. The ticker symbol on the New York Stock Exchange for Andina's ADRs is AKO/A and AKO/B. The depositary bank for Andina's ADRs is The Bank of New York Mellon www.bnymellon.com.

This chart reflects the daily behavior for the two-year period ending December 31, 2012 of Andina's Series A and Series B ADRs compared with the Dow Jones Industrial index. (Base value = 100)



AKO-A	ADRs Traded (million)	Total Traded[1] (MUS$)	Average Price (US$)
2010			
1st Quarter	0.67	10.56	15.60
2nd Quarter	0.49	8.14	16.73
3rd Quarter	0.47	10.40	21.39
4th Quarter	0.43	10.20	23.55
2011			
1st Quarter	0.30	6.70	22.51
2nd Quarter	0.20	4.61	23.15
3rd Quarter	0.20	4.48	22.75
4th Quarter	0.22	4.71	21.69
2012			
1st Quarter	0.65	15.42	23.89
2nd Quarter	0.15	3.91	25.98
3rd Quarter	0.27	7.22	27.02
4th Quarter	0.21	6.42	29.95

AKO-B	ADRs Traded (million)	Total Traded[1] (MUS$)	Average Price (US$)
2010			
1st Quarter	1.97	37.76	19.08
2nd Quarter	1.02	20.75	20.30
3rd Quarter	2.48	64.24	25.52
4th Quarter	1.67	48.24	29.01
2011			
1st Quarter	1.76	48.76	27.43
2nd Quarter	1.16	32.24	27.74
3rd Quarter	1.15	29.92	26.52
4th Quarter	1.01	27.07	26.61
2012			
1st Quarter	1.26	36.53	29.06
2nd Quarter	0.62	19.71	31.63
3rd Quarter	1.17	38.67	33.18
4th Quarter	2.96	110.58	37.32

[1] Total Traded calculated as the Average Price times volume of ADRs Traded
Source: Bloomberg

Compensation Board of Directors and Principal Officers

2012	Directors' Compensation Ch$	Executive Committee Ch$	Directors' and Audit Committee (SOX) Ch$	Total Ch$
Juan Claro González	*144,000,000	-	-	144,000,000
Arturo Majlis Albala	72,000,000	72,000,000	24,000,000	168,000,000
Gonzalo Said Handal	72,000,000	72,000,000	-	144,000,000
José Antonio Garcés Silva (hijo)	72,000,000	72,000,000	-	144,000,000
Salvador Said Somavía	72,000,000	72,000,000	14,000,000	158,000,000
Eduardo Chadwick Claro	33,000,000	33,000,000	-	66,000,000
Brian J. Smith	72,000,000	-	-	72,000,000
Gonzalo Parot Palma	56,000,000	-	16,000,000	72,000,000
Enrique Andrés Cibie Bluth	40,000,000	-	10,000,000	50,000,000
José Fernando De Gregorio Rebeco	36,000,000	-	-	36,000,000
Juan Andrés Fontaine Talavera	36,000,000	-	-	36,000,000
Franz Alscher	36,000,000	-	-	36,000,000
Ricardo Vontobel	36,000,000	-	-	36,000,000
Mariano Rossi	36,000,000	-	-	36,000,000
Heriberto Urzúa Sánchez	24,000,000	-	8,000,000	32,000,000
Ernesto Bertelsen Repetto	12,000,000	-	-	12,000,000
José Domingo Eluchans Urenda	12,000,000	-	-	12,000,000
Cristián Alliende Arriagada	12,000,000	-	-	12,000,000
Patricio Parodi Gil	12,000,000	-	-	12,000,000
Jorge Hurtado Garretón	12,000,000	-	-	12,000,000
José María Eyzaguirre Baeza	12,000,000	-	-	12,000,000
Total Gross Amounts	909,000,000	321,000,000	72,000,000	1,302,000,000

* Includes an additional Ch$72 million as Chairman of the Board

The Company does not have any incentive plans other than salaries. The compensation system is a mixed one, composed by a base salary and participation, in accordance with each market and the competitive conditions of each one. For General Managers there are also variable incentives depending on cash generation versus the budget and market share versus the goal established. Amounts are different depending on each officer, position and/or responsibility, but it is applicable to all of the Company. For the year ended December 31, 2012, compensation paid out to the principal officers of Embotelladora Andina S.A. amounted to Ch$5,235 million (Ch$5,663 million in 2011). Of the Ch$5,235 million paid, the variable portion was 35.5% and for the period ended December 31, 2011 of the Ch$5,663 million paid, the variable portion was 42%. During the period ended December 31, 2012, there were no severance payments to former managers or former principal officers. For the period ended December 31, 2011, severance payments to former managers or former principal officers amounted to Ch$2,290 million.

2011	Directors' Compensation Ch$	Executive Committee Ch$	Directors' and Audit Committee (SOX) Ch$	Total Ch$
Juan Claro González	*144,000,000	-	-	144,000,000
Arturo Majlis Albala	72,000,000	72,000,000	24,000,000	168,000,000
Gonzalo Said Handal	72,000,000	72,000,000	-	144,000,000
José Antonio Garcés Silva (hijo)	72,000,000	72,000,000	-	144,000,000
Salvador Said Somavía	72,000,000	72,000,000	24,000,000	168,000,000
Brian J. Smith	72,000,000	-	-	72,000,000
Heriberto Urzúa Sánchez	72,000,000	-	24,000,000	96,000,000
Ernesto Bertelsen Repetto	24,000,000	-	-	24,000,000
José Domingo Eluchans Urenda	24,000,000	-	-	24,000,000
Cristián Alliende Arriagada	24,000,000	-	-	24,000,000
Patricio Parodi Gil	24,000,000	-	-	24,000,000
Gonzalo Parot Palma	24,000,000	-	-	24,000,000
Jorge Hurtado Garretón	24,000,000	-	-	24,000,000
José María Eyzaguirre Baeza	24,000,000	-	-	24,000,000
Total Gross Amounts	744,000,000	288,000,000	72,000,000	1,104,000,000

* Includes an additional Ch$72 million as Chairman of the Board

Statement of Responsibility

The Board of Directors of **Embotelladora Andina S.A.** and the Chief Executive Officer who have signed this statement, are responsible under oath of the accuracy of the information provided in the **2012 Annual Report**, in accordance with the provisions of General Rule N° 283 dated February 5, 2010, of the Chilean Superintendence of Securities and Insurance (Superintendencia de Valores y Seguros).

Juan Claro González
Chairman of the Board
Rut: 5.663.828-8

Salvador Said Somavía
Rut: 6.379.626-3

José De Gregorio Rebeco
Rut: 7.040.498-2

Eduardo Chadwick Claro
Vice Chairman of the Board
Rut: 7.011.444-5

Brian J. Smith
Foreign Citizen

Gonzalo Parot Palma
Rut: 6.703.799-5

José Antonio Garcés Silva (junior)
Rut: 8.745.864-4

Franz Alscher
Foreign Citizen

Mariano Rossi
Foreign Citizen

Arturo Majlis Albala
Rut: 6.998.727-3

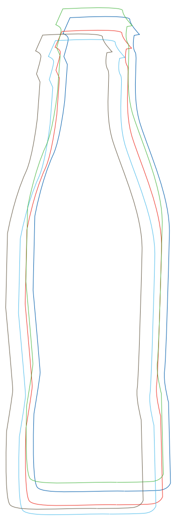
Enrique Cibié Bluth
Rut: 6.027.149-6

Ricardo Vontobel
Foreign Citizen

Gonzalo Said Handal
Rut: 6.555.478-K

Juan Andrés Fontaine Talavera
Rut: 6.068.586-1

Miguel Ángel Peirano Serrano
Chief Executive Officer
Rut: 23.836.584-4



Embotelladora Andina S.A. and Subsidiaries

Consolidated Financial Statements

Consolidated Statements of Financial Position

at December 31, 2012 and 2011

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

ASSETS	NOTE	12.31.2012 ThCh$	12.31.2011 ThCh$
Current Assets:			
Cash and cash equivalents	4	55,522,255	31,297,922
Other financial assets	5	128,581	15,661,183
Other non-financial assets	6.1	18,202,838	14,760,858
Trade and other accounts receivable, net	7	152,816,916	107,443,039
Accounts receivable from related companies	11.1	5,324,389	6,418,993
Inventory	8	89,319,826	57,486,658
Current tax assets	9.1	2,879,393	2,463,566
Total Current Assets different than those classified as available for sale		324,194,198	235,532,219
Non-current assets classified as available for sale		2,977,969	-
Total Current Assets		327,172,167	235,532,219
Non-Current Assets:			
Other non-financial, non-current assets	6.2	26,927,090	30,193,809
Trade and other accounts receivable, net	7	6,724,077	7,175,660
Accounts receivable from related companies, net	11.1	7,197	11,187
Equity method investments	13.1	73,080,061	60,290,966
Intangible assets, net	14.1	464,582,273	1,138,857
Goodwill	14.2	64,792,741	57,552,178
Property, plant and equipment, net	10.1	576,550,725	350,064,467
Total Non-Current Assets		1,212,664,164	506,427,124
Total Assets		1,539,836,331	741,959,343

LIABILITIES AND NET EQUITY	NOTE	12.31.2012 ThCh$	12.31.2011 ThCh$
Liabilities			
Current Liabilities:			
Other financial liabilities	15	106,248,019	23,093,402
Trade and other accounts payable	16	184,317,773	127,940,772
Accounts payable to related companies	11.2	32,727,212	11,359,038
Provisions	17	593,457	87,966
Income tax payable	9.2	1,114,810	3,821,247
Other non-financial liabilities	18	20,369,549	30,341,479
Total Current Liabilities		345,370,820	196,643,904
Non-Current Liabilities:			
Other long - term-current financial liabilities	15	173,880,195	74,641,403
Trade and other accounts payable, long-term		1,930,233	163,738
Provisions	17	6,422,811	7,882,869
Deferred tax liabilities	9.4	111,414,626	35,245,490
Post-employment benefit liabilities	12.2	7,037,122	5,130,015
Other non-current liabilities	18	175,603	273,004
Total Non-Current Liabilities		300,860,590	123,336,519
Equity:	19		
Issued capital		270,759,299	230,892,178
Treasury stock		(21,725)	-
Retained earnings		239,844,662	208,102,068
Accumulated other comprehensive income and capital reserves		363,581,513	(17,024,341)
Equity attributable to equity holders of the parent		874,163,749	421,969,905
Non-controlling interests		19,441,172	9,015
Total Equity		893,604,921	421,978,920
Total Liabilities and Equity		1,539,836,331	741,959,343

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

Consolidated Income Statements by Function

for the years ended at December 31, 2012 and 2011

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

	NOTE	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Net sales		1,172,292,817	982,864,417
Cost of sales		(698,955,215)	(578,581,184)
Gross Profit		**473,337,602**	**404,283,233**
Other operating income	23	3,265,998	2,909,445
Distribution expenses		(122,818,941)	(98,807,574)
Administrative and sales expenses		(196,355,000)	(163,051,423)
Other expenses by function	24	(15,420,008)	(11,915,003)
Other income (expenses)	26	(2,336,215)	1,494,918
Finance income	25	2,728,059	3,182,434
Finance costs	25	(11,172,753)	(7,235,176)
Share in profit (loss) of equity method investees	13.3	1,769,898	2,026,158
Foreign exchange difference		(4,471,031)	2,731
Loss from indexed financial assets and liabilities		(1,753,801)	(1,177,658)
Net income before taxes		**126,773,808**	**131,712,085**
Income tax expense	9.3	(38,504,636)	(34,684,661)
Net income		**88,269,172**	**97,027,424**

Net income attributable to			
Net income attributable to equity holders of the parent		87,636,961	97,024,405
Net income attributable to non-controlling interests		632,211	3,019
Net income		**88,269,172**	**97,027,424**

Earnings per Share, basic and diluted		**Ch$**	**Ch$**
Earnings per Series A Share	19.5	104,12	121,54
Earnings per Series B Share	19.5	114,53	133,69

Consolidated Statements of Comprehensive Income

for the years ended at December 31, 2012 and 2011

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

	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Net income	88,269,172	97,027,424
Foreign exchange translation adjustment, before taxes	(42,186,310)	601,269
Income tax effect related to losses from foreign exchange rate translation differences included within other comprehensive income	1,089,225	(1,481,057)
Comprehensive Income	**47,172,087**	**96,147,636**
Comprehensive Income Attributable to:		
Equity holders of the parent	46,541,295	96,146,951
Non-controlling interests	630,792	685
Total Comprehensive Income	**47,172,087**	**96,147,636**

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

Consolidated Statements of Changes in Equity

for the years ended December 31, 2012 and 2011

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

			Other reserves						
	Issued capital ThCh$	Treasury shares ThCh$	Translation reserves ThCh$	Other reserves (various) ThCh$	Total other reserves ThCh$	Retained earnings ThCh$	Controlling Equity ThCh$	Non-Controlling interests ThCh$	Total Equity 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	-	-	-	-	-	87,636,961	87,636,961	632,211	88,269,172
Other comprehensive income	-	-	(41,095,666)	-	(41,095,666)	-	(41,095,666)	(1,419)	(41,097,085)
Comprehensive income	-		(41,095,666)	-	(41,095,666)	87,636,961	46,541,295	630,792	47,172,087
Equity Issuance	39,867,121	-	-	-	-	-	39,867,121	-	39,867,121
Dividends	-	-	-	-	-	(55,894,367)	(55,894,367)	-	(55,894,367)
Increase (decrease) for transfers and other changes	-	-	-	421,701,520	421,701,520	-	421,701,520	18,801,365	440,502,885
Increase (decrease) for transactions with shares in portfolio	-	(21,725)	-	-	-	-	(21,725)	-	(21,725)
Total changes in equity	39,867,121	(21,725)	(41,095,666)	421,701,520	380,605,854	31,742,594	452,193,844	19,432,157	471,626,001
Ending balance at 12.31.2012	270,759,299	(21,725)	(63,555,545)	427,137,058	363,581,513	239,844,662	874,163,749	19,441,172	893,604,921

	Issued capital ThCh$	Treasury shares ThCh$	Other reserves Translation reserves ThCh$	Other reserves (various) ThCh$	Total other reserves ThCh$	Retained earnings ThCh$	Controlling Equity ThCh$	Non-Controlling interests ThCh$	Total Equity ThCh$
Initial balance at 01.01.2011	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	-	-	-	-	-	97,024,405	97,024,405	3,019	97,027,424
Other comprehensive income	-	-	(877,454)	-	(877,454)	-	(877,454)	(2,334)	(879,788)
Comprehensive income	-	-	(877,454)	-	(877,454)	97,024,405	96,146,951	685	96,147,636
Dividends	-	-	-	-	-	(69,033,312)	(69,033,312)	-	(69,033,312)
Total changes in equity	-	-	(877,454)	-	(877,454)	27,991,093	27,113,639	685	27,114,324
Ending balance at 12.31.2011	230,892,178	-	(22,459,879)	5,435,538	(17,024,341)	208,102,068	421,969,905	9,015	421,978,920

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

Consolidated Statements of Cash Flows

al 31 de diciembre de 2012 y 2011

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

	NOTE	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Cash flows provided by Operating Activities			
Receipts from customers (including taxes)		1,557,595,968	1,383,987,572
Charges for premiums, services, annual fees and other policy benefits		-	162,979
Cash flows used in Operating Activities			
Supplier payments (including taxes)		(1,038,437,026)	(960,961,322)
Payroll		(109,386,885)	(88,025,877)
Other payments for operating activities (value-added taxes on purchases and sales and others)		(188,266,514)	(159,030,469)
Dividends received		725,000	2,061,957
Interest payments classified as from operations		(7,608,496)	(6,472,220)
Interest received classified as from operations		1,874,032	2,139,339
Income tax payments		(23,229,558)	(31,682,397)
Cash flows used in other operating activities		(4,409,721)	(3,229,066)
Net cash flows provided by Operating Activities		**188,856,800**	**138,950,496**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Capital decrease in Envases CMF S.A. and Sale of 43% interest in Vital S.A., net of cash previously held		-	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 (purchase o Sorocaba Refrescos S.A. and capital contribution in Vital Jugos S.A. after its proportional sale)		(35,877,240)	(3,249,000)
Other collections from the sale of equity or debt instruments of other entities		1,150,000	-
Proceeds from sale of property, plant and equipment		611,634	2,187,364
Purchase of property, plant and equipment		(143,763,670)	(126,930,944)
Proceeds from the maturity of marketable securities		14,864,854	75,422,008
Purchase of marketable securities		(1,455,348)	(39,484,304)
Payments on forward, term, option and financial exchange agreements		(1,360,880)	(451,825)
Collections from forward, term, option and financial exchange agreements		881,832	1,180,132
Other cash inputs (outputs) (1)		8,778,615	(2,372,559)
Net cash flows used in Investing Activities		**(156,170,203)**	**(89,621,198)**

	NOTE	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Long-term loans obtained		61,053,312	-
Short-term loans obtained		197,968,578	118,456,093
Total proceeds from loans		**259,021,890**	**118,456,093**
Loan payments		(188,693,538)	(111,722,342)
Purchase of treasury shares		(21,725)	-
Financial lease liability payments		(16,438)	-
Dividend payments by the reporting entity		(69,766,002)	(70,905,803)
Other cash inputs (outputs)		(4,075,171)	(2,987,333)
Net cash flows used in Financing Activities		**(3,550,984)**	**(67,159,385)**
Increase in Cash and cash equivalents, before effects of variations in Foreign Exchange Rates		29,135,613	(17,830,087)
Effects of variations in foreign exchange rates on cash and cash equivalents		(4,911,280)	864,929
Net decrease in cash and cash equivalents		**24,224,333**	**(16,965,158)**
Cash and cash equivalents – beginning of year	4	31,297,922	48,263,080
Cash and cash equivalents - end of year	4	**55,522,255**	**31,297,922**

(1) Includes ThCh$4,970,923 in cash and cash equivalent contributed by companies incorporated as a result of the merger as described in note 1b) and ThCh$2,112,582 of the sale of 7% of Vital Jugos S.A. and 7.1% of Vital Aguas S.A. as described in note 13.

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

NOTE 1 CORPORATE INFORMATION

a) Securities Registration and description of business:

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, Argentina and Paraguay. In Chile, the areas in which it has distribution franchises are regions II, III, IV, XI, XII, Metropolitan Region, Rancagua and San Antonio. 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, Rosario, Santa Cruz, Neuquén, El Chubut, Tierra del Fuego, Río Negro, La Pampa and the western zone of the Province of Buenos Aires. In Paraguay the territory comprises the whole country. The Company holds a license from The Coca-Cola Company in its all territories, namely Chile, Argentina, Brazil and Paraguay. The licenses for the territories in Chile expire in 2013 and 2018; in Argentina they expire in 2013 and 2017; in Brazil they expire in 2017; while in Paraguay it expires in 2014. 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 December 31, 2012 the Freire Group and related companies hold 55.35% 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 Avenue El Golf 40, 4th floor, municipality of Las Condes, Santiago, Chile. Its taxpayer identification number is 91,144,000-8.

b) Merger with Embotelladoras Coca-Cola Polar S.A.

On March 30, 2012, after completion of due-diligence procedures, the Company signed a Promissory Merger Agreement with Embotelladoras Coca-Cola Polar S.A. ("Polar"). Polar is also a Coca-Cola bottler with operations: in Chile; servicing territories in the II, III, IV, XI and XII regions; Argentina, servicing territories in Santa Cruz, Neuquén, El Chubut, Tierra del Fuego, Río Negro La Pampa and the western zone of the province of Buenos Aires; and Paraguay, servicing the whole country. The merger was made in order to reinforce the Company's leadership position among Coca-Cola bottlers in South America.

The merger is being accounted for as the acquisition of Polar by the Company. Prior to closing, the merger was approved by the shareholders of both of the companies, as well as the Chilean Superintendence of Securities and Insurance, and the Coca-Cola Company. The terms of the merger prescribed the exchange of newly issued Company shares at a rate of 0.33269 Series A shares and 0.33269 Series B shares, for each outstanding share of Polar. Prior to the materialization of the merger and the approval of the Shareholder Meetings of the Company and Polar, dividends were distributed among their respective shareholders, in addition to those already declared and distributed with charge to 2011 income. The dividends distributed by the Company and Polar amounted to Ch$28,155,862,307 and Ch$29,565,609,857 respectively, that represented Ch$35.27 per each share of the Series A and Ch$38.80 per each share of the Series B. The physical exchange of shares took place on October 16, 2012, with which former shareholders of Polar then had a 19.68% ownership interest in the merged Company. Based upon the terms of the executed agreements, the actual control over day-to-day operations of Polar transferred to the Company as of October 1, 2012, and the Company began consolidating Polar's operations from that date forward. Additionally and as a result of Embotelladora Andina becoming the legal successor of Polar's rights and obligations, the Company indirectly acquired additional ownership interest in Vital Jugos S.A., Vital Aguas S.A. and Envases Central S.A. that added to its previous ownership interest in those entities. The Company's current ownership enables it to exercise control over these entities, and thus incorporate them into the consolidation of the financial statements beginning October 1, 2012.

Under IFRS 3, because the acquisition of control over Vital Jugos S.A. and Vital Aguas S.A, and Envases Central S.A. was made in stages, the preexisting equity method investment must be valued at fair value at the time of de-recognition, with the differences between fair value and book value being recognized in the result of the period in which control is obtained. The Company has not recognized for a gain (or loss) in its 2012 results, because the resulting value did not differ significantly from its previous carrying book value.

A total of 93,152,097 Series A shares and 93,152,097 Series B shares were issued at closing in exchange for 100% of Polar's outstanding shares. The total purchase price was ThCh$461,568,641 based on a share price of Ch$2,220 per Series A share and Ch$2,735 per Series B share on October 1, 2012. There are no contingent purchase price provisions. Transaction related costs of Ch$4,517,661 were expensed as incurred, and recorded as a component of other expenses by function in the Company's accompanying consolidated statements of income.

The estimated fair value of Polar's net assets acquired is as follows:

	ThCh$
Total current assets acquired, including cash amounting to ThCh$4,760,888	66,536,012
Property, plant and equipment	153,012,024
Other non-current assets	15,221,922
Contractual rights to distribute Coca-Cola products ("Distribution Rights")	459,393,920
Total Assets	**694,163,878**
Indebtedness	(99,924,279)
Other liabilities	(149,131,027)
Total liabilities	**(249,055,306)**
Net Assets Acquired	445,108,572
Goodwill	16,460,068
Total consideration (Purchase Price)	**461,568,640**

The Company carried out the fair value of distribution rights, property, plant and equipment with the assistance of third-party valuations. Distribution rights are expected to be tax deductible for income tax purposes.

The Company expects to recover goodwill through related synergies with the available distribution capacity. Goodwill has been assigned to the cash generating unit of the Company in Chile (ThCh$8,503,023), Argentina (ThCh$1,041,633), and Paraguay (ThCh$6,915,412). Goodwill is not expected to be tax deductible for income tax purposes.

The condensed financial statement of Polar for the period between October 1, 2012 and December 31, 2012 is as follows:

	ThCh$
Net sales	93,918,209
Income before taxes	5,465,844
Net income	4,648,021

The condensed financial statement of Andina as if it were consolidated beginning January 1, 2012 is as follows:

	(UNAUDITED) ThCh$
Net sales	1,429,981,711
Income before taxes	133,211,027
Net income	95,050,027

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

2.1 Periods covered

Consolidated statements of financial position: At December 31, 2012 and 2011.

Consolidated income statements by function and comprehensive income: For the years ended December 31, 2012 and 2011.

Consolidated statements of cash flows: For the years ended December 31, 2012 and 2011, using the "direct method".

Consolidated statements of changes in equity: For the years ended December 31, 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 Consolidated Financial Statements for the years ended December 31, 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 which the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries as of December, 31 2012 and 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 years ended December 31, 2012 and 2011, were approved by the Board of Directors during session held on February 28, 2013.

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 December 31, 2012 and 2011 and results of operations and cash flows for the years ended December 31, 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 that control is obtained. 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 plus non-controlling interest 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 ensure uniformity with the policies adopted by the Company.

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 after eliminating intra-group balances and transactions.

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

		Porcentaje de Participación					
		12-31-2012			12-31-2011		
Taxpayer ID	Name of the Company	Direct	Indirect	Total	Direct	Indirect	Total
59.144.140-K	Abisa Corp S.A.	-	99.99	99.99	-	99.99	99.99
Foreign	Aconcagua Investing Ltda.(2)	0.71	99.28	99.99	-	-	-
96.842.970-1	Andina Bottling Investments S.A.	99.90	0.09	99.99	99.90	0.09	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	Andina Empaques Argentina S.A.(1)	-	99.98	99.98	-	-	-
96.836.750-1	Andina Inversiones Societarias S.A.	99.99	-	99.99	99.99	-	99.99
76.070.406-7	Embotelladora Andina Chile S.A.	99.99	-	99.99	99.99	-	99.99
Foreign	Embotelladora del Atlántico S.A.	-	99.98	99.98	-	99.98	99.98
Foreign	Coca-Cola Polar Argentina S.A.	5.00	94.99	99,99	-	-	-
96.705.990-0	Envases Central S. A.(3)	59.27	-	59.27	49.91	-	49.91
96.971.280-6	Inversiones Los Andes Ltda.(2)	99.99	-	99.99	-	-	-
Foreign	Paraguay Refrescos S. A.(2)	0.08	97.75	97.83	-	-	-
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
96.928.520-7	Transportes Polar S. A.(2)	99.99	-	99.99	-	-	-
76.389.720-6	Vital Aguas S. A.(3)	66.50	-	66.50	56.5	-	56.5
96.845.500-0	Vital Jugos S. A.(3)	15.00	50.00	65.00	-	57.0	57.0

(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) Companies incorporated to the consolidation as of October 1, 2012 as a result of the merger with Embotelladoras Coca-Cola Polar S.A. explained in note 1 b).

(3) Companies incorporated to the consolidation as October 1, 2012, as a result of acquiring them through the merger transaction with Embotelladoras Coca-Cola Polar detailed in note 1 b).

2.3.2 Equity method investments

Associates are all entities over which the Company 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 Company's share in income and losses subsequent to the acquisition of associates is recognized in income.

Unrealized gains in transactions between the Company and its associates are eliminated to the extent of the interest the Company 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 Company.

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
- Paraguayan 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 Company 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 parent 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	Paraguayan Guaraní	€ Euro
12.31.2012	479.96	234.87	97.59	22,840.75	0.11	634.45
12.31.2011	519.20	276.79	120.63	22,294.03	0.12	672.97

2.5.3 Translation of foreign subsidiaries

The financial position and results of operations of all entities in the Company (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$ Brazilian Real
Embotelladora del Atlántico S.A.	A$ Argentine Peso
Andina Empaques Argentina S. A.	A$ Argentine Peso
Paraguay Refrescos S. A.	G$ Paraguayan Guaraní

In the consolidation, the translation differences arising from the conversion of a net investment in foreign entities are recognized in other comprehensive income. If accounts receivable exist from related companies and they are designated as hedge investment, they have been recognized as comprehensive income net of deferred, if applicable. 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 their historical cost or the cost given as of the date of application of IFRS, 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 (attributed cost) 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 Company 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.

Items available for sale and that fulfill the conditions under IFRS 5 "Non-Current Assets Available for Sale" are separate from property, plant and equipment are presented under current assets as the lower value between book value and fair value less costs of sale.

2.7 Intangible assets and Goodwill

2.7.1 Goodwill

Goodwill represents the excess cost of acquisition and non-controlling interest over the fair value of the Company'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 Distribution rights

Correspond to contractual rights to produce and distribute products under the Coca-Cola brand in certain territories in Argentina, Chile and Paraguay. Distribution rights come from the process of carrying assets and liabilities of the companies acquired under a business combination to fair value. Distribution rights have an indefinite useful life and are not amortized (given that they are permanently renewed by Coca-Cola) and they are submitted to impairment tests on a yearly basis.

2.7.3 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 intangibles related to distribution rights and goodwill, are not amortized and are annually tested for impairment loss. Amortizable assets and property 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 the 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 held 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 and they are presented at their amortized cost.

2.9.3 Financial assets held to maturity

Other financial assets corresponds to bank deposits that the Company'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 interest is recognized in the consolidated income statement under finance income during the year in which it occurs.

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, property, plant and equipment, loan obligations and materially offset the risks that are hedged.

The method to recognize the resulting loss or gain, as well as its classification within the balance, depends on if the derivative has been appointed as a hedging instrument and of the item being hedged.

2.10.1 Hedging derivative instruments

Hedging derivative instruments are recorded at fair value and the effect is recorded under assets, liabilities, income and expenses, along with any change in the reasonable value of the hedged asset or liability attributable to the risk covered

2.10.2 Non-hedging derivative instruments

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 "other income and losses"

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 has recorded a liability as of December 31, 2012 and 2011 foreign exchange derivatives contracts classified within the other current financial liabilities (current financial liabilities). These contracts 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 years ended December 31, 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 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 amortized cost, 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 Other financial liabilities

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 Company will meet all the established conditions.

Cost-related subsidies are deferred and recognized on the income statement in the period of the corresponding cost.

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. Subsidiaries abroad account for income taxes 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 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 provision account 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 and other contingencies 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 Leases

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

b) Financial
Property, plant and equipment assets where the Company substantially maintains all the risks and benefits derived from them are classified as financial leases. Financial leases are capitalized at the inception of the lease at the lesser of the fair value of property plant and equipment asset leased and the present value of the minimum lease payments.

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. (Bottles and containers).

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.

Revenues are recognized once the products are physically delivered to clients.

2.22 Company Contributions of The Coca-Cola Company

The Company receives certain discretionary contributions from The Coca-Cola Company, related to the financing of advertising and promotional programs for its products in the territories where we have distribution licensing. The resources received are recorded as a reduction in marketing expenses in the account Management Expenses. Given its discretionary nature, the portion of contributions received in one period does not imply it will be repeated in the following period, In those cases where there is an agreement with The Coca-Cola Company through which the Company receives contributions for the building and acquisition of specific elements of property, plant and equipment, and that current and future obligations have been established for the Company, payments received pursuant to these agreements are recorded as the lower cost of the respective assets acquired.

2.23 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.

2.24 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:

2.24.1 Impairment of goodwill and intangible assets of indefinite useful life

The Company tests if goodwill and intangible assets of indefinite useful life have suffered 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, Argentina and Paraguay were discounted at a rate of 15%, and there was a gain on the respective assets, including the goodwill of the Brazilian , Argentine and Paraguayan.

2.24.2 Fair Value of Assets and Liabilities

IFRS requires in certain cases that assets and liabilities be recorded at their fair value. Fair value is the amount at which an asset can be purchased or sold or the amount at which a liability can be incurred or liquidated in an actual transaction among parties duly informed under conditions of mutual independence, different from a forced liquidation.

The basis for measuring assets and liabilities at fair value are the current prices in the active market. Lacking such an active market, the Company estimates said values based on the best information available, including the use of models or other valuation techniques.

The Company estimated the jair value of the intangible assets acquired is a result of the Polar Merger. Based on the multiple period excess earning method, which implies the estimation of future cash flows generated by the intangible asset, adjusted by cash flows that do not come from the intangible asset, but from other assets. For this, the Company estimated the time during which the intangible asset will generate cash flows, the cash flows themselves, cash flows from other assets and a discount rate.

Other assets acquired and implicit liabilities in the business combination are carried at fair value using valuation methods that are considered appropriate under the circumstances including the cost of depreciated recovery and recent transaction values for comparable assets, among others. These methodologies require certain inputs to be estimated, including the estimation of future cash flows.

2.24.3 Allowance for doubtful accounts

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, allowances for doubtful accounts are 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$159,540,993 at December 31, 2012 (ThCh$114,618,699 at December 31, 2011), net of an allowance for doubtful accounts provision of ThCh$1,486,749 at December 31, 2012 (ThCh$1,544,574 at December 31, 2011).

2.24.4 Useful life, residual value and impairment of 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.

2.24.5 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.

2.25 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” / IAS 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”/ IAS 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 Ventures. IFRS 11 uses some of the terms used in IAS 31, but with different meanings. IAS 31 identifies three types of joint ventures, but IFRS 11 only considers of two 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.

Additionally it incorporates some new disclosures:

Improvements and amendments		Mandatory application date
IFRS 7	Financial Instruments: Disclosure	January 1, 2013
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
IAS 1	Presentation of Financial Statements	January 1, 2013
IAS 16	Property, Plant and Equipment	January 1, 2013
IAS 19	Employee Benefits	January 1, 2013
IAS 27	Consolidated and Separate Financial Statements	January 1, 2013
IAS 28	Investments in Associates and Joint Ventures	January 1, 2013
IAS 32	Financial Instruments – Presentation	January 1, 2013
IAS 34	Interim Financial Reporting	January 1, 2013

IFRS 7 “Financial Instruments: Disclosure”

An amendment to IAS 7 was issued in December 2011 that requires entities to disclose under financial information the effects or possible effects of the compensation agreements of the financial instruments over the entity’s financial position. The rule is applicable beginning January 1, 2013.

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities"

On June 28, 2012 the IASB issued amendments to clarify the transition guidance to IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition exceptions in the application of IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in other Entities, limiting the requirement to provide restated comparative information only for the preceding comparative period. On the other hand, for the first year that IFRS 12 is applied, the requirement to present comparative information for the disclosures related to unconsolidated structured entities is removed. Effective date for the amendments are the annual periods beginning on or after January 1, 2013, also aligned with the effective date of IFRS 10, 11 and 12.

IAS 1 "Presentation of Financial Statements"

Annual Improvements 2009-2011 Cycle issued in May 2012, amended paragraphs 10, 38 and 41, eliminated paragraphs 39-40 and added paragraphs 38A-38D and 40A-40D, clarifying the difference between voluntary additional comparative information and the minimum required comparative information. Generally the minimum comparative period required is the previous period. An entity must include comparative information in the notes related to the financial statements when the entity voluntarily supplies comparative information beyond the minimum comparative period required. The additional comparative period does not need to contain a complete set of financial statements. Also, opening balances of the financial statements (known as the third balance sheet) must be presented in the following circumstances: when the entity changes its accounting policies; carries out retroactive restatements or reclassifications, and that this change has a material effect on the financial statement. The initial balance of the financial statement would be as of the previous period. However, contrary to voluntary comparative information, the related notes are not required to accompany the third balance sheet. An entity will apply these amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors for annual periods beginning on January 1, 2013. Early adoption is permitted as long as it is disclosed.

IAS 16 "Property, Plant and Equipment"

Annual Improvements 2009-2011 Cycle issued in May 2012, amended paragraph 8. The amendment clarifies that spare parts and auxiliary equipment that fulfill the definition of property, plant and equipment are not considered inventory. An entity will apply this amendment retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors for annual periods beginning on January 1, 2013. Early adoption is permitted as long as it is disclosed.

IAS 19 "Employee Benefits"

On June 16 2011, the IASB published an amended IAS 19 – Employee Benefits that change accounting for defined benefit plans and termination benefits. The amendments require recognition of changes in the defined benefit liability (asset) plan, eliminating the use of the corridor approach and accelerating the recognition of past service costs. Changes in the defined benefit liability (asset) plan are separated in three components: service cost, net interest on liability (asset) for defined benefits and re-measurements of liability (asset) for defined benefits.

Net interest is calculated using the rate of return for high-quality corporate bonds. This could be lower than the rate currently used to calculate the expected return over plan assets, resulting in a decrease of earnings for the period. The amendments are effective for annual periods beginning on or after January 1, 2013, early adoption is permitted. Retrospective application is required with certain exceptions.

IAS 27 "Consolidated and Separate Financial Statements"

In May 2011, IASB issued a revised IAS 27 with an amended title – Separate Financial Statements. IFRS 10 Consolidated Financial Statements establishes a single control model that applies to all entities and the requirements relating the preparation of consolidated financial statements.

IAS 28 "Investments in Associates and Joint Ventures"

Issued in May 2011, IAS 28 Investments in Associates and Joint Ventures, prescribes accounting of investments in associates and establishes the requirements of application on the equity method to investments in associates and joint ventures.

IAS 32 "Financial Instruments – Presentation"

Annual Improvements 2009-2011 Cycle issued in May 2012, amended paragraphs 35, 37 and 39 and added paragraph 35A, that clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. An entity will apply these amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and applies to annual periods beginning on January 1, 2013. Early adoption is permitted as long as it disclosed.

IAS 32 amendments issued in December 2011 clarify the differences in the application regarding compensation and reduce the diversity in the current application. The rule is applicable beginning January 1, 2014 and early application is permitted.

IAS 34 "Interim Financial Reporting"

Annual Improvements 2009-2011 Cycle issued in May 2012, amended paragraph 16A. The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Amended paragraph 16A establishes that total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

An entity will apply this amendment retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and applies to annual periods beginning on January 1, 2013. Early adoption is permitted as long as it disclosed.

Management of the Company and its subsidiaries have studied the impact of these new standards and have asserted they do not significantly impact these consolidated financial statements.

2.26 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**
Deferred 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
- Paraguayan operations

The four 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 year ended December 31, 2012	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Paraguay Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers	373,744,135	314,923,641	451,596,741	32,028,300	1,172,292,817
Interest income	803,029	301,025	1,602,098	21,907	2,728,059
Interest expense	(7,540,887)	(2,277,362)	(1,231,153)	(123,351)	(11,172,753)
Interest income, net	**(6,737,858)**	**(1,976,337)**	**370,945**	**(101,444)**	**(8,444,694)**
Depreciation and amortization	(24,290,171)	(11,201,323)	(16,064,773)	(2,267,871)	(53,824,138)
Total significant expenses items	(319,517,173)	(284,142,437)	(392,538,658)	(25,556,545)	(1,021,754,813)
Net income of the segment reported	**23,198,933**	**17,603,544**	**43,364,255**	**4,102,440**	**88,269,172**
Share of the entity in income of associates accounted for using the equity method, total	1,120,893	-	649,005	-	1,769,898
Income tax expense (income), total	(7,378,459)	(10,204,847)	(20,365,279)	(556,051)	(38,504,636)
Segment assets, total	**756,203,625**	**200,769,953**	**324,432,040**	**258,430,713**	**1,539,836,331**
Carrying amount in associates and joint ventures accounted for using the equity method, total	17,848,009	-	55,232,052	-	73,080,061
Capital expenditures and other	57,115,820	46,833,922	69,605,956	6,085,212	179,640,910
Liabilities of the segments, total	**367,012,519**	**108,896,064**	**130,102,661**	**40,220,166**	**646,231,410**
Cash flows provided by in Operating Activities	62,059,810	42,711,789	74,224,089	9,861,112	188,856,800
Cash flows used in Investing Activities	(39,707,483)	(43,996,852)	(69,604,445)	(2,861,423)	(156,170,203)
Cash flows used in Financing Activities	(38,808,788)	2,720,303	32,537,501	-	(3,550,984)

For the year ended December 31, 2011	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers	304,948,177	232,222,929	445,693,311	982,864,417
Interest income	1,490,143	140,622	1,551,669	3,182,434
Interest expense	(5,513,503)	(1,063,755)	(657,918)	(7,235,176)
Interest income, net	(4,023,360)	(923,133)	893,751	(4,052,742)
Depreciation and amortization	(15,894,245)	(7,780,619)	(15,822,662)	(39,497,526)
Total significant expenses items	(245,290,025)	(209,078,941)	(387,917,759)	(842,286,725)
Net income of the segment reported	39,740,547	14,440,236	42,846,641	97,027,424
Share of the entity in income of associ-ates accounted for using the equity method, total	2,663,439	-	(637,281)	2,026,158
Income tax expense (income), total	(7,539,223)	(7,766,215)	(19,379,223)	(34,684,661)
Segment assets, total	320,036,934	121,366,676	300,555,733	741,959,343
Carrying amount in associates and joint ventures accounted for using the equity method, total	36,568,610	-	23,722,356	60,290,966
Capital expenditures and other	77,195,636	25,311,303	28,951,005	131,457,944
Liabilities of the segments, total	146,195,277	78,344,985	95,440,161	319,980,423
Cash flows provided by in Operating Activities	60,517,314	23,655,598	54,777,584	138,950,496
Cash flows used in Investing Activities	(35,007,230)	(25,668,834)	(28,945,134)	(89,621,198)
Cash flows used in Financing Activities	(71,802,207)	4,925,725	(282,903)	(67,159,385)

NOTE 4 CASH AND CASH EQUIVALENTS

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

Description	12.31.2012 ThCh$	12.31.2011 ThCh$
By item		
Cash	871,173	138,410
Bank balances	24,171,486	16,326,710
Time deposits	783,223	243,991
Money market funds	29,696,373	14,588,811
Cash and cash equivalents	55,522,255	31,297,922

By currency	**M$**	**ThCh$**
Dollar	5,067,208	2,724,252
Euro	-	243,991
Argentine Peso	5,181,955	5,020,278
Chilean Peso	14,089,380	6,340,907
Paraguayan Guaraní	6,112,524	-
Brazilian Real	25,071,188	16,968,494
Cash and cash equivalents	55,522,255	31,297,922

4.1 Time deposits

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

Issuance	Entity	Currency	Capital ThCh$	Annual rate %	12.31.2012 ThCh$
12.28.2012	Banco Regional SAECA - Paraguay	Paraguayan Guaraní	783,223	3,50	783,223
Total					783,223

Issuance	Entity	Currency	Capital ThCh$	Annual rate %	12.31.2011 ThCh$
12.29.2011	Banco BBVA - Chile	Euros	243,449	4,20	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	12.31.2012 ThCh$	12.31.2011 ThCh$
Mutual Funds Select Banco Itaú – Chile	1,989,833	2,093,339
Mutual Funds Soberano Banco Itaú – Brasil	18,235,213	6,281,070
Western Assets Institutional Cash	2,081,666	770,000
Mutual Funds Banco Galicia	3,472,196	2,876,982
Mutual Funds Patrimonio Banco Caja Económica Federal - Brasil	946,885	2,566,901
Mutual Funds Wells Fargo	2,833,080	-
Mutual Funds Wells Fargo	137,500	519
Total mutual fund	29,696,373	14,588,811

NOTE 5 OTHER CURRENT FINANCIAL ASSETS

Below are the financial instruments held by the Company at December 31, 2012 and 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 ThCh$	Annual Rate %	12.31.2012 ThCh$
25.03.2012	20.03.2013	Banco Votorantim - Brasil	Reais	16.480	8,82	17.280
Total						17.280

Mutual Funds

Institution	ThCh$
Mutual Fund Banco Galicia(1)	111,301
Subtotal	**111,301**
Total other current financial assets	**128,581**

Time deposits

Placement date	Maturity date	Entity	Currency	Principal ThCh$	Annual Rate %	12.31.2011 ThCh$
04.08.2011	18.01.2012	Banco BBVA- Chile	Unidad de fomento	4,000,000	3,44	4,119,995
04.08.2011	18.01.2012	Banco Estado - Chile	Unidad de fomento	4,000,000	3,48	4,138,046
21.12.2011	09.05.2012	Banco Corbanca - Chile	Unidad de fomento	2,500,000	5,00	2,505,892
21.12.2011	09.05.2012	Banco Chile - Chile	Unidad de fomento	2,500,000	4,70	2,505,684
16.12.2011	20.02.2012	Banco Galicia - Argentina (1)	Argentine pesos	711,717	20,00	716,403
25.03.2011	20.03.2012	Banco Votorantin - Brasil	Brazilian reais	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 Otros Activos Financieros, corrientes	15,661,183

(1) Corresponden a inversiones financieras que se encuentran con uso restringido dado que fueron tomados para cumplir con las garantías de las operaciones de derivados que mantiene la Compañía.

NOTE 6 CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

6.1 Other current non-financial assets

	12.31.2012 ThCh$	12.31.2011 ThCh$
Details		
Prepaid insurance	182,015	77,228
Prepaid expenses	3,513,515	2,933,946
Fiscal credits	14,118,736	11,704,342
Guaranty deposits with customs	239,879	-
Other current assets	148,693	45,342
Total	18,202,838	14,760,858

Nota 6.2 Other non-current, non-financial assets

	12.31.2012 ThCh$	12.31.2011 ThCh$
Description		
Prepaid expenses	2,515,235	2,275,128
Fiscal credits	5,880,191	6,529,944
Judicial deposits[1]	18,002,490	19,989,604
Others	529,174	1,399,133
Total	26,927,090	30,193,809

(1) Ver nota 21.1 2)

NOTE 7 TRADE AND OTHER ACCOUNTS RECEIVABLE

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

	12.31.2012			12.31.2011		
Trade and other accounts receivable	Assets before provisions ThCh$	Allowance for doubtful accounts ThCh$	Commercial debtors net assets ThCh$	Assets before provisions ThCh$	Allowance for doubtful accounts ThCh$	Commercial debtors net assets ThCh$
Trade debtors						
Current credit operations debtors	115,998,388	(1,458,801)	114,539,587	86,732,234	(1,516,817)	85,215,417
Other current debtors	15,782,069	-	15,782,069	11,711,426	-	11,711,426
Current commercial debtors	131,780,457	(1,458,801)	130,321,656	98,443,660	(1,516,817)	96,926,843
Current anticipated payments	4,021,021		4,021,021	1,641,953	-	1,641,953
Other current accounts receivable	18,502,187	(27,948)	18,474,239	8,902,000	(27,757)	8,874,243
Commercial debtors and other current accounts receivable	154,303,665	(1,486,749)	152,816,916	108,987,613	(1,544,574)	107,443,039
Non-current accounts receivable						
Non-current trade debtors	6,599,310	-	6,599,310	7,175,559	-	7,175,559
Other non-current debtors	124,767	-	124,767	101	-	101
Non-current accounts receivable	6,724,077	-	6,724,077	7,175,660	-	7,175,660
Trade and other accounts receivable	161,027,742	(1,486,749)	159,540,993	116,163,273	(1,544,574)	114,618,699

Stratification of debtor portfolio by current and non-current credit operations	Number of clients	12,31,2012 ThCh$	Number of clients	12,31,2011 ThCh$
Up to date non-securitized portfolio	8,514	59,686,698	1,518	24,710,250
Non-securitized portfolio between 01 and 30 days	30,523	51,451,804	35,875	58,528,014
Non-securitized portfolio between 31 and 60 days	484	784,192	390	344,270
Non-securitized portfolio between 61 and 90 days	346	951,083	336	526,403
Non-securitized portfolio between 91 and 120 days	273	316,787	242	429,241
Non-securitized portfolio between 121 and 150 days	282	34,370	226	360,202
Non-securitized portfolio between 151 and 180 days	264	307,727	192	149,929
Non-securitized portfolio between 181 and 210 days	280	176,493	141	141,115
Non-securitized portfolio between 211 and 250 days	276	251,247	206	148,033
Non-securitized portfolio more than 250 days	1,362	8,637,297	527	8,570,336
Total	42,604	122,597,698	39,653	93,907,793

	12.31.2012 ThCh$	12.31.2011 ThCh$
Current comercial debtors	115,998,388	86,732,234
No current comercial debtors	6,599,310	7,175,559
Total	122,597,698	93,907,793

The change in the allowance for uncollectible receivables between January 1 and December 31, 2012 and 2011 is presented below:

Item	12.31.2012 ThCh$	12.31.2011 ThCh$
Initial balance	1,544,574	1,225,556
Bad debt expense	976,331	1,610,540
Write-off of accounts receivable	(843,766)	(1,368,084)
Increase (decrease) because of foreign exchange	(190,390)	76,562
Movement	(57,825)	319,018
Ending balance	1,486,749	1,544,574

NOTE 8 INVENTORY

The composition of inventory balances is detailed as follows:

Description	12.31.2012 ThCh$	12.31.2011 ThCh$
Raw materials	41,942,176	29,518,840
Merchandise	8,797,194	6,949,830
Production inputs	1,125,276	1,211,163
Products in progress	705,637	256,273
Finished goods	22,792,255	11,215,868
Spare parts	14,479,488	8,849,970
Other inventory	1,504,926	765,020
Obsolescence provision(1)	(2,027,126)	(1,280,306)
Total	89,319,826	57,486,658

The cost of inventory recognized as a cost of sales totaled ThCh$698,955,215 and ThCh$578,581,184 at December 31, 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

During 2012, the Company had a taxable profits fund of ThCh$62,842,623, comprised of profits with credits for first category income tax amounting to ThCh$57,435,400 and profits with no credit amounting to ThCh$5,407,223.

9.1 Current tax assets

Current tax receivables break down as follows:

Item	12.31.2012 ThCh$	12.31.2011 ThCh$
Monthly provisional payments	2,319,627	1,646,502
Tax credits[1]	559,766	817,064
Total	**2,879,393**	**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	12.31.2012 ThCh$	12.31.2011 ThCh$
Income tax	355,363	3,459,329
Other	759,447	361,918
Balance	**1,114,810**	**3,821,247**

9.3 Tax expense

The current and deferred income tax expenses for the periods ended December 31, 2012 and 2011 are detailed as follows:

Item	12.31.2012 ThCh$	12.31.2011 ThCh$
Current tax expense	31,849,744	31,384,666
Adjustment to current tax from the previous fiscal year	172,055	371,547
Other current tax expenses	823,616	396,319
Current tax expense	**32,845,415**	**32,152,532**
Deferred tax expense	5,616,047	2,532,129
Other deferred tax expenses	43,174	-
Deferred tax expenses	**5,659,221**	**2,532,129**
Income tax expense	**38,504,636**	**34,684,661**

9.4 Deferred taxes

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

	12.31.2012		12.31.2011	
Temporary differences	Assets ThCh$	Liabilities ThCh$	Assets ThCh$	Liabilities ThCh$
Property, plant and equipment	432,181	29,494,188	897,101	22,769,301
Impairment accrual	637,675	-	865,769	-
Employee benefits	1,807,163	-	1,462,239	-
Post-employment benefits	-	277,510	-	510,613
Tax losses(1) and (2)	9,026,314	-	705,861	-
Contingency provision	2,020,821	-	2,215,553	-
Foreign exchange rate difference (Foreign Subsidiaries)(4)	-	9,145,349	-	11,698,815
Allowance for doubtful accounts	350,319	-	368,947	-
Tax income for inventory holding (Argentina)	150,486	-	1,066,527	-
Tax incentives (Brazil)(3)	-	10,930,694	-	7,900,864
Assets and liabilities for placement of bonds	370,245	77,316	-	-
Leasing liabilities	430,476	-	-	-
Inventories	-	127,550	-	-
Distribution rights	-	76,559,423	-	-
Other	997,372	1,025,648	478,230	426,124
Subtotal	16,223,052	127,637,678	8,060,227	43,305,717
Net Liabilities	-	111,414,626	-	35,245,490

(1) Corresponding to our subsidiary in Chile, Embotelladora Andina Chile S.A., that is in the start-up process of its manufacturing and commercial operations. Tax losses in Chile do not have an expiration date.
(2) Tax losses related to Coca-Cola Polar Argentina S.A., which will be recorded once the merger with Embotelladora del Atlántico materializes for an amount of ThCh$5,280,865.
(3) Corresponds to tax incentives in Brazil that consist of a tax withholding reduction that are financially recorded under results, but under tax rules they must be controlled in equity accounts, and cannot be distributed as dividends.
(4) Deferred tax generated by exchange rate difference upon translation of intercompany accounts with the Brazilian subsidiary Rio de Janeiro Refrescos Ltda. that financially are carried to comprehensive results, but under tax rules they are taxable in Brazil at the moment they are received.

9.5 Deferred tax liability movement

Movement in deferred accounts is detailed as follows:

Item	12.31.2012 ThCh$	12.31.2011 ThCh$
Initial Balance	35,245,490	35,600,739
Increase due to merger	76,544,806	-
Increase in deferred tax liabilities	4,453,994	2,309,907
Sale of ownership interest in Vital S.A.	-	(947,445)
Decrease due to foreign currency translation	(4,829,664)	(1,717,711)
Movements	76,169,136	(355,249)
Ending balance	111,414,626	35,245,490

9.6 Distribution of domestic and foreign tax expenses

As of December 31, 2012 and 2011, domestic and foreign tax expenses are detailed as follows:

Income tax	12.31.2012 ThCh$	12.31.2011 ThCh$
Current taxes		
Foreign	(25,054,795)	(24,138,759)
Domestic	(7,790,620)	(8,013,773)
Current tax expense	(32,845,415)	(32,152,532)
Deferred taxes		
Foreign	(6,071,382)	(3,006,679)
Domestic	412,161	474,550
Deferred tax expense	(5,659,221)	(2,532,129)
Income tax expense	(38,504,636)	(34,684,661)

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	12.31.2012 ThCh$	12.31.2011 ThCh$
Income before taxes	126,773,808	131,712,085
Tax expense at legal rate (20%)	(25,354,762)	(26,342,417)
Effect of a different tax rate in other jurisdictions	(12,034,351)	(11,459,545)
Permanent differences:		
Non-taxable revenues	3,302,249	4,190,331
Non-deductible expenses	(3,154,544)	(868,025)
Tax effect over changes in the tax rate	(826,898)	-
Tax provision in excess of preceding periods	(227,343)	-
Other increases (decreases) in charge for legal taxes	(208,987)	(205,005)
Adjustments to tax expenses	(1,115,523)	3,117,301
Tax expense at the effective rate	(38,504,636)	(34,684,661)
Effective rate	30.4%	26.3%

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

Country	Rate 2012	Rate 2011
Chile	20%	20%
Brasil	34%	34%
Argentina	35%	35%
Paraguay	10%	-

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

10.1 Balances

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

	Property, plant and equipment, gross		Cumulative depreciation and impairment		Property, plant and equipment, net	
Concept	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$
Construction in progress	61,735,710	47,924,160	-	-	61,735,710	47,924,160
Land	57,134,715	34,838,977	-	-	57,134,715	34,838,977
Buildings	163,759,761	93,603,989	(31,980,362)	(28,249,427)	131,779,399	65,354,562
Plant and equipment	346,179,261	264,342,629	(169,999,912)	(155,026,259)	176,179,349	109,316,370
Information technology	12,429,618	11,416,373	(6,629,395)	(9,273,033)	5,800,223	2,143,340
Fixed facilities and accessories	40,282,483	29,878,815	(15,443,891)	(14,428,606)	24,838,592	15,450,209
Vehicles	11,134,161	4,871,319	(3,298,464)	(2,932,515)	7,835,697	1,938,804
Improvements to leased property	130,240	153,483	(120,818)	(129,503)	9,422	23,980
Other property, plant and equipment(1)	294,974,382	250,672,995	(183,736,764)	(177,598,930)	111,237,618	73,074,065
Total	**987,760,331**	**737,702,740**	**(411,209,606)**	**(387,638,273)**	**576,550,725**	**350,064,467**

(1) Other property, plant and equipment is composed of bottles, market assets, furniture and other minor goods.

As of December 31, 2012 there were financial lease agreements for the purchase of vehicles in the subsidiary Rio de Janeiro Refrescos Ltda., and Tetrapak equipment in Argentina.

The net balance of each of these categories at December 31, 2012 and December 31, 2011 is detailed as follows:

Other property, plant and equipment	12.31.2012 ThCh$	12.31.2011 ThCh$
Bottles	59,983,147	43,138,347
Marketing and promotional assets	40,251,550	23,218,456
Other property, plant and equipment	11,002,921	6,717,262
Total	111,237,618	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 y San Antonio, Antofagasta, Coquimbo y Punta Arenas.

Argentina: Buenos Aires, Mendoza, Córdoba y Rosario, Bahía Blanca, Chacabuco, La Pampa, Neuqén, Comodoro Rivadavia, Trelew, Tierra del Fuego.

Brazil: Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo and Vitoria.

Paraguay: Asunción, Coronel Oviedo, Ciudad del Este and Encarnación.

10.2 Movements

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

For the year ended 12.31.2012	Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	IT Equipment, net ThCh$	Fixed installations and accessories, net ThCh$	Motor vehicles, net ThCh$	Improvements to leased property, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net 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	59,622,568	-	163,015	16,253,430	590,141	33,027	1,623,662	-	50,800,843	129,086,686
Disposals	-	-	-	(425,844)	(32,575)	-	-	-	(712,471)	(1,170,890)
Transfers between items of property, plant and equipment	(62,379,694)	(263,320)	33,207,590	20,739,334	2,326,639	11,403,778	4,676,401	-	(9,710,728)	-
Transfers to assets held for sale, current	-	-	(2,977,969)	-	-	-	-	-	-	(2,977,969)
Additions due to merger(1)	18,267,801	25,288,317	46,717,142	58,602,133	2,068,712	24,765	591,579	-	40,370,384	191,930,833
Depreciation expense	-	-	(2,958,099)	(20,058,072)	(1,043,395)	(1,645,825)	(728,228)	(11,624)	(26,831,414)	(53,276,657)
Increase (decrease) in foreign currency translation	(1,699,125)	(2,729,259)	(7,833,909)	(8,547,363)	(236,756)	(422,406)	(133,634)	(2,934)	(13,619,288)	(35,224,674)
Other increases (decreases)	-	-	107,067	299,361	(15,883)	(4,956)	(132,887)	-	(2,133,773)	(1,881,071)
Total movements	13,811,550	22,295,738	66,424,837	66,862,979	3,656,883	9,388,383	5,896,893	(14,558)	38,163,553	226,486,258
Ending balance	61,735,710	57,134,715	131,779,399	176,179,349	5,800,223	24,838,592	7,835,697	9,422	111,237,618	576,550,725

(1) Corresponds to balances incorporated as of October 1, 2012 as a result of the merger with Embotellaoras Coca-Cola Polar S.A. explained in note 1 b).

For the year ended 12.31.2011	Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	IT Equipment, net ThCh$	Fixed installations and accessories, net ThCh$	Motor vehicles, net ThCh$	Improvements to leased property, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net 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 between items of property, plant and equipment	(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 December 31, 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	12.31.2012 ThCh$	12.31.2011 ThCh$
96.891.720-K	Embonor S.A.	Shareholder	Chile	Chilean pesos	4,893,956	-
96.714.870-9	Coca-Cola de Chile S. A.	Shareholder	Chile	Chilean pesos	-	6,014,176
86.881.400-4	Envases CMF S. A.	Associate	Chile	Chilean pesos	-	338,765
96.517.210-2	Embotelladora Iquique S.A.	Shareholder	Chile	Chilean pesos	358,859	-
Foreign	Montevideo Refrescos S.A.	Shareholder	Uruguay	Dollars	51,215	-
96.919.980-7	Cervecería Austral S.A.	Related to director	Chile	Dollars	20,058	
77.755.610-k	Comercial Patagona Ltda.	Related to director	Chile	Chilean pesos	301	-
93.473.000-3	Embotelladoras Coca-Cola Polar S.A.	Shareholder	Chile	Chilean pesos	-	66,052
Total					5,324,389	6,418,993

11.1.2 Non current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2012 ThCh$	12.31.2011 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	7,197	11,187
Total					7,197	11,187

11.2 Accounts Payable:

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2012 ThCh$	12.31.2011 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	8,680,945	-
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Argentine pesos	11,624,070	962,725
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brasil	Brazilian reais	6,721,378	6,287,520
96.705.990-0	Envases Central S.A.(1)	Equity Investee	Chile	Chilean pesos	-	2,200,977
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean pesos	5,441,206	-
76.389.720-6	Vital Aguas S.A.(1)	Associate	Chile	Chilean pesos	-	732,249
93.899.000-K	Vital Jugos S.A.(1)	Associate	Chile	Chilean pesos	-	1,175,567
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Chilean pesos	259,613	-
Total					32,727,212	11,359,038

(1) As of December 31, 2012 they do not present balances, given they have been incorporated to the consolidation as of October 1, 2012, as a result of the merger with Embotellaoras Coca-Cola Polar S.A. explained in note 1 b).

11.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2012 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean pesos	76,756,589
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	3,184,671
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Lease of water fountain	Chilean pesos	2,731,636
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of finished products	Chilean pesos	1,245,309
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of services and others	Chilean pesos	1,016,520
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	Chilean pesos	3,686,498
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	28,986,747
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of packaging materials	Chilean pesos	2,722,611
96.891.720-K	Embonor S.A.	Related to shareholder	Chile	Sale of finished products	Chilean pesos	10,293,435
96.517.310-2	Embotelladora Iquique S.A.	Related to shareholder	Chile	Sale of finished products dos	Chilean pesos	2,244,302
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Concentrate purchase	Brazilian reais	78,524,183
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Reimbursement and other purchases	Brazilian reais	1,335,869
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Advertising participation payment	Brazilian reais	14,502,915
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Concentrate purchase	Argentine pesos	68,569,280
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Advertising rights, rewards and others	Argentine pesos	2,624,656
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Collection of advertising participation	Argentine pesos	5,419,055
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean pesos	1,873,336
97.032.000-8	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean pesos	61,042,686
97.032.000-8	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean pesos	59,455,046
97.032.000-8	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean pesos	223,027
84.505.800-8	Vendomática S.A.	Related to director	Chile	Sale of finished products	Chilean pesos	1,358,380
79.753.810-8	Claro y Cía.	Related to partner	Chile	Legal Counseling	Chilean pesos	349,211
93.899.000-K	Vital Jugos S.A.(1)	Associate	Chile	Sale of raw material and materials	Chilean pesos	4,697,898
93.899.000-K	Vital Jugos S.A.(1)	Associate	Chile	Purchase of finished products	Chilean pesos	18,656,191
96.705.990-0	Envases Central S.A.(1)	Associate	Chile	Purchase of finished products	Chilean pesos	14,618,933
96.705.990-0	Envases Central S. A.(1)	Associate	Chile	Sale of raw materials and materials	Chilean pesos	2,479,381
76.389.720-6	Vital Aguas S.A.(1)	Associate	Chile	Purchase of finished products	Chilean pesos	4,065,125

(1) Corresponds to transactions generated with Vital Aguas S.A:, Vital Jugos S.A. and Envases Central S.A. up until before taking control over those companies as a result of what has been described in Note 1b)

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2011 ThCh$
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Sale of raw materials	Chilean pesos	5,589,681
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Collection of loans	Chilean pesos	3,102,400
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Purchase of finished products	Chilean pesos	21,687,373
93.899.000-K	Vital Jugos S.A.	Associate	Chile	Loan granted	Chilean pesos	2,600,000
96.705.990-0	Envases Central S. A.	Associate	Chile	Purchase of finished products	Chilean pesos	19,170,427
96.705.990-0	Envases Central S. A.	Associate	Chile	Sale of raw materials	Chilean pesos	3,345,527
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean pesos	66,279,629
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	2,300,351
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of marketing services	Chilean pesos	791,098
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	Chilean pesos	6,147,836
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	10,574,791
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean pesos	1,294,064
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean pesos	6,191,936
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Concentrate purchase	Brazilian reais	83,833,396
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Reimbursement and other purchases	Brazilian reais	1,371,278
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Advertising participation payment	Brazilian reais	18,489,621
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Concentrate purchase	Argentine pesos	50,482,708
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Advertising rights, rewards and others	Argentine pesos	2,099,957
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Collection of advertising participation	Argentine pesos	5,078,692
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean pesos	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean pesos	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investments in time deposits	Chilean pesos	723,921
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Bank loans	Chilean pesos	3,498,249
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean pesos	1,434,234
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Payment of bank loans	Chilean pesos	3,498,249
84.505.800-8	Vendomática S. A.	Related to director	Chile	Sale of finished products	Chilean pesos	1,330,544
79.753.810-8	Claro y Cía.	Related to partner	Chile	Legal Counseling	Chilean pesos	246,548
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean pesos	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	12.31.2012 ThCh$	12.31.2011 ThCh$
Executive wages, salaries and benefits	4,511,609	4,324,205
Director allowances	1,302,000	1,104,000
Termination benefits	-	2,289,610
Accrued benefits in the last five years and paid during the period	723,298	1,338,675
Total	6,536,907	9,056,490

NOTE 12 EMPLOYEE BENEFITS

As of December 31, 2012 and 2011, the Company had recorded reserves for profit sharing and for bonuses totaling ThCh 8,240,460 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	12.31.2012 ThCh$	12.31.2011 ThCh$
Wages and salaries	116,549,091	85,266,348
Employee benefits	29,023,263	19,336,845
Severance and post-employment benefits	2,474,611	2,307,187
Other personnel expenses	7,218,448	5,135,492
Total	155,265,413	112,045,872

12.2 Post-employment benefits

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

Post-employment benefits	12.31.2012 ThCh$	12.31.2011 ThCh$
Non-current provision	7,037,122	5,130,015
Total	7,037,122	5,130,015

12.3 Post-employment benefit movement

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

Movements	12.31.2012 ThCh$	12.31.2011 ThCh$
Initial balance	5,130,015	7,256,590
Increase due to merger	189,921	-
Service costs	1,500,412	288,386
Interest costs	158,235	471,678
Net actuarial losses	1,010,136	1,310,764
Benefits paid	(951,597)	(4,197,403)
Total	7,037,122	5,130,015

12.4 Assumptions

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

Assumption	2012	2011
Discount rate (1)	5.1%	6.5%
Expected salary increase rate (1)	4.4%	5.0%
Turnover rate	5.4%	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:

				Investment Cost		Percentage interest	
Taxpayer ID	Name	Country of Incorporation	Functional Currency	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$
86.881.400-4	Envases CMF S.A.[(1)]	Chile	Chilean pesos	17,848,010	16,824,399	50.00%	50.00%
93.899.000-K	Vital Jugos S.A.[(1) y (2)]	Chile	Chilean pesos	-	12,568,269	-	57.00%
76.389.720-6	Vital Aguas S.A.[(1) y (2)]	Chile	Chilean pesos	-	2,952,050	-	56.50%
96.705.990-0	Envases Central S.A.[(1) y (2)]	Chile	Chilean pesos	-	4,223,890	-	49.91%
Foreign	Kaik Participacoes Ltda.[(3)]	Brasil	Brazilian reais	1,172,641	1,304,027	11.31%	11.31%
Foreign	Sistema de Alimentos de Bebidas Do Brasil Ltda.[(3)]	Brasil	Brazilian reais	9,587,589	9,766,182	5.74%	5.74%
Foreign	Sorocaba Refrescos S.A.[(4)]	Brasil	Brazilian reais	34,709,914	-	40.00%	-
Foreign	Holdfab2 Participacoes Societarias Ltda.	Brasil	Brazilian reais	9,761,907	12,652,149	36.40%	36.40%
Total				73,080,061	60,290,966		

(1) In these companies, regardless of the percentage of ownership interest held in 2011, was determined that no controlling interest was held, only a significant influence, given that there was not a majority vote of the Board of Directors to make strategic business decisions.
(2) The mentioned companies do not present balances as of December 31, 2012, as a result of the merger with Embotellaoras Coca-Cola Polar S.A. explained in note 1 b)
(3) 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.
(4) Corresponds to the purchase of a 40% ownership interest in the Brazilian company for an amount of ThCh33,496,920 during the last quarter of 2012.

13.2 Movement

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

Details	12.31.2012 ThCh$	12.31.2011 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
Acquisition of Sorocaba Refrescos S.A. (40%)	34,513,444	-
Sale of 43% ownership interest in Vital Jugos S.A.	-	(6,188,675)
Dividends received	(402,148)	(2,786,957)
Share in operating income	2,409,110	2,541,186
Goodwill in sale of property plant and equipment to Envases CMF	85,266	85,266
Amortization Fair Value Vital Jugos S. A.	(77,475)	-
Decrease in foreign currency translation	(3,652,740)	(621,861)
Capital decrease (return of capital) in Envases CMF S.A.	-	(1,150,000)
Discontinued equity method in equity method investees for taking control as a result of the merger[(1)]	(22,466,682)	-
Other, nets	-	16,571
Ending balance	73,080,061	60,290,966

(1) Corresponds to the proportional equity value recorded as of September 30, 2012 for the equity investees Vital Aguas S.A. Vital Jugos S.A. and Envases Central, that as explained in note 1 b) as a result of the merger with Embotelladoras Coca-Cola Polar, they are now considered subsidiaries and are incorporated into the consolidation as of October 1, 2012.

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

- A special shareholders meeting of Vital S.A., a Company 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, 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$6,841,889, resulting in a gain of ThCh$ 653,14 which is presented as other gains (losses) in the income statement.

  As a result of the transactions, the Andina Company 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. Additionally, because of the loss of control of Vital Jugos S.A., according to the guidelines of IAS 27 "Consolidates and Separated Financial Statements", 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 a component of "Share in profit (loss) of equity method investees" within the income statement, at December 31, 2011.
- During the months of March and April 2011, capital contributions were made to Vital Jugos S.A., for a total amount of ThCh$3,249,000.
- 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 December 31, 2011, the Company has received dividends from its equity investee, Envases CMF S.A. in the amount of ThCh$2,061,957. During the year 2012 said Company has not distributed dividends, however, the minimum dividend established by IFRS has been recognized in the amount of ThCh$402,148.
- In accordance with the 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 the 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$6,960,000, with 60% of the increase being paid on May 15, 2012 and the balance thereof will be paid during the course of the year 2012. Andina Company met that capital increase in the percentage of the outstanding ownership at that date of 57% contributing ThCh$2,380,320.
- After the merger with Embotelladoras Coca-Cola Polar, identified in Note 1b) the Andina Company acquired control in Vital Jugos S.A., Vital Aguas S.A. and Envases Central S.A. as of October 1, 2012, since it now holds an ownership interest of 72.0%, 73.6% and 59.27% respectively.
- In November of 2012 and exercising the faculties given by the Shareholders' Agreements, Coca-Cola Embonor S.A., purchased at book value 7.1% ownership interest in Vital Aguas S.A., and 7.0% ownership interest in Vital Jugos S.A. The disbursements received for these transactions amounted to ThCh$2,112,582.
- On August 30, 2012, Rio de Janeiro Refrescos Ltda. ("RJR"), a subsidiary of Embotelladora Andina S.A. in Brazil, on one part; and, on the other, Renosa Industria Brasileira de Bebidas S.A. have signed a promissory purchase agreement containing the conditions leading to the acquisition by RJR of 100% of the equity interest held by Renosa in Sorocaba Refrescos S.A. which is equivalent to 40% of the total shares of Sorocaba. The promissory agreement should be fulfilled within a period of 180 days. The agreement was materialized during the month October with a payment of 146.9 million reais.

13.3 Reconciliation of Income by Investment in Associates:

Details	12.31.2012 ThCh$	12.31.2011 ThCh$
Equity in income of associates	2,409,110	2,541,186
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).	(647,003)	(600,294)
Amortization of gain sale of property plant and equipment Envases CMF	85,266	85,266
Amortization of fair value adjustments related to Vital	(77,475)	-
Income Statement Balance	**1,769,898**	**2,026,158**

13.4 Summary financial information of associates:

The attached table presents summarized information regarding the Company´s equity investees as of December 31, 2012:

	Envases CMF S.A. ThCh$	Sorocaba Refrescos S.A. ThCh$	Kaik Participacoes Ltda. ThCh$	Sistema de alimentos de bebidas do Brasil Ltda. ThCh$	Holdfab 2 Participacoes Societarias Ltda. ThCh$
Total assets	58,188,207	42,451,865	10,359,341	272,181,209	27,343,843
Total liabilities	21,042,658	22,140,900	318	105,150,047	522,262
Total revenue	44,520,824	5,908,245	-	235,093,886	-
Net income (loss) of associate	2,680,985	491,176	543,050	18,486,920	(2,605,025)
Reporting date	31/12/2012	30/11/2012	30/11/2012	30/11/2012	30/11/2012

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:

	December 31, 2012			December 31, 2011		
Description	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$
Rights	497,998	(90,041)	407,957	526,342	(103,879)	422,463
Distribution Rights	459,320,270	-	459,320,270			
Software	13,597,796	(8,743,750)	4,854,046	8,974,534	(8,258,140)	716,394
Total	**473,416,064**	**(8,833,791)**	**464,582,273**	**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 December 31, 2012 and 2011:

	December 31, 2012				December 31, 2011		
Description	Distribution Rights ThCh$	Rights ThCh$	Software ThCh$	Total ThCh$	Water rights ThCh$	Software ThCh$	Total ThCh$
Initial balance	-	422,463	716,394	1,138,857	428,626	936,969	1,365,595
Additions	-	-	3,506,266	3,506,266	-	418,182	418,182
Increase due to merger (1)	459,393,920	-	1,083,184	460,477,104	-	-	-
Amortization	-	(6,585)	(547,481)	(554,066)	(7,207)	(661,989)	(669,196)
Other increases (decreases)	(73,650)	(7,921)	95,683	14,112	1,044	23,232	24,276
Final balance	459,320,270	407,957	4,854,046	464,582,273	422,463	716,394	1,138,857

(1) In accordance with what has been described in note 1b) corresponds to the rights to produce and distribute products under the Brand of Coca-Cola in the franchise territories maintained by Embotelladoras Coca-Cola Polar S.A. in Chile, Argentina and Paraguay. Said distribution rights are not subject to amortization and are composed as follows:

Country	ThCh$
Chile	300,305,727
Paraguay	156,627,248
Argentina	2,387,295
Total	459,320,270

14.2 Goodwill

Movement in goodwill is detailed as follows:

Year ended December 31, 2012

Cash generating unit	01.01.2012 ThCh$	Additions(1) ThCh$	Disposals or impairments ThCh$	Foreign currency translation difference – functional currency different from currency of presentation ThCh$	12.31.2012 ThCh$
Chile operation	-	8,503,023	-	-	8,503,023
Brazilian operation	41,697,004	-	-	(6,160,037)	35,536,967
Argentine operation	15,855,174	1,041,633	-	(3,059,468)	13,837,339
Paraguayan operation	-	6,915,412	-	-	6,915,412
Total	57,552,178	16,460,068	-	(9,219,505)	64,792,741

(1) As explained in note 1b), corresponds to goodwill generated in the fair value valuation of assets and liabilities stemming from the merger with Embotelladoras Coca-Cola Polar S.A.

Year ended December 31, 2011

Cash generating unit	01.01.2011 ThCh$	Additions ThCh$	Disposals or impairments ThCh$	Foreign currency translation difference – functional currency different from currency of presentation ThCh$	12.31.2011 ThCh$
Brazilian operation	42,298,955		-	(601,951)	41,697,004
Argentine operation	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:

	12.31.2012 ThCh$	12.31.2011 ThCh$
Current		
Bank loans	87,278,613	8,689,670
Bonds payable	4,376,648	3,426,922
Deposits in guarantee	13,851,410	10,813,092
Forward contract obligations (see note 20)	394,652	163,718
Leasing agreements	346,696	-
Total	106,248,019	23,093,402

	12.31.2012 ThCh$	12.31.2011 ThCh$
Non-current		
Bank loans	46,353,758	5,081,986
Bonds payable	126,356,040	69,559,417
Leasing agreements	1,170,397	-
Total	173,880,195	74,641,403

15.1.1 Bank loans, current

Indebted Entity			Creditor Entity							Maturity		Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Up to 90 days	90 days up to 1 year	At 12.31.2012 ThCh$	At 12.31.2011 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario	Argentina	Argentine pesos	Monthly	14.80%	9.90%	243,782	705,763	949,545	739,966
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santa Fe	Argentina	Argentine pesos	Monthly	15.00%	15.00%	-	96,370	96,370	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine pesos	Monthly	15.00%	15.00%	-	27,447	27,447	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santa Fe	Argentina	Argentine pesos	At maturity	12.85%	12.85%	6,500,755	-	6,500,755	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine pesos	At maturity	14.50%	14.50%	645,870	-	645,870	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación	Argentina	Argentine pesos	Monthly	18.85%	18.85%	-	-	-	5,537,442
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Patagonia	Argentina	Argentine pesos	At maturity	12.50%	12.50%	3,896,499	-	3,896,499	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Standard Bank	Argentina	Argentine pesos	At maturity	15.50%	15.50%	913	-	913	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Brazilian reais	Monthly	9.40%	9.40%	134,864	-	134,864	187,334
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian reais	Monthly	6.63%	6.63%	941,997	-	941,997	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian reais	Monthly	7.15%	7.15%	328,872	-	328,872	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian reais	Monthly	2.99%	3.52%	525,091	-	525,091	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.84%	6.84%	-	2,828,742	2,828,742	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	Semiannually	5.76%	5.76%	-	671,827	671,827	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.60%	6.60%	-	9,171,557	9,171,557	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.82%	6.82%	-	2,323,515	2,323,515	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.84%	6.84%	-	2,695,242	2,695,242	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.39%	6.39%	32,069	-	32,069	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Dollars	At maturity	3.36%	3.36%	-	1,452,145	1,452,145	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco Santander	Chile	Dollars	At maturity	2.20%	2.20%	32,661	4,799,600	4,832,261	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco Santander	Chile	Chilean pesos	At maturity	6.80%	6.80%	-	7,018,620	7,018,620	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.49%	6.49%	384,618	-	384,618	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.032.000-8	Banco BBVA	Chile	Chilean pesos	At maturity	6.25%	6.25%	7,521,185	-	7,521,185	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.83%	6.83%	-	10,335,540	10,335,540	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Chilean pesos	At maturity	6.80%	6.80%	-	7,562,333	7,562,333	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco Santander	Chile	Chilean pesos	At maturity	6.85%	6.85%	-	10,694,653	10,694,653	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco Santander	Chile	Chilean pesos	At maturity	4.30%	4.30%	-	5,031,567	5,031,567	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco BBVA	Chile	Chilean pesos	At maturity	6.25%	6.25%	-	-	-	1,827,000
91.144.000-8	Embotelladora Andina S.A.	Chile	97.036.000-k	Banco BBVA	Chile	Chilean pesos	At maturity	8.88%	8.88%	-	-	-	397,928
96.705.990-0	Envases Central S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean pesos	At maturity	4.68%	4.68%	-	674,516	674,516	-
Total												87,278,613	8,689,670

15.1.2 Bank loans, non current

Indebted Entity			Creditor Entity							Creditor Entity			Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	1 year up to 3 years ThCh$	3 years up to 5 years ThCh$	More than 5 years ThCh$	at 12.31.2012 ThCh$	at 12.31.2011 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario(1)	Argentina	Argentine pesos	At maturity	14.80%	9.90%	2,044,208	851,753	-	2,895,961	4,684,408
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Nuevo Banco Santa Fe	Argentina	Argentine pesos	At maturity	15.00%	15.00%	674,591	-	-	674,591	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine pesos	At maturity	15.00%	15.00%	192,130	-	-	192,130	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Brazilian reais	Monthly	9.40%	9.40%	202,358	-	-	202,358	397,578
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian reais	Monthly	6.63%	6.63%	3,629,576	440,001	-	4,069,577	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian reais	Monthly	7.15%	7.15%	1,005,420	128,612	-	1,134,032	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian reais	Monthly	2.99%	3.52%	17,028,187	17,028,187	-	34,056,374	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	5.76%	5.76%	660,000	-	-	660,000	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.39%	6.39%	1,900,000	-	-	1,900,000	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.080.000-K	Banco BICE	Chile	Chilean pesos	At maturity	4.29%	4.29%	568,735	-	-	568,735	-
Total													46,353,758	5,081,986

(1) The Bicentennial loan granted at a prime rate by Banco de la Nacion Argentina to Embotelladora del Atlántico S.A. is a benefit from the Argentine government to encourage investment projects. Embotelladora del Atlántico 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$ 382,028 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	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$
Bonds (face rate interest)	4,728,582	3,674,408	127,169,976	71,877,478	131,898,558	75,551,886
Expenses of bond issuance and discounts on placement	(351,934)	(247,486)	(813,936)	(2,318,061)	(1,165,870)	(2,565,547)
Net balance presented in statement of financial position	4,376,648	3,426,922	126,356,040	69,559,417	130,732,688	72,986,339

15.2.2 Current and non-current balances

The bonds correspond to Series A, B, and C 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 12.31.2012 ThCh$	Par value 12.31.2011 ThCh$
Bonds, current portion									
SVS Registration No, 640, 8/23/2010	A	1,000,000	UF	3.0%	08.15.2017	Semi-annually	15/02/2014	255,057	-
SVS Registration No, 254, 6/13/2001	B	3,298,646	UF	6.5%	06.01.2026	Semi-annually	01/12/2013	3,964,645	3,674,408
SVS Registration No, 641, 8/23/2010	C	1,500,000	UF	4.0%	08.15.2031	Semi-annually	15/02/2021	508,880	-
Total current portion								4,728,582	3,674,408
Bonds non-current portion									
SVS Registration No, 640, 8/23/2010	A	1,000,000	UF	3.0%	08.15.2017	Semi-annually	15/02/2014	22,840,750	-
SVS Registration No, 254, 6/13/2001	B	3,298,646	UF	6.5%	06.01.2026	Semi-annually	01/12/2013	70,068,101	71,877,478
SVS Registration No, 641, 8/23/2010	C	1,500,000	UF	4.0%	08.15.2031	Semi-annually	15/02/2021	34,261,125	-
Total non-current portion								127,169,976	71,877,478

Accrued interest included in the current portion of bonds totaled ThCh$1,156,542 and ThCh$400,661 at December 31, 2012 and 2011, respectively.

15.2.3 Non-current maturities

	Series	Year of maturity 2014 ThCh$	2015 ThCh$	2016 ThCh$	2017 ThCh$	After ThCh$	Total non-current 12.31.2012 ThCh$
SVS Registration 640, 8/23/2010	A	5,710,188	5,710,188	5,710,188	5,710,186	-	22,840,750
SVS Registration 254, 6/13/2001	B	3,804,223	4,051,500	4,314,846	4,595,310	53,302,222	70,068,101
SVS Registration 641,08/23/2010	C	-	-	-	-	34,261,125	34,261,125
Total		9,514,411	9,761,688	10,025,034	10,305,496	87,563,347	127,169,976

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating at December 31, 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 Series B bonds on the Chilean market in 2001, as well as Series A and C bonds, for a total of UF 6,200,000. Of that amount, UF 5,798,646.34 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 in the case of Series B bonds. 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.
- For Series A and C bonds, Embotelladora Andina S.A. must maintain a net financial indebtedness that does not exceed 1.5 times in its quarterly financial statements, measured against its consolidated financial statements. For these effects, financial indebtedness level shall be defined as the ratio between net financial debt and total equity of the issuer (equity attributable to controlling shareholders plus non controlling interest). On the other hand, net financial debt is the difference between financial debt and cash balance of the issuer.
- 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.

As of December 31, 2012 the amounts included in this restriction are the following:	ThCh$
Consolidated Assets free from pledges, mortgages and other taxes:	1,521,286,596
Non-guaranteed outstanding liabilities	280,128,213

Based on these figures Consolidated Assets free from pledges, mortgages and other taxes are equal to 5.43 times of non consolidated outstanding liabilities.

- For Series B bonds 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.
- For Series B bonds, 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.
- For A and C lines, not invest in instruments issued by related parties, nor engage in other activities with these parties that are not related to their general purpose, in conditions that are less favorable to the Issuer than those existing in the market.
- For A and C lines, maintain in quarterly financial statement, a Net Financial Hedging higher than 3 must be maintained. Net Financial Hedging shall be the ratio between EBITDA of the issuer for the last 12 months and the net financial expenses (financial income less financial expenses) of the issuer for the last 12 months. However, this restriction will be deemed to be not in compliance when the mentioned net financial hedging level is lower than the lever before mentioned for two consecutive quarters.

The Company was in compliance with all financial covenants at Descember 31, 2012 and 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 2020, with semi-annual interest payments. At December 31, 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 Company 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.

15.3.1 Forward contract obligations

Please see the explanation in Note 20.

15.4.1 Current liabilities for leasing agreements

Indebted Entity		Creditor Entity							Maturity		Total	
Name	Country	Tax ID,	Year	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Up to 90 days ThCh$	90 days 1 year ThCh$	at 12.31.2012 ThCh$	at 12.31.2011 ThCh$
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian reais	Monthly	10.21%	10.22%	63,469	191,653	255,122	-
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Alfa	Brasil	Brazilian reais	Monthly	9.65%	9.47%	6,866	38,627	45,493	-
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	11,009	35,072	46,081	-
Total											346,696	-

15.4.2 Noncurrent liabilities for leasing agreements

Indebted Entity		Creditor Entity							Maturity			Total	
Name	Country	Tax ID,	Year	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	1 years to up 3 years ThCh$	3 years to up 5 years ThCh$	More than de 5 years ThCh$	al 12.31.2012 ThCh$	al 12.31.2011 ThCh$
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian reais	Monthly	10.21%	10.22%	599,593	-	-	599,593	-
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Alfa	Brasil	Brazilian reais	Monthly	9.65%	9.47%	63,561	-	-	63,561	-
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	171,758	335,485	-	507,243	-
Total												1,170,397	-

NOTE 16 TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

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

Item	12.31.2012 ThCh$	12.31.2011 ThCh$
Trade accounts payable	159,211,448	112,963,542
Withholdings	23,529,819	14,977,133
Others	1,576,506	97
Total	184,317,773	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:

	12.31.2012 ThCh$
Maturity within one year term	4,322,954
Maturity after a term of one year to less than five years	2,301,651
Total	**6,624,605**

Total expenses related to operating leases maintained by the Company as of December 31, 2012 and 2011 amounted to ThCh$7,467,380 and ThCh$7,319,745, respectively.

NOTE 17 CURRENT AND NON-CURRENT PROVISIONS

17.1 Balances

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

Description	12.31.2012 ThCh$	12.31.2011 ThCh$
Litigation[(1)]	6,821,165	7,970,835
Others	195,103	-
Total	**7,016,268**	**7,970,835**
Current	593,457	87,966
Non-current	6,422,811	7,882,869
Total	**7,016,268**	**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:

	12.31.2012			12.31.2011		
Description	Litigation ThCh$	Others ThCh$	Total ThCh$	Litigation ThCh$	Others ThCh$	Total ThCh$
Initial Balance at January 1	7,970,835	-	7,970,835	4,328,367	-	4,328,367
Increase due to merger	325,174	136,826	462,000	-	-	-
Additional provisions	65,745	62,372	128,117	-	-	-
Increase (decrease) in existing provisions	851,150	-	851,150	4,370,851	-	4,370,851
Payments	(1,168,725)	-	(1,168,725)	(702,552)	-	(702,552)
Increase (decrease) foreign exchange rate difference	(1,223,014)	(4,095)	(1,227,109)	(25,831)	-	(25,831)
Total	**6,821,165**	**195,103**	**7,016,268**	**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	12.31.2012 ThCh$	12.31.2011 ThCh$
Minimum dividend liability 30%[1]	-	8,766,572
Dividend payable	99,427	6,876,934
Employee remuneration payable	8,240,460	6,354,816
Accrued vacations	11,392,231	7,723,738
Other	813,034	892,423
Total	20,545,152	30,614,483
Current	20,369,549	30,341,479
Non-current	175,603	273,004
Total	20,545,152	30,614,483

(1) During the year 2012, there was no minimum dividend recognized because the interim dividends distributed during October and December 2012, exceed 30% of net income for the period.

NOTE 19 EQUITY

As a result of the merger agreement with Embotelladoras Coca-Cola Polar S.A described in note 1b), during 2012, 93,152,097 Series A shares and 93,152,097 Series B shares were issued and exchanged for 100% of the outstanding shares of Embotelladoras Coca-Cola Polar S.A. The value in legal terms of this new issuance amounted to ThCh$39,867,121.

19.1 Paid-in Capital

The paid-in capital of the Company totaled ThCh$270,759,299 as of December 31, 2012, divided into 946,578,736 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	473,289,368	473,289,368	473,289,368
B	473,289,368	473,289,368	473,289,368

19.1.2 Capital:

Series	Subscribed Capital ThCh$	Paid-in Capital ThCh$
A	135,379,649,5	135,379,649,5
B	135,379,649,5	135,379,649,5
Total	**270,759,299,0**	**270,759,299,0**

19.1.3 Rights of each series:

Serie A: Elect 12 of the 14 directors

Serie B: Receives an additional 10% of dividends distributed to Series A and elects 2 of the 14 directors .

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, 2012 Annual Shareholders Meeting, the shareholders authorized the Board of Directors to pay interim dividends during July and October 2012 and January 2013, 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$3,564,500 have been realized at December 31, 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 ThCh$	Realized at 12.31.2012 ThCh$	Amount of accumulated earnings at 12.31.2012 ThCh$
Revaluation of assets	Sale or impairment	12,538,123	(3,127,627)	9,410,496
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	(385,192)	544,368
Deferred taxes complementary accounts	Amortization	(1,414,383)	762,204	(652,179)
Total		19,260,703	(3,564,500)	15,696,203

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	12.067
2012	May	Additional	Retained Earnings	24.30	26.73
2012	October	Interim	2012	12.24	13.46
2012	December	Interim	2012	24.48	26.93

19.3 Reserves

Reserves	2012 ThCh$	2011 ThCh$
Higher share exchange value reserves	421,701,520	-
Foreign currency translation reserves	(63,555,545)	(22,459,879)
Legal and statutory reserves	5,435,538	5,435,538
Total	363,581,513	(17,024,341)

19.3.1 Higher share exchange value reserves

This amounts corresponds to the difference between the fair value of the issuance of shares of Embotelladora Andina S.A. and the book value books of the paid-in capital of Embotelladoras Coca-Cola Polar S.A., that ultimately, was the value of the capital increase brought into notarized in legal terms.

19.3.2 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.

19.3.3 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	12.31.2012 ThCh$	12.31.2011 ThCh$
Rio de Janeiro Refrescos Ltda.	(26,905,052)	(1,274,857)
Embotelladora del Atlántico S.A	(29,448,998)	(19,072,195)
Paraguay Refrescos S.A.	24,248	-
Exchange rate differences in related companies	(7,225,743)	(2,112,827)
Total	(63,555,545)	(22,459,879)

The movement of this reserve for the fiscal periods ended December 31, 2012 and 2011 respectively is detailed as follows:

Description	12.31.2012 ThCh$	12.31.2011 ThCh$
Rio de Janeiro Refrescos Ltda.	(25,630,195)	(2,599,567)
Embotelladora del Atlántico S.A	(10,376,803)	634,716
Paraguay Refrescos S.A.	24,248	-
Exchange rate differences in related companies	(5,112,916)	1,087,397
Total	(41,095,666)	(877,454)

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 December 31, 2012 is as follows:

	Non-controlling Interests		
Description	Percentage %	Shareholders Equity ThCh$	Income ThCh$
Embotelladora del Atlántico S.A.	0.0243	10,763	3,468
Andina Empaques Argentina S.A.	0.0244	1,977	439
Paraguay Refrescos S.A.	2.1697	4,697,403	89,012
Inversiones Los Andes Ltda.	0.0001	53	1
Transportes Polar S.A.	0.0001	6	-
Vital S.A.	35.0000	8,811,764	130,874
Vital Aguas S.A.	33.5000	1,807,913	81,651
Envases Central S.A.	40.7300	4,111,258	326,764
Andina Inversiones Societarias S.A.	0.0001	35	2
Total		19,441,172	632,211

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 December 31, 2012 and December 31, 2011, respectively, is detailed as follows:

	12.31.2012		
Earnings per share	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	41,732,721	45,904,240	87,636,961
Average weighted number of shares	400,809,380	400,809,380	801,618,760
Earnings per basic and diluted share (in pesos)	**104.12**	**114.53**	**109.32**

	12.31.2011		
Earnings per share	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	46,203,022	50,821,383	97,024,405
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**121.54**	**133.69**	**127.62**

	12.31.2012		
Movement of shares	SERIES A	SERIES B	TOTAL
Starting balance at Jaunary 1, 2012	380,137,271	380,137,271	760,274,542
Issuance of shares due to merger October 1, 2012	93,152,097	93,152,097	186,304,194
Ending balance at December 31, 2012	473,289,368	473,289,368	946,578,736
Compounded average number of shares (in Chilean pesos)	**400,809,380**	**400,809,380**	**801,618,760**

During year 2011, there were no movements in the number of shares.

NOTE 20 DERIVATIVE ASSETS AND LIABILITIES

The Company held the following derivative liabilities at December 31, 2012 and 2011:

20.1 Currency forwards of items recognized for accounting purposes:

As of December 31, 2012, the Company had agreements to guaranty bank liabilities in Brazil denominated in US dollars for an amount of ThUS$71.429, to convert them to reais at a different tax rate. The valuation of said agreements was at fair value with a net loss of ThCh$333,427. The effect of these agreements have been recognized as current financial liabilities and financial costs within the statement of income as of December 31, 2012.

20.2 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 recorded at the fair value, resulting in a net profit of ThCh$134,572 for the year ended at December 31, 2011. No such agreements were outstanding at December 31, 2012 and 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

In 2010, 2011 and 2012, the Company made agreements to hedge the exchange rate in the purchases of raw materials and future flows in 2011, 2012 and 2013. The outstanding agreements totaled ThUS$140,000 at December 31, 2012 (ThUS$42,500 at December 31, 2011). Those agreements were recorded at fair value, resulting in a net loss of ThCh$1,102,412 for the year ended at December 31, 2012 (net gain of ThCh$1,347,277 at December 31, 2011), and liabilities for derivative contracts of ThCh$394,652 were recognized at December 31, 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 total assets related to its foreign exchange forward contracts of ThCh$394,652 and liabilities to ThCh$163,718 at December 31, 2012 and 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 year ended December 31, 2012 and 2011, 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 December 31, 2012			
	Quoted prices in actives markets for Identical Asset ThCh$	Significant other observable Inputs ThCh$	Significant unobservable Inputs ThCh$	Total ThCh$
Pasivos:				
Pasivo corrientes				
Pasivos financieros corrientes	-	394,652	-	394,652
Total pasivos	-	394,652	-	394,652

	Fair Value Measurements at December 31, 2011			
	Quoted prices in actives markets for Identical Asset ThCh$	Significant other observable Inputs ThCh$	Significant unobservable Inputs ThCh$	Total ThCh$
Pasivos:				
Pasivos corrientes				
Otros pasivos financieros corrientes	-	163,718	-	163,718
Total pasivos	-	163,718	-	163,718

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$1,600,326. 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$5,097,582. 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$18,002,490 at December 31, 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$123,257. 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 December 31, 2012 are detailed as follows:

	Provided by		Committed assets		Carrying amount	Balance pending payment on the closing date of the financial statament		Date of guarantee release	
Guarantee in favor of	Name	Relationship	Guarantee	Type	ThCh$	2012 ThCh$	2011 ThCh$	2013 ThCh$	2014 ThCh$
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guaranty insurance	Import	35,132	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Cash deposit	Import	208,348	-	-	-	-
Polar Argentina S.A.	Embotelladora del Atlántico S.A.	Subsidiary	Cash deposit	Import	3,601				
Distribuidora Baraldo S.H.	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	1,952	-	-	-	-
Acuña Gomez	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	2,928	-	-	-	-
Municipalidad Gral. Alvear	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	19,993	-	-	-	-
Municipalidad San Martín	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	35,132	-	-	-	-
Nicanor López	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	2,094	-	-	-	-
Labarda	Embotelladora del Atlántico S.A.	Subsidiary	Cash	Judicial embargo	35	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guaranty insurance	Mold Import	7,199	-	-	-	-
Estado rio de Janeiro	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term asset	-	-	11,240,243	-	-
Poder Judiciario	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term asset	18,002,490	-	-	-	-
Inter Material S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	101,700	-	-	101,700	-
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	143,988	-	-	-	143,988
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	287,976	-	-	-	287,976
Echeverría Izquierdo Ingeniería y Construcción	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	1,019,190	-	-	1,019,190	287,976

NOTE 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's businesses are exposed to diverse financial and market risks (including foreign exchange rate risk, fair value interest rate risk and price risk). The Company'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 Company. The Company uses derivatives to hedge certain risks. Below is a description of the primary policies established by the Company to manage financial risks.

Interest rate risk

As of December 31, 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 above, 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 had reached 4% (instead of 2.5%) for the period January 01 to December 31, 2012, the Company's results would have decreased by ThCh$2,008,527.

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	BRAZILIAN REAL	ARGENTINE PESO	PARAGUAYAN GUARANI
33%	31%	28%	8%

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 (if US dollar liabilities exist).

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 and remaining everything constant, it would generate a cumulative decrease in income at December 31, 2012 of ThCh$6,877,441. Currently, the Company holds derivative contracts to cover this effect in Chile and Argentina, wich do not quality for hedge accounting according to IAS 39.

The exposure to foreign currency exchange conversion differences of subsidiaries abroad (Brazil, Argentina and Paraguay), 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. Currently the Company does not have these kinds of hedge agreements.

During the year ended December 31, 2012, the Brazilian real Argentine Peso and the Paraguayan Guarani have devalued 13.6%, 8.6% and 4.3% respectively regarding the presentation currency for the same period of 2011.

Currently in Argentina there are foreign exchange restrictions and there is a parallel currency market with an exchange rate which is higher than the official rate.- If the Argentine peso were to devalue an additional 25% with respect to the Chilean peso, the effects upon results for the concept of translation from foreign subsidiaries would amount to a higher loss of ThCh$5,102,723. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to a decrease in equity of ThCh$10,723,836.

If the Brazilian real devalued at least 3.6% with respect to the Chilean peso, the effect upon results for the concept of translation from foreign subsidiaries would amount to a higher gain of thCh$1,917,060. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to a smaller decrease in equity of ThCh$4,619,049.

If the Paraguayan Guarani appreciated 2.8% with respect to the Chilean peso, the effect upon results for the concept of translation from foreign subsidiaries would amount to a higher gain of thCh$317,385. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to an increase in equity of ThCh$16,648,642.

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 for the year ended December 31, 2012 of approximately ThCh$7,879,432. To minimize and/or stabilize said risk, anticipated purchase and supply agreements are frequently obtained when market conditions are favorable. Derivative instruments for commodities have also been used.

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 December 31, 2012:

	Year of maturity				
Item	2013 ThCh$	2014 ThCh$	2015 ThCh$	2016 ThCh$	2017 and more ThCh$
Bank debt	95,602,503	18,246,000	14,281,607	12,696,487	10,102,925
Bonds payable	10,264,230	15,931,909	15,761,871	15,591,833	131,486,846
Purchase obligations	42,450,378	5,415,240	4,423,912	4,343,418	552,729
Operating lease obligations	4,697,482	1,386,046	975,917	570,311	-
Total	**153,014,593**	**40,979,195**	**35,443,307**	**33,202,049**	**142,142,500**

NOTE 23 OTHER OPERATING INCOME

Other operating income is detailed as follows:

Description	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Gain on disposal of property, plant and equipment	2,304,613	673,669
Adjustment judicial deposit (Brazil)	748,299	784,856
Guaxupé fiscal credits (Brazil)	-	1,313,212
Other	213,086	137,708
Total	3,265,998	2,909,445

NOTE 24 OTHER MISCELLANEOUS OPERATING EXPENSES

Other miscellaneous operating expenses are detailed as follows:

Description	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Tax on bank debits	4,487,209	3,074,333
Write-off of property, plant and equipment	1,314,528	2,452,231
Contingencies	2,012,879	4,370,851
Professional service fees	650,912	1,101,482
Loss on the sale of property, plant and equipment	804,751	415,823
Merger Andina-Polar (see note 13.2)	4,517,661	-
Donations	815,945	-
Other	816,123	500,283
Total	15,420,008	11,915,003

NOTE 25 FINANCIAL INCOME AND COSTS

Financial income and costs break down as follows:

a) Financial income

Description	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Interest income	2,487,739	2,846,728
Other interest income	240,320	335,706
Total	2,728,059	3,182,434

b) Financial costs

Description	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Bond interest	5,473,534	5,092,403
Bank loan interest	4,594,167	1,098,757
Interest expenses	375,080	415,564
Other interest costs	729,972	628,452
Total	11,172,753	7,235,176

NOTE 26 OTHER INCOME AND EXPENSES

Other gains and losses are detailed as follows:

Description	01.01.2012 12.31.2012 ThCh$	01.01.2011 12.31.2011 ThCh$
Restructuring of operations (new Renca plant)	(1,212,579)	(304,629)
Gain (loss) derivatives transactions	(1,102,412)	1,481,849
Profit on the sale of shares in Vital S,A,	-	653,214
Other income and outlays	(21,224)	(335,516)
Total	(2,336,215)	1,494,918

NOTE 27 THE ENVIRONMENT (UNAUDITED)

The Company has made disbursements totaling ThCh$3,333,058 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:

	Year ended December 31, 2012		Future commitments	
Country	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$
Chile	674,893	124,388	-	-
Argentina	742,213	71,596	311,598	1,963,658
Brasil	1,004,181	678,887	1,308,374	3,979,832
Paraguay	26,628	10,272	-	5,740
Total	2,447,915	885,143	1,619,972	5,949,230

NOTE 28 SUBSEQUENT EVENTS

No subsequent events exist between December 31, 2012 and the date of issuance of this report.

Report of Independent Auditors

(Translation of the audit report originally issued in Spanish – See Note 2.2)

ERNST & YOUNG
Quality In Everything We Do

To Shareholders and Directors
Embotelladora Andina S.A.

We have audited the accompanying consolidated financial statements of Embotelladora Andina S.A. and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012 and 2011, and the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards; . this includes the design, implementation and maintenance of an internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Embotelladora Andina S.A. and subsidiaries as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emir Rahil A. **ERNST & YOUNG LTDA.**

Santiago, Chile
February 28, 2013

MATERIAL EVENTS

During the period between January 1, 2012 and December 31, 2012, material events were:

1) On March 30, 2012, the Company and its controllers, Inversiones Freire Limitada and Inversiones Freire Dos Limitada (jointly, "Freire"), and, Embotelladoras Coca-Cola Polar S.A. ("Polar") and its controller, Inversiones Los Aromos Limitada ("Aromos"), have signed a promissory merger agreement containing the general conditions leading to the merger by incorporation to take place between Embotelladoras Coca-Cola Polar S.A. and the Company, which would be the acquiring company. According to the aforementioned promissory merger agreement, the merger should take place no later than August 31, 2012. This promissory merger agreement contains the definitive terms and conditions of the merger as well as a shareholders agreement format that will be signed between the partners of Freire and Aromos once the merger becomes material. Please note that prior to the signing of the aforementioned promissory merger agreement, both parties fulfilled a due diligence process.

   The operation will be materialized through a merger by absorption and the exchange of newly issued shares of the Company, at a rate of 0.33269 Series A Company shares and 0.33269 Series B Company shares, per each share of Embotelladoras Coca-Cola Polar S.A. ("Exchange Rate").

   The Exchange Rate implies that the current shareholders of Embotelladoras Coca-Cola Polar S.A. will have a 19.68% of the shareholding ownership of the Company once merged.

   Prior to the execution of the merger, and subject to the approval by of each of the shareholders' meetings, Andina and Polar will distribute dividends to their shareholders, in addition to those already declared and distributed to date, of the corresponding incomes of 2011, in the amount of Ch$28,155,862,307 and Ch$29,565,609,857, respectively, which represents Ch$35.27 per Series A share and Ch$38.80 per Series B share in the case of the Company, and Ch$105.59 per share in the case of Polar.

   In addition to obtaining in due course the necessary authorizations from the Chilean Superintendence of Securities and Insurance, for perfecting the merger including, among others, the approvals of the boards of directors, shareholders' meetings, and registration of new shares to be issued in order to carry out the merger, it is also established as a condition for the merger, that the shareholders of Polar and Andina do not exercise their rights of withdrawal in excess of 5% of the total of the issued shares with voting rights in each of the companies. On the other hand, the materialization of the merger is subject to the corresponding authorizations of The Coca-Cola Company.

   The promissory merger agreement establishes the main obligations of the parties in order to carry out the merger, including among them the obligation of Freire and Aromos to approve the merger at their respective shareholders' meetings. In addition, during the period between the signing of the promissory merger agreement and the date of materialization of the merger, Andina and Polar are required to operate within the regular corporate purpose of their business. The promissory merger agreement stipulates standard representations and warranties for merger and acquisitions' deals, and the aforementioned agreement regulates the method in which eventual compensation and fines for non-compliance would be paid.

   Considering figures for the 12 month-period ended December 31, 2011, the merged entity would have a pro-forma sales volume of 646 million unit cases, equivalent to approximately US$2,643 million in net sales, becoming one of the largest Coca-Cola bottlers in Latin America with operations in Argentina, Brazil, Chile and Paraguay.

2) The following resolutions, among others, were adopted at the General Shareholders' Meeting of Embotelladora Andina S.A. held April 27, 2012:

a) Complete renewal of the Company's Board of Directors, as follows

:

DIRECTOR	ALTERNATE
GONZALO PAROT PALMA (independent)	ENRIQUE CIBIE BLUTH (independent)
JOSÉ ANTONIO GARCÉS SILVA	PATRICIO PARODI GIL
ARTURO MAJLIS ALBALA	CRISTIAN ALLIENDE ARRIAGADA
BRIAN J. SMITH	JORGE HURTADO GARRETÓN
GONZALO SAID HANDAL	JOSE MARIA EYZAGUIRRE BAEZA
SALVADOR SAID SOMAVIA	JOSÉ DOMINGO ELUCHANS URENDA
JUAN CLARO GONZÁLEZ	ERNESTO BERTELSEN REPETTO

b) The distribution of the following amounts as Final Dividend Nº 180, on account of the fiscal year ending December 31, 2011: a) $10.97 (Ten pesos and 97/100) per Series A Shares and; b) $12.067 (Twelve pesos and 067/100) per Series B Shares. Payment of these dividends will begin on May 11, 2012, and the Shareholders' Registry will close on May 5, 2012 for payment of these dividends.

c) The distribution of the following amounts as Additional Dividend Nº 181 on account of retained earnings: a) $24.30 (twenty four and 30/100 pesos) per each Series A Shares and; b) $26.73 (twenty six and 73/100 pesos) per each Series B Shares. Payment of these dividends will begin on May 31, 2012, and the Shareholders' Registry will close on May 25, 2012 for payment of these dividends.

3) The following resolutions were adopted at a Special Meeting of the Board of Directors held May 11, 2012:

a) The election of Mr. Juan Claro González as Chairman of the Board of Directors, and of Mr. Arturo Majlis Albala as Vice Chairman of the Board of Directors.

b) Mr. Gonzalo Parot Palma, as independent director of the Company, named Mr. Arturo Majlis Albala and Mr. Salvador Said Somavía, so that together with him, constitute the Director´s Committee of the Company required by Article 50 bis of Law Nº18,046.

4) At an Extraordinary General Shareholders Meeting of the Company held June 25, 2012 the following was agreed:

a) Merger by absorption into Embotelladora Andina S.A. of Embotelladoras Coca-Cola Polar S.A. with Embotelladora Andina acquiring all of its assets and liabilities and becoming its legal successor. The merger is approved based on book values and legal record of Embotelladora Andina S.A. and Embotelladoras Coca-Cola Polar S.A. as of March 31, 2012. The merger will become material on a date which the representatives of Embotelladora Andina S.A. and Embotelladoras Coca-Cola Polar S.A. sign a deed declaring the merger materialized by both companies and on the same terms, deed by which all of the assets and liabilities recorded in the books, inventories and balance sheet of Embotelladoras Coca-Cola Polar are materially delivered to Embotelladora Andina S.A., as well as all the assets and liabilities that Embotelladoras Coca-Cola Polar might have acquired between that date and the date the merger becomes material, establishing in said document the necessary dispositions and declarations and representatives in order to register these goods that form part of the assets of Embotelladoras Coca-Cola Polar S.A. in the name of Embotelladora Andina S.A. Said deed must be granted within 60 days, as from the date of registration of the issuance of shares necessary to carry out the merger before the Registro de Valores (Securities Register) of the Chilean Securities and Insurance Commission, this date shall not be later than October 31, 2012, in accordance with what was established by the Shareholders' Meeting.

b) Increase capital to Ch$270,759,000,000 dividend 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 that will be entirely destined to Polar shareholders in the corresponding proportion in accordance with the exchange ratio and that will be understood as fully paid as of the date the merger with Polar's equity becomes material. The issuance of this number of shares originates from the ratios established in the expert opinions also approved by the Shareholders' Meeting on June 25, 2012.

c) Increase the number of Company directors from 7 to 14, eliminating the position of alternate directors. With the purpose of keeping a relative participation of the directors elected by Series B shares, it was established that Series B holders have the right to elect two directors and Series A holders have the right to elect 12 directors.

d) Proceed to renew the current Board of Directors and appoint new members, as follows:

Eduardo Chadwick Claro	Juan Claro González
Salvador Said Somavía	Arturo Majlis Albalá
José Antonio Garcés Silva	Gonzalo Said Handal
Brian J. Smith	José de Gregorio Rebeco
Juan Andrés Fontaine Talavera	Franz Alscher
Gonzalo Parot Palma	Enrique Cibie Bluth
Ricardo Vontobel	Mariano Rossi

5) On August 30, 2012, our subsidiary Rio de Janeiro Refrescos Ltda and Renosa Industria Brasileira de Bebidas S.A. signed a promissory purchase agreement for the acquisition of 100% of the equity interest held by Renosa in Sorocaba Refrescos S.A., which is equivalent to 40% of the total shares of Sorocaba. If there were no adjustments in the purchase price, the transaction described above would involve an approximate amount of R$145 million Brazilian Reais.

6) On September 28, 2012, the Company and Embotelladoras Coca-Cola Polar S.A. ("Coca-Cola Polar"), dully represented, have signed the public deed of execution of the merger in the Notary of Santiago of Mr. Patricio Raby Benavente, by which they declare materialized and concluded on October 1st 2012 the merger between the Company and Coca-Cola Polar, by incorporation of the latter to the Company.

Pursuant to the merger and in accordance to the provisions of article 99 of the Law N° 18.046, Embotelladora Andina S.A is the legal successor of Embotelladoras Coca-Cola Polar S.A. in all its rights and obligations, being incorporated to Embotelladora Andina S.A. all the assets and shareholders of Embotelladoras Coca-Cola Polar S.A. As a consequence of that, by the sole authority of law, it has been incorporated to Embotelladora Andina S.A the assets, liabilities, patrimony, goods and rights with their correspondent warranties, accessory rights and others of Embotelladoras Coca-Cola Polar S.A., and also the permissions, authorizations, patents, benefits, rights of any kind and credits of any nature. As consequence of the abovementioned, Embotelladoras Coca-Cola Polar S.A. will be dissolved as from October 1, 2012.

7) The Board of the Company at its meeting held October 2nd of this year, agreed to distribute the following amounts as interim dividend nº 182 to be paid against net results for the year 2012:

(i) $12.24 (Twelve pesos and twenty four cents) for each Series A share, and

(ii) $13.464 (Thirteen pesos and four hundred sixty-four cents) for each Series B share.

This dividend was distributed to shareholders beginning October 30, 2012.

8) On November 9, 2012, and as informed in our Material Event dated August 30, our subsidiary Rio de Janeiro Refrescos Ltda., acquired from CMR Companhia Maranhense de Refrigerantes, legal successor of Renosa Industria Brasileira de Bebidas S.A. ("Renosa") 100% of the equity interest held by Renosa in Sorocaba Refrescos S.A. ("Sorocaba"), which is equivalent to 40% of the total shares of Sorocaba. The purchase price was R$146.946.0044, and it was paid in cash.

9) The Board of the Company at its meeting held November 20th of this year, agreed to distribute the following amounts as interim dividend N°183 against net results for the year 2012: (i) Ch$24.48 (twenty four pesos and forty eight cents) for each Series A share, and (ii) Ch$26.928 (twenty six pesos and nine hundred twenty eight cents) for each Series B share. This dividend was distributed to shareholders beginning December 27, 2012

ANALYSIS OF THE RESULTS
of the Consolidated Financial Statements

All figures included in this analysis are expressed under IFRS and in nominal Chilean pesos. For a better understanding regarding these results,analysis is presented on a proforma basis, i.e. fourth quarter 2011 figures incorporate ex-Embotelladoras Coca-Cola Polar results and all variations are calculated on the basis of a proforma 2011. For a better understanding of the analysis by country, we include a chart based on nominal local currency for the fourth quarter and cumulative as of December 2012, proforma and non-proforma.

I. Analysis of results

Higlights

- Consolidated Sales Volume for the quarter was 209.3 million unit cases, a proforma growth of 7.4%, driven by growth rates in Brazil and Argentina. Sales Volume for the full year was 596.2 million unit cases, a proforma growth of 8.6%.
- The quarter's Operating Income was impacted by the conversion of figures, as a result of the depreciation of the Brazilian real, the Argentine peso and the Paraguayan guaraní with respect to the Chilean peso reaching Ch$64,026 million, 4.3% lower than the previous year on a proforma basis. Operating Margin was 15.9%. Operating Income for the full year reached Ch$154,164 million, 1.7% lower than the previous year on a proforma basis. Operating margin was 13.2%.
- EBITDA as well as Operating Income was negatively impacted by effect upon translation of figures, reaching Ch$82,212 million for the quarter, a decrease of 0.4% compared to the previous year on a proforma basis. EBITDA margin was 20.4%. EBITDA for the full year was Ch$207,988 million; an increaseof 3.5% with respect to 2011 on a proforma basis and EBITDA margin was 17.7%.
- Net Income for the quarter reached Ch$38,675 million a 15.6% decrease on a proforma basis. Net Income for the full year amounted to Ch$87,637 million, a 19.3% decrease on a proforma basis, and explained by higher financial expenses, the conversion of figures because of the currency depreciation in the countries where we operate and charges for merger expenses.

Comment by Mr. Miguel Ángel Peirano, Chief Executive Officer

"This is the first quarter in which the results of Coca-Cola Andina are presented incorporating the operations of Embotelladora Andina and Embotelladoras Coca-Cola Polar. To begin operating as a single company fills us with pride and satisfaction. During the upcoming months we will continue to work on the successful integration of operations, so we can meet the goals we have set. In addition, I would like to point out that the decommissioning of the Carlos Valdovinos plant in Santiago took place on December 31, 2012 with which, as of today, in the Metropolitan Region we are producing only with our Renca plant, which was officially inaugurated on November 15, 2012.

On the other hand, and despite the strong negative impact by the conversion of results of our subsidiaries in Brazil, Argentina and Paraguay to Chilean pesos, the Company's EBITDA remained flat with respect to the same quarter of the previous year, and by the end of 2012 EBITDA increased 3.2%. Looking forward, we are confident that the Company will face organic growth, for which we are carrying out major investment plans."

Consolidated Summary

All figures in the following analysis are set according to IFRS, in nominal Chilean pesos, and on a proforma basis. All variations regarding 2011 are nominal and proforma. i.e. fourth quarter 2011 figures incorporate ex-Embotelladoras Coca-Cola Polar results On average during the Quarter, the Chilean Peso appreciated by 6.8% versus the US Dollar, the Brazilian Real depreciated by 14.4%, and the Argentine Peso depreciated by 12.8% and the Paraguayan Guaraní depreciated by 3.8%. Against the Chilean Peso, the Brazilian Real depreciated by 18.5%, the Argentine Peso depreciated by 17.4%, and the Paraguayan Guaraní depreciated by 10.2%, originating a negative accounting effect due to the conversion of figures of the three countries.

4th Quarter 2012 vs. 4th Quarter 2011

During the fourth quarter, consolidated Sales Volume was 209.3 million unit cases, which represented a 7.4% growth compared to the same period in 2011 on a proforma basis, and was driven by our operations in Brazil and Argentina. Soft drinks grew 4.1% and the other categories of juices and waters, together, grew 29.1%.

Net Income was Ch$403,753 million, an increase of 2.2%, explained by volume growth and price increases in the countries where we operate, partially offset by the depreciation of the Brazilian Real and to a lesser extent by the Argentine Peso and Paraguayan Guaraní, affecting the conversion of figures to Chilean Pesos.

Cost of Sales increased by 1.7% on a proforma basis, mainly due to: (i) higher concentrate costs generated by an increase in sales, mostly in Argentina, Brazil and Chile; (ii) an increase in the sales of distributed products (juice and water) in all of our franchises; (iii) an increase in labor costs, mainly in Argentina; and (iv) a depreciation of the Argentine, Brazilian and Paraguayan local currencies relative to the US Dollar, which have a negative effect on the value of dollar-denominated raw materials. The depreciation of local currencies relative to the Chilean Peso partially offset the aforementioned effects.

SG&A expenses were 25.2% of Sales, increasing 8.5% on a proforma basis, mainly explained by: (i) higher distribution costs mainly in Argentina and Chile, influenced by an increase in volume and freight fees; (ii) greater labor costs mainly in Chile and Brazil; (iii) local inflation rates in all four countries, especially in Argentina, which affects most of these expenses; (iv) greater advertising expenses, mainly in Argentina and Paraguay; and (v) greater depreciation charges in Brazil and Paraguay. The aforementioned effects are partially offset by the depreciation of local currencies relative to the Chilean Peso.

Increased consolidated volumes and increased domestic prices, in addition to the effect on costs and expenses led to Consolidated Operating Income of Ch$64,026 million a decrease of 4.3% proforma. Operating Margin was 15.9%, a decrease of 107 basis points.

Consolidated EBITDA was Ch$82,212 million, basically flat regarding the same period of the previous year on a proforma basis. EBITDA Margin was 20.4%, a drop of 54 basis points.

Full year ended December 31, 2012 vs. Full year ended December 31, 2011

Consolidated Sales Volume reached 596.2 million unit cases, showing a growth of 8.6%. Soft drinks grew 6.4%, and the other categories of juices and waters, together, increased 24.4%. Net Income was Ch$1.172 billion, increasing 8.2%. Cost of Sales increased by 9.2%. In addition, SG&A expenses were 26.8% of Sales, 39 basis points higher than the same period of the previous year. Operating Income reached Ch$154,164 million, a 1.7% decrease with respect to the previous year. Operating Margin was 13.2%, contracting 133 basis points. Consolidated EBITDA reached Ch$207,988 million, with an increase of 3.5%. EBITDA Margin was 17.7%, a decrease of 80 basis points.

SUMMARY BY COUNTRY: ARGENTINA

4th Quarter 2012 vs. 4th Quarter 2011

All figures in the following analysis are set according to IFRS, in nominal Chilean pesos, and on a proforma basis. All variations regarding 2011 are nominal and proforma, i.e fourth quarter 2011 figures incorporate ex-Embotelladoras Coca-Cola Polar results. On average during the Quarter, the Argentine Peso depreciated by 12.8% against the US Dollar originating a direct negative effect over dollar-denominated costs. Against the Chilean peso, it depreciated 17.4%, which generated a negative accounting impact caused by the conversion of this country's figures upon consolidation. For a better understanding of Argentine Operations, we include a chart with figures in local nominal currency.

The quarter's Sales Volume increased 10.0%, reaching 59.1 million unit cases (soft drinks +5.8% and juices and waters +68.8%). The growth in soft drinks is explained by the increase of sales of soft drinks in returnable bottles and in supermarkets, leading to an increase of market share that reached a remarkable 60.5%, a growth of 230 basis points.

Net Income was Ch$113,663 million, an increase of 2.6%, explained by the growth of volume and increase of prices in line with local inflation. This effect was greatly offset by the depreciation of the Argentine Peso relative to the Chilean Peso.

Cost of Sales increased 0.1%, mainly due to: (i) a change in the product mix, increasing the distributed products which have higher costs; (ii) an increase in revenues, which has a direct impact in the cost of concentrate; and (iii) an increase of labor costs above local inflation caused by an increase on salary and staff as a consequence of greater sales volume and that was offset by the depreciation of the Argentine peso against the Chilean Peso upon converting figures to Chilean pesos.

SG&A expenses were 31.8% of Sales, an increase of 9.6%, due to: (i) the effect of local inflation on labor costs, freight costs and services provided by third parties; (ii) greater freight volumes; and (iii) greater advertising expenses, which did not offset the positive effect of the increase in other operating income classified under this item.

Volume growth and increased prices, together with the aforementioned costs and expenses, reflected in a 2.1% decrease of Operating Income, reaching Ch$15,125 million. Operating Margin was 13.3%. In local currency Operating Income increased 19.1%.

EBITDA was Ch$18,824 million, increasing 0.6%. EBITDA Margin was 16.6%. Worth mentioning is the fact that in local currency EBITDA increased 22.3%.

Full year ended December 31, 2012 vs. Full year ended December 31, 2011

Sales Volume reached 167.0 million unit cases, showing a growth of 10.4%. Soft drinks grew 8.3%, and the other categories of juices and waters, together, increased 40.7%. Net Income was Ch$315,336 million, increasing 18.6%. Cost of Sales increased by 18.9%. In addition, SG&A expenses were 32.1% of Sales, 108 basis points higher than the same period of the previous year. Operating Income reached Ch$32,091 million, 6.2% higher than the previous year. Operating Margin was 10.2%, falling 120 basis points. EBITDA reached Ch$43,292 million, with an increase of 11.3%. EBITDA Margin was 13.7%. In local currency Operating Income increased 20.9% and EBITDA increased 25.9%.

SUMMARY BY COUNTRY: BRAZIL

4th Quarter 2012 vs. 4th Quarter 2011

The following figures are set according to IFRS and in nominal Chilean Pesos. All 2011 variations are nominal. On average during the Quarter, the Brazilian Real depreciated by 14.4% against the US Dollar, and had a direct negative impact over our dollar denominated *costs. Against the Chilean Peso, it depreciated by 18.5%, which generated a relevant negative accounting impact caused by the conversion of this country's figures upon consolidation. For a better understanding of Brazilian Operations, we include a chart with figures in local nominal currency.*

The quarter's Sales Volume was 64.9 million unit cases, increasing 10.7%. The soft drinks segment grew 8.2% and the juice and water segments together, grew 29.3%. Worth mentioning also is the 26.7% growth of the beer segment. The increase in soft drinks, juices and waters is explained by: (i) a better performance at points of sale as a result of an increase on sales force which, in turn, resulted in a market share increase; and (ii) the growth of the industry, influenced by the 14% adjustment of the minimum wage. Our volume market share for soft drinks was 58.3%, 20 basis points higher than the same period of the previous year.

Despite the combination of greater volumes and price increases over local inflation, Net Income decreased 0.1%, reaching Ch$123,721 million. This decrease results only upon the conversion of figures since the Brazilian Real significantly depreciated against the Chilean Peso. In local currency, Net Income increased 22.6%.

Cost of Sales decreased 2.0%, mainly due to the negative effect of the depreciation of the Brazilian Real versus the Chilean peso. However, in local currency Cost of Sales increased, mainly due to (i) a change in the product mix, increasing distributed products; (ii) the negative effect of the depreciation of the Brazilian Real versus the US Dollar, which impacts dollar-denominated raw materials such as sugar, PET and aluminum; and (iii) higher concentrate costs generated by an increase in sales and the reduction of fiscal incentives that began in October of 2012.

SG&A expenses were 24.3% of Sales, 84 basis points lower than the fourth quarter of last year, decreasing 3.5% mainly due to the effect of currency conversion. It should be mentioned that in local currency these expenses increased because of: (i) greater labor costs caused by having a greater sales force, higher sales commissions, salary negotiations and internalizing part of the distribution; and (ii) higher depreciation charges, explained by the investments carried out. Lower advertising expenses did not offset these increases.

The above-mentioned effects resulted in an Operating Income of Ch$20,409 million (+13.1%). Operating Margin was 16.5%. In local currency Operating Income increased 38.9%.

EBITDA was Ch$24,039 million, an 8.5% increase in relation to the previous year, which was negatively impacted by the effect upon translation of figures. EBITDA Margin was 19.4%. Worth mentioning is the fact that in local currency EBITDA increased 33.3%.

Full year ended December 31, 2012 vs. Full year ended December 31, 2011

Sales Volume reached 225.0 million unit cases, showing a growth of 9.7%. Soft drinks grew 7.8%, and the other categories of juices and waters, together, increased 23.0%. Net Income was Ch$451,597 million, increasing 1.3%. Cost of Sales increased by 2.1%. In addition, SG&A expenses were 25.3% of Sales, decreasing 38 basis points compared to the previous year. Operating Income reached Ch$64,647 million, 0.9% higher than the previous year. EBITDA reached Ch$80,711 million, increasing 1.1% regarding the previous year. EBITDA Margin was 17.9%. In local currency Operating Income increased 16.7% and EBITDA increased 16.8%.

SUMMARY BY COUNTRY: CHILE

4th Quarter 2012 vs. 4th Quarter 2011

All figures in the following analysis are set according to IFRS and on a proforma basis. All variations regarding 2011 are nominal and proforma, i.e. fourth quarter 2011 figures incorporate ex-Embotelladoras Coca-Cola Polar results. On average during the Quarter, the Chilean Peso appreciated by 6.8% against the US Dollar originating a positive effect over dollar-denominated costs.

The quarter's Sales Volume reached 66.5 million unit cases, increasing 3.1%. The soft drinks segment decreased 1.6% while the juices and waters segments, together, grew 20.6%. The decrease of soft drinks is explained by: (i) a loss of market share resulting from promotions and more aggressive price actions from our competitors; and (ii) a moderate industry growth. Our volume market share for soft drinks reached 67.9%, 270 basis points lower than last year.

Net Income reached Ch$135,884 million, improving 6.4%, as a consequence of an increase of volumes and price increases above local inflation.

Cost of Sales increased 7.5%, mainly due to: (i) an increase of volumes and average prices that has a direct impact on the costs paid for concentrate; (ii) greater depreciation costs, caused by the fact that the new lines at the Renca plant began depreciating, and (iii) an increase in the mix of distributed products (juices and waters). These effects were partially offset among others, by: (i) a decrease of the cost of products purchased from third parties since the Renca plant started producing soft drinks in 250 cc and 591 cc PET formats; and (ii) the lower cost of sugar caused by the price reduction it is experiencing on international markets.

SG&A expenses were 22.0% of Sales, 161 basis points higher than the same period of the previous year and increasing by 14.7%, explained mainly because during the fourth quarter of 2011 there was a positive effect resulting from greater other operating income classified under this item and during this quarter this situation was not repeated. Without considering this item, SG&As would have increased by 5.9%, which is explained by (i) higher freight distributions and transportation, generated by higher sales volume, due to increased freight fees and changes in logistics; and ii) greater labor costs caused by salary adjustments.

Increase of prices and volumes and the aforementioned costs and expenses, resulted in an Operating Income of Ch$25,055 million, 5.1% lower if compared with the previous year. Operating Margin was 18.4%.

EBITDA reached Ch$33,644 million, a growth of 1.1%. EBITDA Margin was 24.8%, which meant a reduction of 128 basis points when comparing it to the same quarter of the previous year. The subsidiaries that up until the third quarter of the year did not consolidate into our results (Vital Aguas, Vital Jugos, and Envases Central) contributed with 8.4% of the EBITDA.

Full year ended December 31, 2012 vs. Full year ended December 31, 2011

Sale Volume reached 185.4 million unit cases, showing a growth of 6.1%. Soft drinks grew 3.2%, and the other categories of juices and waters, together, increased 20.5%. Net Income was Ch$374,873 million, increasing 10.5%. Cost of Sales increased by 12.5%. Also, SG&A expenses were 24.9% of Sales, 65 basis points above the previous year. Operating Income reached Ch$57,685 million, in line with respect to the previous year. EBITDA reached Ch$81,975 million, increasing 8.0%. EBITDA Margin was 21.9%.

SUMMARY BY COUNTRY: PARAGUAY

4th Quarter 2012 vs. 4th Quarter 2011

The following figures are set according to IFRS and in nominal Chilean Pesos. All 2011 variations are nominal. On average and during the Quarter, the Paraguayan Guaraní depreciated by 3.8% against the US Dollar, and had a direct negative impact over our dollar-denominated costs. Against the Chilean Peso, it depreciated by 10.2%, which generated a negative accounting impact caused by the conversion of this country's figures upon consolidation. For a better understanding of Paraguayan Operations, we include a chart with figures in local nominal currency.

The quarter's Sales Volume reached 18.8 million unit cases, increasing 4.6%. The soft drinks segment increased 3.1% while the juices and waters segments, together, grew 16.3%. Our volume market share for soft drinks reached 60.7%, 320 basis points lower than the same quarter of the previous year, explained by the entrance of a new competitor in the soft drinks category during the fourth quarter of 2011.

Net Income reached Ch$32,028 million, decreasing 3.4%, explained by the effect upon conversion of figures resulting from the depreciation of the Paraguayan Guaraní against the Chilean Peso. In local currency net income increased by 6.2% explained by greater volumes and price increases below local inflation, as a consequence of higher competitive pressures.

Cost of Sales increased 2.9%, mainly due to: (i) change in the sales mix towards categories with higher costs (juices) and (ii) higher depreciation expenses. These effects were not offset by neither (i) the reduction in the cost of PET bottles nor (ii) the effect upon conversion of figures as a result of the significant depreciation of the Guarani against the Chilean Peso.

SG&A expenses were 18.0% of Sales increasing by 57.1%, explained mainly because of the positive effect of other operating income classified under this item during the fourth quarter of 2011, while in the same period of 2012 this situation was not repeated. Without considering this effect, SG&As would have increased by 11.0%, which is explained by (i) higher deprecation expenses and (ii) higher advertising expenses. These effects were partially offset by the effect upon translation of figures.

Increase of prices and volumes and the aforementioned costs and expenses, resulted in an Operating Income of Ch$4.620 million, 45.4% lower if compared with the previous year. Operating Margin was 14.4%. In local currency Operating Income decreased 40.1%.

EBITDA reached Ch$6,888 million, a decrease of 30.6%. EBITDA Margin was 21.5%. In local currency EBITDA decreased 23,9%.

ANALISIS OF THE BALANCE SHEET

- As of December 31, 2012, the Company's Net Cash Position was -US$440.5million.
- The Company holds 43.6% of its financial investments in Brazilian Reais, 26.3% in Chilean Pesos, 13.0% in Argentine Pesos, 12.2% in Paraguayan Guaranies and 4.9% in US dollars. Total financial assets amounted to US$115.9 million. Accumulated cash surplus is invested in money markets.
- The Company's financial debt level was US$556.4 million, where 51.3% is denominated in Unidades de Fomento (UF), 24.4% in Chilean Pesos, 15.9% in Brazilian Reais, 6.1% in Argentine Pesos, and 2.3% in US Dollars.

II. Main Indicators

The main indicators contained in the table reflect for both periods the solid financial position and profitability of Embotelladora Andina S.A.

INDICATORS	Unit	Dec-12	Dec-11	Variance December 2012 V/S December 2011
LIQUIDITY				
Current Ratio	Times	0.95	1.20	(0.25)
Acid Tests	Times	0.69	0.91	(0.22)
Working Capital	MCh$	73,770	66,076	7,694
ACTIVITY				
Investments	MCh$	143,764	126,931	16,834
Inventory turnover	Times	9.52	10.41	(0.88)
Days of inventory on hand	Days	37.81	34.60	3.21
INDEBTEDNESS				
Debt to equity ratio	%	76.15%	77.74%	(1.59%)
Short-term liabilities to total liabilities	%	53.44%	61.46%	(8.01%)
Long-term liabilities to total liabilities	%	46.56%	38.54%	8.01%
Interest charges coverage ratio	Times	16.01	33.50	(17.49)
PROFITABILITY				
Return over equity	%	13.62%	23.76%	(10.14%)
Return over total assets	%	7.74%	13.43%	(5.69%)
Return over operating assets	%	14.88%	22.25%	(7.37%)
Operating income	MCh$	154,164	142,424	11,739
Operating margin	%	13.15%	14.49%	(1.34%)
EBITDA (1)	MCh$	189,043	175,262	13,780
EBITDA margin	%	16.13%	17.83%	(1.71%)
Dividends payout ratio - Serie A shares	%	3.47%	4.81%	(1.34%)
Dividends payout ratio - Serie B shares	%	2.94%	4.31%	(1.37%)

EBITDA (1) Earnings before income taxes, interests, depreciation, amortization and extraordinary items.

Liquidity and indebtedness indicators remain solid, although somewhat lower, due to a higher level of indebtedness as a result of the merger with Embotelladoras Coca-Cola Polar S.A., with a similar balance sheet composition during both periods. Despite the increase of debt in 2012, indebtedness ratio remains the same given the increase of equity originating from the valuation at fair value of assets and liabilities included from Embotelladoras Coca-Cola Polar S.A. Net financial expense amounted to Ch$8,445 million and the result before interest and taxes to Ch$135,219 million, achieving an interest coverage of 16.01 times.

At the end of the current period, operating profitability indicators were slightly affected downward by higher costs in 2012, compared to the year 2011, which are explained in item I.

III. Analysis of Book Values and Present of Assets

With respect to the Company's main assets the following should be noted:

Given the high rotation of the items that compose working capital, book values of current assets are considered to represent market values.

The values of property, plant and equipment of domestic companies are presented at their acquisition cost. In the case of foreign companies, property, plant and equipment are valued according to the provisions of IAS 16.

Depreciation is estimated over the restated value of assets along with the remaining useful economic life of each asset.

All fixed assets that are considered available for sale are held at their respective market values.

Investments in shares, in situations where the Company has a significant influence on the issuing company, are presented following the equity method. The Company's participation in the results of the issuing company for each year has been recognized on an accrual basis, and unrealized results on transactions between related companies have been eliminated.

Summarizing, assets are valued in accordance with generally accepted accounting standards in Chile and the instructions provided by the Chilean Securities Commission, as shown in Note 2 of the Financial Statements.

IV. Analysis of the Main Components of Cash Flow

Cash Flows (Millions Ch$)	Dec-12	Dec-II	Variation Ch$	Variation %
Operating	188,857	138,950	49,907	36%
Financing	(3,551)	(67,159)	63,608	95%
Investment	(156,170)	(89,621)	(66,549)	(74%)
Net Cash Flow for the Period	29,136	(17,830)	46,966	263%

The Company generated a negative net cash flow of MCh$29,136 during this period, analyzed as follows:

Operating activities generated a positive cash flow of Ch$188,857 million representing a positive variation of Ch$49,907 million with respect to the previous period mainly explained by higher collections from clients, because of the incorporation of new operations.

Financing activities generated a negative cash flow of Ch$3,551 million; with a positive variation of MCh$63,608 regarding the previous year, mainly due to higher net loans obtained.

Investment activities generated a negative cash flow of Ch$156,170 million with a negative variation of Ch$66,549 million regarding the previous year, mainly due to lower redemptions of net financial investments during 2012 with respect to 2011, higher additions to property, plant and equipment and the purchase of Sorocaba Refrescos S.A.

V. Analysis of Market Risk

Interest rate risk

As of December 31, 2012 and, 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.

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	PARAGUAYAN GUARANI
33%	31%	28%	8%

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 (if US dollar liabilities exist).

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 and remaining everything constant, it would generate a cumulative decrease in income at December 31, 2012 of ThCh$6,877,441. Currently, the Company holds derivative contracts to cover this effect in Chile and Argentina.

The exposure to foreign currency exchange conversion differences of subsidiaries abroad (Brazil, Argentina and Paraguay), 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. Currently the Company does not have these kinds of hedge agreements

During the year ended December 31, 2012, the Brazilian real Argentine Peso and the Paraguayan Guarani have devalued 13.6%, 8.6% and 4.3% respectively regarding the presentation currency for the same period of 2011.

Currently in Argentina there are foreign exchange restrictions and there is a parallel currency market with an exchange rate which is higher than the official rate.- If the Argentine peso were to devalue an additional 25% with respect to the Chilean peso, the effects upon results for the concept of translation from foreign subsidiaries would amount to a higher loss of ThCh$5,102,723. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to a decrease in equity of ThCh$10,723,836.

If the Brazilian real devalued a less 3.6% with respect to the Chilean peso, the effect upon results for the concept of translation from foreign subsidiaries would amount to a higher gain of thCh$1,917,060. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to a smaller decrease in equity of ThCh$4,619,049.

If the Paraguayan Guarani appreciated 2.8% with respect to the Chilean peso, the effect upon results for the concept of translation from foreign subsidiaries would amount to a higher gain of thCh$317,385. On the other hand, at equity level, this would result that the remainder of the translation of asset and liability accounts would lead to an increase in equity of ThCh$16,648,642.

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 for the year ended December 31, 2012 of approximately ThCh$7,879,432. To minimize and/or stabilize said risk, anticipated purchase and supply agreements are frequently obtained when market conditions are favorable. Derivative instruments for commodities have also been used.

Recent Events

On November 9, 2012, Rio de Janeiro Refrescos Ltda. (“RJR”), a subsidiary of Embotelladora Andina S.A. in Brazil, on one part; and, on the other, CMR Companhia Maranhense de Refrigerantes, legal successor of Renosa Industria Brasileira de Bebidas S.A. materialized the promissory purchase agreement subscribed and reported as a material event on August 30, 2012, by means of a Purchase Agreement by which RJR acquired 100% of the equity interest held by Renosa in Sorocaba Refrescos S.A. (“Sorocaba”) which is equivalent to 40% of the total shares of Sorocaba. The transaction price was R$146,946,044 paid by RJR in one lump sum. Sorocaba is a Coca-Cola bottler that operates in southern region of the State of São Paulo. During 2011 it sold 37 million unit cases for R$246 million and EBIDTA amounted to R$41 million.

Embotelladora Andina S.A.
Twelve Months Results for the Period Ended December 31, 2012 IFRS GAAP
(In Nominal Local Currency of Each Period)

	January - December 2012			January - December 2011			
	Chile Million Ch$	Brazil Million R$	Argentina Million AR$	'araguay Aillion G$	Chile Million Ch$	Brazil Million R$	Argentina Million AR$
Total Beverages Volume(Million UC)	**185.4**	**225.0**	**167.0**	**18.8**	**158.0**	**205.1**	**138.4**
Soft Drinks	149.9	197.8	153.4	16.5	135.1	183.5	129.6
Mineral Water	16.8	5.8	9.8	1.5	10.6	4.5	6.1
Juices	18.6	16.2	3.8	0.8	12.3	13.4	2.6
Beer	0.0	5.2	NA	NA	0.0	3.7	NA
Net Sales Soft Drinks	299,710	1,442.0	2,671.4	244,405	255,436	1,285.6	1,176.5
Net Sales Other	75,163	372.2	313.4	46,762	49,512	258.9	198.7
Net Sales	**374,873**	**1,814.2**	**2,984.8**	**291,166**	**304,948**	**1,544.5**	**1,975.2**
Cost of Sales	(224,025)	(1,096.6)	(1,719.0)	196,894)	(176,464)	(926.5)	(1,146.3)
Gross Profit	**150,848**	**717.6**	**1,265.9**	**94,273**	**139,963**	**618.0**	**828.9**
Gross Margin	40.2%	39.6%	42.4%	32.4%	42.1%	40.0%	42.0%
Selling and Administrative Expenses	(93,164)	(457.9)	(958.0)	(52,272)	(72,314)	(395.5)	(609.7)
Operating Income	**57,685**	**259.7**	**307.9**	**42,001**	**56,170**	**222.5**	**219.2**
Operating Margin	15.4%	14.3%	10.3%	14.4%	18.4%	14.4%	11.1%
EBITDA[1]	81,975	323.9	413.7	62,618	72,065	277.2	285.6
Ebitda Margin	**21.9%**	**17.9%**	**13.9%**	**21.5%**	**23.6%**	**17.9%**	**14.5%**

1EBITDA: Operating Income + Depreciation
Chile results do not consider corporate expenses

Embotelladora Andina S.A.

PROFORMA(*) Twelve Months Results for the Period Ended December 31, 2012 IFRS GAAP

(In Nominal Local Currency of Each Period)

	January - December 2012				January - December 2011			
	Chile Million Ch$	Brazil Million R$	Argentina Million AR$	Paraguay Million G$	Chile Million Ch$	Brazil Million R$	Argentina Million AR$	Paraguay Million G$
Total Beverages Volume(Million UC)	185.4	225.0	167.0	18.8	174.7	205.1	151.3	18.0
Soft Drinks	149.9	197.8	153.4	16.5	145.3	183.5	141.6	16.0
Mineral Water	16.8	5.8	9.8	1.5	14.2	4.5	7.1	1.3
Juices	18.6	16.2	3.8	0.8	15.2	13.4	2.6	0.7
Beer	0.0	5.2	NA	NA	0.0	3.7	NA	NA
Net Sales Soft Drinks	299,710	1,442.0	2,671.4	244,405	278,124	1,285.6	2,026.7	237,971
Net Sales Other	75,163	372.2	313.4	46,762	60,991	258.9	227.2	36,263
Net Sales	374,873	1,814.2	2,984.8	291,166	339,116	1,544.5	2,253.8	274,234
Cost of Sales	(224,025)	(1,096.6)	(1,719.0)	(196,894)	(199,153)	(926.5)	(1,298.3)	(174,891)
Gross Profit	150,848	717.6	1,265.9	94,273	139,963	618.0	955.5	99,343
Gross Margin	40.2%	39.6%	42.4%	32.4%	41.3%	40.0%	42.4%	36.2%
Selling and Administrative Expenses	(93,164)	(457.9)	(958.0)	(52,272)	(82,063)	(395.5)	(700.7)	(29,208)
Operating Income	57,685	259.7	307.9	42,001	57,900	222.5	254.8	70,135
Operating Margin	15.4%	14.3%	10.3%	14.4%	17.1%	14.4%	11.3%	25.6%
EBITDA[1]	81,975	323.9	413.7	62,618	75,912	277.2	328.6	82,263
Ebitda Margin	21.9%	17.9%	13.9%	21.5%	22.4%	17.9%	14.6%	30.0%

1EBITDA: Operating Income + Depreciation

Chile results do not consider corporate expenses

(*) To ease comparison with 2012 figures, we include fourth quarter 2011 operations of Ex-Polar and JV's

SUMMARIZED FINANCIAL STATEMENTS - SUBSIDIARIES

	Embotelladora Andina Chile S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	18,062,470	12,189,939
Non-current assets	89,539,818	80,541,573
Total assets	**107,602,288**	**92,731,512**
Liabilities		
Current liabilities	105,578,313	83,874,707
Non-current liabilities	-	1.358.898
Capital and reserves	7,497,907	13,715,962
Accurued earnings (losses)	(5,473,932)	(6,218,055)
Total liabilities and shareholders' equity	**107,602,288**	**92,731,512**
INCOME STATEMENT		
Operating income	970,781	157,575
Non-operating income	(7,607,380)	(5,884,495)
Income before income taxes	(6,636,599)	(5,726,920)
Income taxes	1,162,667	(491,135)
Net income (loss)	**(5,473,932)**	**(6,218,055)**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(3,629,533)	(7,572)
Cash flows from investment activities	(19,423,570)	(50,113,329)
Cash flows from financing activities	23,066,390	50,121,908
Effect of inflation in cash and cash equivalents	152	-
Cash and cash equivalents at the beginning of the period	1,455	448
Cash and cash equivalents at the end of the period	**14,894**	**1,455**

	Vital Jugos S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	11,813,874	9,752,638
Non-current assets	23,775,804	21,121,931
Total assets	**35,589,678**	**30,874,569**
Liabilities		
Current liabilities	9,012,253	8,953,403
Non-current liabilities	1,400,955	1,304,768
Capital and reserves	24,671,110	20,092,268
Accurued earnings (losses)	505,360	524,130
Total liabilities and shareholders' equity	**35,589,678**	**30,874,569**
INCOME STATEMENT		
Operating income	802,017	800,906
Non-operating income	(143,748)	(100,204)
Income before income taxes	658,269	700,702
Income taxes	(152,909)	(176,572)
Net income (loss)	**505,360**	**524,130**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	2,967,024	(1,320,407)
Cash flows from investment activities	(7,175,987)	(7,051,539)
Cash flows from financing activities	4,494,308	7,431,781
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	545,548	1,485,713
Cash and cash equivalents at the end of the period	830,893	545,548

	Vital Aguas S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	2,776,750	2,739,717
Non-current assets	5,691,832	5,295,219
Total assets	**8,468,582**	**8,034,936**
Liabilities		
Current liabilities	2,824,384	2,604,156
Non-current liabilities	247,444	205,912
Capital and reserves	5,151,202	4,904,445
Accrued earnings (losses)	245,552	320,423
Total liabilities and shareholders' equity	**8,468,582**	**8,034,936**
INCOME STATEMENT		
Operating income	273,878	395,992
Non-operating income	16,015	(13,761)
Income before income taxes	289,893	382,231
Income taxes	(44,341)	(61,808)
Net income (loss)	**245,552**	**320,423**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	666,449	790,608
Cash flows from investment activities	(1,029,270)	(463,468)
Cash flows from financing activities	9,607	19,521
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	531,391	184,730
Cash and cash equivalents at the end of the period	**178,177**	**531,391**

	Envases Central S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	8,896,897	7,315,342
Non-current assets	9,984,497	10,156,208
Total assets	**18,881,394**	**17,471,550**
Liabilities		
Current liabilities	7,931,746	6,907,962
Non-current liabilities	855,715	1,573,321
Capital and reserves	8,517,268	8,509,042
Accurued earnings (losses)	1,576,665	481,225
Total liabilities and shareholders' equity	**18,881,394**	**17,471,550**
INCOME STATEMENT		
Operating income	2,113,580	547,214
Non-operating income	(97,984)	51,547
Income before income taxes	2,015,596	598,761
Income taxes	(438,931)	(117,536)
Net income (loss)	**1,576,665**	**481,225**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	1,273,489	587,757
Cash flows from investment activities	(607,384)	(1,017,707)
Cash flows from financing activities	(657,136)	419,486
Effect of inflation in cash and cash equivalents	(404)	6,570
Cash and cash equivalents at the beginning of the period	6,137	10,031
Cash and cash equivalents at the end of the period	**14,702**	**6,137**

	Transportes Andina Refrescos Ltda.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	4,363,124	4,210,744
Non-current assets	10,855,860	11,563,021
Total assets	15,218,984	15,773,765
Liabilities		
Current liabilities	12,504,271	13,632,593
Non-current liabilities	1,309,037	1,065,795
Capital and reserves	(1,424,622)	(4,164,425)
Accurued earnings (losses)	2,830,298	5,239,802
Total liabilities and shareholders' equity	15,218,984	15,773,765
INCOME STATEMENT		
Operating income	3,623,016	6,157,214
Non-operating income	(34,233)	397,071
Income before income taxes	3,588,783	6,554,285
Income taxes	(758,485)	(1,314,483)
Net income (loss)	2,830,298	5,239,802
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(5,344,722)	1,051,656
Cash flows from investment activities	(1,115,271)	(870,708)
Cash flows from financing activities	6,432,296	(229,064)
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	47,222	95,338
Cash and cash equivalents at the end of the period	19,525	47,222

	Servicios Multivending Ltda.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	1,231,506	947,229
Non-current assets	1,465,924	1,456,693
Total assets	**2,697,430**	**2,403,922**
Liabilities		
Current liabilities	460,653	535,753
Non-current liabilities	150,265	181,748
Capital and reserves	1,686,424	1,543,083
Accurued earnings (losses)	400,088	143,338
Total liabilities and shareholders' equity	**2,697,430**	**2,403,922**
INCOME STATEMENT		
Operating income	324,150	85,500
Non-operating income	186,861	73,464
Income before income taxes	511,011	158,964
Income taxes	(110,923)	(15,626)
Net income (loss)	**400,088**	**143,338**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	225,813	2,471,695
Cash flows from investment activities	(506,220)	(2,528,006)
Cash flows from financing activities	314,334	40,931
Effect of inflation in cash and cash equivalents	-	(4,188)
Cash and cash equivalents at the beginning of the period	54,440	74,008
Cash and cash equivalents at the end of the period	**88,367**	**54,440**

Summarized Financial Statements - Subsidiaries

at December 31, 2012 and 2011

	Andina Bottling Investments S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	10,075,462	12,453,316
Non-current assets	251,096,091	244,396,752
Total assets	**261,171,553**	**256,850,068**
Liabilities		
Current liabilities	1,880,082	1,558,213
Non-current liabilities	-	-
Capital and reserves	243,014,385	216,970,511
Accurued earnings (losses)	16,277,086	38,321,344
Total liabilities and shareholders' equity	**261,171,553**	**256,850,068**
INCOME STATEMENT		
Operating income	(321,614)	(308,123)
Non-operating income	16,598,957	38,696,668
Income before income taxes	16,277,343	38,388,545
Income taxes	(257)	(67,201)
Net income (loss)	**16,277,086**	**38,321,344**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(319,183)	(307,414)
Cash flows from investment activities	(13,539)	64,022
Cash flows from financing activities	319,110	244,123
Effect of inflation in cash and cash equivalents	(2,899)	484
Cash and cash equivalents at the beginning of the period	18,175	16,960
Cash and cash equivalents at the end of the period	**1,664**	**18,175**

	Andina Bottling Investments Dos S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	3,032,997	4,853,458
Non-current assets	156,528,563	167,196,316
Total assets	**159,561,560**	**172,049,774**
Liabilities		
Current liabilities	134,564	216,769
Non-current liabilities	-	-
Capital and reserves	122,903,859	134,026,407
Accurued earnings (losses)	36,523,137	37,806,598
Total liabilities and shareholders' equity	**159,561,560**	**172,049,774**
INCOME STATEMENT		
Operating income	(239,964)	(244,146)
Non-operating income	37,057,525	38,447,602
Income before income taxes	36,817,561	38,203,456
Income taxes	(294,424)	(396,858)
Net income (loss)	**36,523,137**	**37,806,598**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(241,719)	21,564,425
Cash flows from investment activities	21,452,468	-
Cash flows from financing activities	(21,181,467)	(21,577,126)
Effect of inflation in cash and cash equivalents	(39,429)	25,560
Cash and cash equivalents at the beginning of the period	16,571	3,712
Cash and cash equivalents at the end of the period	**6,424**	**16,571**

	Andina Inversiones Societarias S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	3,285,200	3,382,696
Non-current assets	31,566,721	29,834,171
Total assets	**34,851,921**	**33,216,867**
Liabilities		
Current liabilities	72,887	66,453
Non-current liabilities	-	-
Capital and reserves	33,110,063	29,542,517
Accurued earnings (losses)	1,668,971	3,607,897
Total liabilities and shareholders' equity	**34,851,921**	**33,216,867**
INCOME STATEMENT		
Operating income	(16,385)	(3,725)
Non-operating income	1,692,262	3,589,111
Income before income taxes	1,675,877	3,585,386
Income taxes	(6,906)	22,511
Net income (loss)	**1,668,971**	**3,607,897**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	732,930	2,120,610
Cash flows from investment activities	(732,623)	3,144,319
Cash flows from financing activities	8,753	(5,262,910)
Effect of inflation in cash and cash equivalents	(105)	(1,467)
Cash and cash equivalents at the beginning of the period	7,469	6,917
Cash and cash equivalents at the end of the period	**16,424**	**7,469**

	Rio de Janeiro Refrescos Ltda.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	89,318,029	84,528,836
Non-current assets	235,114,011	219,255,356
Total assets	**324,432,040**	**303,784,192**
Liabilities		
Current liabilities	61,583,727	60,664,754
Non-current liabilities	107,340,494	76,943,866
Capital and reserves	116,345,863	127,493,527
Accurued earnings (losses)	39,161,956	38,682,045
Total liabilities and shareholders' equity	**324,432,040**	**303,784,192**
INCOME STATEMENT		
Operating income	66,168,457	64,943,830
Non-operating income	(6,641,222)	(6,882,562)
Income before income taxes	59,527,235	58,061,268
Income taxes	(20,365,279)	(19,379,223)
Net income (loss)	**39,161,956**	**38,682,045**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	48,615,312	50,498,674
Cash flows from investment activities	(69,604,445)	(28,945,134)
Cash flows from financing activities	32,537,501	(21,993,117)
Effect of inflation in cash and cash equivalents	(3,445,674)	(194,448)
Cash and cash equivalents at the beginning of the period	16,968,494	17,602,519
Cash and cash equivalents at the end of the period	**25,071,188**	**16,968,494**

	Embotelladora del Atlántico S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	55,157,517	52,060,691
Non-current assets	76,671,881	72,117,042
Total assets	**131,829,398**	**124,177,733**
Liabilities		
Current liabilities	79,072,918	69,629,954
Non-current liabilities	8,519,169	11,526,088
Capital and reserves	27,626,175	28,581,455
Accurued earnings (losses)	16,611,136	14,440,236
Total liabilities and shareholders' equity	**131,829,398**	**124,177,733**
INCOME STATEMENT		
Operating income	29,898,858	26,318,016
Non-operating income	(4,222,213)	(4,111,565)
Income before income taxes	25,676,645	22,206,451
Income taxes	(9,065,509)	(7,766,215)
Net income (loss)	**16,611,136**	**14,440,236**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	33,923,774	23,655,598
Cash flows from investment activities	(41,124,392)	(25,668,834)
Cash flows from financing activities	7,107,254	4,925,725
Effect of inflation in cash and cash equivalents	(1,008,182)	47,932
Cash and cash equivalents at the beginning of the period	5,053,019	2,092,598
Cash and cash equivalents at the end of the period	**3,951,473**	**5,053,019**

	Andina Empaques Argentina S.A.
	2012 ThCh$
BALANCE SHEET	
Assets	
Current assets	4,516,684
Non-current assets	6,769,185
Total assets	**11,285,869**
Liabilities	
Current liabilities	2,628,452
Non-current liabilities	545,707
Capital and reserves	6,009,933
Accurued earnings (losses)	2,101,777
Total liabilities and shareholders' equity	**11,285,869**
INCOME STATEMENT	
Operating income	3,228,188
Non-operating income	7,394
Income before income taxes	3,235,582
Income taxes	(1,133,805)
Net income (loss)	**2,101,777**
STATEMENTS OF CASH FLOWS	
Cash flows from operating activities	3,030,631
Cash flows from investment activities	(1,662,278)
Cash flows from financing activities	-
Effect of inflation in cash and cash equivalents	47,645
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**1,415,998**

	Abisa Corp	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	117,610,618	113,057,113
Non-current assets	82,077,589	88,787,992
Total assets	**199,688,207**	**201,845,105**
Liabilities		
Current liabilities	210,423	390,136
Non-current liabilities	-	-
Capital and reserves	198,560,801	177,854,036
Accurued earnings (losses)	916,983	23,600,933
Total liabilities and shareholders' equity	**199,688,207**	**201,845,105**
INCOME STATEMENT		
Operating income	(1,992,846)	(1,096,766)
Non-operating income	2,909,829	24,697,699
Income before income taxes	916,983	23,600,933
Income taxes	-	-
Net income (loss)	**916,983**	**23,600,933**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(2,190,080)	11,219,447
Cash flows from investment activities	2,862,146	(9,632,848)
Cash flows from financing activities	41,244	-
Effect of inflation in cash and cash equivalents	(287,395)	(11,820)
Cash and cash equivalents at the beginning of the period	2,397,509	822,730
Cash and cash equivalents at the end of the period	**2,823,424**	**2,397,509**

	Transportes Polar S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	894,936	1,201,212
Non-current assets	8,589,151	2,425,652
Total assets	**9,484,087**	**3,626,864**
Liabilities		
Current liabilities	2,153,451	1,215,309
Non-current liabilities	1,128,463	80,376
Capital and reserves	6,028,243	1,926,302
Accurued earnings (losses)	173,930	404,877
Total liabilities and shareholders' equity	**9,484,087**	**3,626,864**
INCOME STATEMENT		
Operating income	284,302	504,020
Non-operating income	(74,620)	(18,755)
Income before income taxes	209,682	485,265
Income taxes	(35,752)	(80,388)
Net income (loss)	**173,930**	**404,877**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	965,995	821,875
Cash flows from investment activities	(980,812)	(276,842)
Cash flows from financing activities	10,486	(553,283)
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	5,040	13,290
Cash and cash equivalents at the end of the period	**709**	**5,040**

	Inversiones Los Andes Ltda.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	145,635	27,008
Non-current assets	263,317,830	156,296,393
Total assets	**263,463,465**	**156,323,401**
Liabilities		
Current liabilities	1,141	-
Non-current liabilities	7,325	1,986,281
Capital and reserves	255,146,496	134,134,489
Accurued earnings (losses)	8,308,503	20,202,631
Total liabilities and shareholders' equity	**263,463,465**	**156,323,401**
INCOME STATEMENT		
Operating income	(308,405)	(258,327)
Non-operating income	8,060,769	20,642,766
Income before income taxes	7,752,364	20,384,439
Income taxes	556,139	(181,808)
Net income (loss)	**8,308,503**	**20,202,631**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(419,158)	(232,147)
Cash flows from investment activities		6,493,028
Cash flows from financing activities	419,158	(6,268,356)
Effect of inflation in cash and cash equivalents	-	7,475
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	**-**	**-**

	Aconcagua Investing Ltda.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	-	-
Non-current assets	13,075,243	13,523,550
Total assets	**13,075,243**	**13,523,550**
Liabilities		
Current liabilities	-	-
Non-current liabilities	-	-
Capital and reserves	13,523,550	11,532,927
Accurued earnings (losses)	(448,307)	1,990,623
Total liabilities and shareholders' equity	**13,075,243**	**13,523,550**
INCOME STATEMENT		
Operating income	-	-
Non-operating income	(448,307)	1,990,623
Income before income taxes	(448,307)	1,990,623
Income taxes	-	-
Net income (loss)	**(448,307)**	**1,990,623**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	-	-
Cash flows from investment activities	-	396,431
Cash flows from financing activities	-	(396,431)
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	**-**	**-**

	Paraguay Refrescos S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	25,577,117	38,082,543
Non-current assets	233,475,308	80,947,663
Total assets	**259,052,425**	**119,030,206**
Liabilities		
Current liabilities	22,813,770	15,197,661
Non-current liabilities	19,742,263	6,968,848
Capital and reserves	206,250,028	79,734,505
Accurued earnings (losses)	10,246,364	17,129,192
Total liabilities and shareholders' equity	**259,052,425**	**119,030,206**
INCOME STATEMENT		
Operating income	10,948,712	19,101,499
Non-operating income	598,223	(188,909)
Income before income taxes	11,546,935	18,912,590
Income taxes	(1,300,571)	(1,783,398)
Net income (loss)	**10,246,364**	**17,129,192**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	26,557,942	29,592,527
Cash flows from investment activities	(19,293,355)	(20,097,351)
Cash flows from financing activities	(16,340,012)	(1,470,424)
Effect of inflation in cash and cash equivalents	(1,356,348)	1,567,785
Cash and cash equivalents at the beginning of the period	17,431,462	7,838,926
Cash and cash equivalents at the end of the period	**6,999,689**	**17,431,463**

	Coca-Cola Polar Argentina S.A.	
	2012 ThCh$	2011 ThCh$
BALANCE SHEET		
Assets		
Current assets	18,045,505	20,777,457
Non-current assets	45,948,587	59,759,032
Total assets	**63,994,092**	**80,536,489**
Liabilities		
Current liabilities	29,461,730	27,113,459
Non-current liabilities	2,630,304	4,723,566
Capital and reserves	32,714,715	48,426,733
Accurued earnings (losses)	(812,657)	272,731
Total liabilities and shareholders' equity	**63,994,092**	**80,536,489**
INCOME STATEMENT		
Operating income	974,179	4,288,999
Non-operating income	(3,054,333)	(5,320,652)
Income before income taxes	(2,080,154)	(1,031,653)
Income taxes	1,267,497	1,304,384
Net income (loss)	**(812,657)**	**272,731**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	7,697,212	6,024,540
Cash flows from investment activities	(6,507,314)	(14,539,839)
Cash flows from financing activities	(3,698,316)	9,986,856
Effect of inflation in cash and cash equivalents	(543,742)	44,230
Cash and cash equivalents at the beginning of the period	3,192,413	1,676,626
Cash and cash equivalents at the end of the period	**140,253**	**3,192,413**