EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position

at March 31, 2013 and December 31, 2012

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Intermediate Consolidated Statements of Financial Position

INDEX

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position
as of March 31, 2013 and December 31, 2012

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

ASSETS **Current Assets:**	**NOTE**	**03.31.2012** **ThCh$**	**12.31.2012** **ThCh$**
Cash and cash equivalents	**4**	46,197,144	55,522,255
Other financial assets	**5**	41,157	128,581
Other non-financial assets	**6.1**	18,771,616	18,202,838
Trade and other accounts receivable, net	**7**	131,676,791	152,816,916
Accounts receivable from related companies	**11.1**	4,224,123	5,324,389
Inventory	**8**	103,230,041	89,319,826
Current tax assets	**9.1**	4,333,809	2,879,393
Assets classified as available for sale		4,527,989	2,977,969
Total Current Assets		**313,002,670**	**327,172,167**
Non-Current Assets::			
Other non-financial, non-current assets	**6.2**	27,338,284	26,927,090
Trade and other accounts receivable, net	**7**	8,026,976	6,724,077
Accounts receivable from related companies, net	**11.1**	7,636	7,197
Equity method investments	**13.1**	75,008,073	73,080,061
Intangible assets others than goodwill, net	**14.1**	476,471,357	464,582,273
Goodwill	**14.2**	64,461,061	64,792,741
Property, plant and equipment, net	**10.1**	579,547,502	576,550,725
Total Non-Current Assets		**1,230,860,889**	**1,212,664,164**
Total Assets		**1,543,863,559**	**1,539,836,331**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Financial Position as of March 31, 2013 and December 31, 2012

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

LIABILITIES AND NET EQUITY	NOTE	03.31.2013 ThCh$	12.31.2012 ThCh$
LIABILITIES			
Current Liabilities:			
Other financial liabilities	**15**	111,870,070	106,248,019
Trade and other accounts payable	**16**	148,793,117	184,317,773
Accounts payable to related companies	**11.2**	20,940,905	32,727,212
Provisions	**17**	1,366,814	593,457
Income tax payable	**9.2**	3,696,679	1,114,810
Other non-financial liabilities	**18**	13,988,760	20,369,549
Total Current Liabilities		**300,656,345**	**345,370,820**
Non-Current Liabilities:			
Other long - term-current financial liabilities	**15**	176,649,430	173,880,195
Trade and other accounts payable, long-term		1,818,832	1,930,233
Provisions	**17**	6,544,941	6,422,811
Deferred tax liabilities	**9.4**	113,228,855	111,414,626
Post-employment benefit liabilities	**12.2**	6,842,821	7,037,122
Other non-current liabilities	**18**	246,212	175,603
Total Non-Current Liabilities		**305,331,091**	**300,860,590**
Equity:	**19**		
Issued capital		270,759,299	270,759,299
Treasury stock		(21,725)	(21,725)
Retained earnings		266,144,982	239,844,662
Accumulated other comprehensive income and capital reserves		380,667,563	363,581,513
Equity attributable to equity holders of the parent		**917,550,119**	**874,163,749**
Non-controlling interests		20,326,004	19,441,172
Total Equity		**937,876,123**	**893,604,921**
Total Liabilities and Equity		**1,543,863,559**	**1,539,836,331**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Income by Function

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

	NOTE	01.01.2013 03.31.2013 ThCh$	01.01.2012 03.31.2012 ThCh$
Net sales		376,665,958	289,628,428
Cost of sales		(220,561,691)	(169,808,197)
Gross Profit		**156,104,267**	**119,820,231**
Other income	**23**	426,029	388,715
Distribution expenses		(39,315,729)	(29,686,920)
Administrative and sales expenses		(71,172,782)	(48,567,225)
Other expenses	**24**	(3,789,298)	(3,826,211)
Other income (expenses)	**26**	(1,682,852)	(316,271)
Finance income	**25**	629,200	720,851
Finance costs	**25**	(5,571,611)	(1,830,488)
Share in profit of equity method investees	**13.3**	527,533	1,334,764
Foreign exchange difference		989,260	(1,317,806)
Loss from indexed financial assets and liabilities		(276,299)	(448,829)
Net income before taxes		**36,867,718**	**36,270,811**
Income tax expense	**9.3**	(10,032,403)	(11,561,610)
Net income		**26,835,315**	**24,709,201**
Net income attributable to			
Net income attributable to equity holders of the parent		26,300,320	24,708,322
Net income attributable to non-controlling interests		534,995	879
Net income		**26,835,315**	**24,709,201**
Earnings per Share, basic and diluted		**Ch$**	**Ch$**
Earnings per Series A Share	**19.5**	**26.46**	**30.95**
Earnings per Series B Share	**19.5**	**29.11**	**34.05**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Intermediate Consolidated Statements of Comprehensive Income

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

	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	**ThCh$**
Net income	**26,835,315**	**24,709,201**
Foreign exchange translation adjustment, before taxes	11,317,469	(10,323,655)
Income tax effect related to losses from foreign exchange rate translation differences included within other comprehensive income	(170,474)	(358,648)
Comprehensive income	**37,982,310**	**14,026,898**
Comprehensive income attributable to:		
Equity holders of the parent	37,097,478	14,028,194
Non-controlling interests	884,832	(1,296)
Total comprehensive income	**37,982,310**	**14,026,898**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

as of March 31, 2013 and 2012

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

			Other reserves						
	Issued capital	**Treasury shares**	**Translation reserves**	**Other reserves (various)**	**Total other reserves**	**Retained earnings**	**Controlling Equity**	**Non-Controlling interests**	**Total Equity**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Initial balance at 01.01.2013	**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**
Changes in Equity									
Comprehensive Income									
Net income	-	-	-	-		26,300,320	26,300,320	534,995	26.835.315
Other comprehensive income	-	-	10,797,158	-	10,797,158	-	10,797,158	349,837	11.146.995
Comprehensive income	**-**		**10,797,158**	**-**	**10,797,158**	**26,300,320**	**37,097,478**	**884,832**	**37.982.310**
Increase (decrease) due to transfers and other changes	-	**-**	**-**	**6,288,892**	**6,288,892**	-	6,288,892	**-**	6.288.892
Total changes in equity	-	**-**	**10,797,158**	**6,288,892**	**17,086,050**	**26,300,320**	**43,386,370**	**884,832**	**44,271,202**
Ending balance at 03.31.2013	**270,759,299**	**(21,725)**	**(52,758,387)**	**433,425,950**	**380,667,563**	**266,144,982**	**917,550,119**	**20,326,004**	**937,876,123**

			Other reserves						
	Issued capital	**Treasury shares**	**Translation reserves**	**Other reserves (various)**	**Total other reserves**	**Retained earnings**	**Controlling Equity**	**Non-Controlling interests**	**Total Equity**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
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	-	-	-	-	-	24,708,322	24,708,322	879	24.709.201
Other comprehensive income	-	-	(10,680,128)	-	(10,680,128)	-	(10,680,128)	(2,175)	(10.682.303)
Comprehensive income	**-**	**-**	**(10,680,128)**	**-**	**(10,680,128)**	**24,708,322**	**14,028,194**	**(1,296)**	**14.026.898**
Total changes in equity	-	-	**(10,680,128)**	-	**(10,680,128)**	**24,708,322**	**14,028,194**	**(1,296)**	**14,026,898**
Ending balance at 12.31.2012	**230,892,178**	**-**	**(33,140,007)**	**5,435,538**	**(27,404,469)**	**232,810,390**	**435,998,099**	**7,719**	**436,005,818**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Intermediate Consolidated Statements of Cash Flows

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

		01.01.2013 03.31.2013	01.01.2012 03.31.2012
Cash flows provided by (used in) Operating Activities	**NOTE**		
Cash flows provided by Operating Activities		**ThCh$**	**ThCh$**
Receipts from customers (including taxes)		558,959,306	416,639,865
Cash flows used in Operating Activities			
Supplier payments (including taxes)		(415,706,245)	(300,113,133)
Payroll		(40,361,869)	(27,758,475)
Other payments for operating activities (value-added taxes on purchases and sales and others)		(67,569,276)	(52,661,312)
Dividends received		-	725,000
Interest payments classified as from operations		(1,655,862)	(401,738)
Interest received classified as from operations		442,525	361,534
Income tax payments		(10,935,220)	(4,883,116)
Cash flows used in other operating activities		(1,889,451)	(1,039,785)
Net cash flows provided by Operating Activities		**21,283,908**	**30,868,840**
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		-	1,150,000
Proceeds from sale of property, plant and equipment		2,567,135	8,824
Purchase of property, plant and equipment		(34,627,459)	(20,838,364)
Proceeds from the maturity of marketable securities		-	8,295,270
Purchase of marketable securities		-	(1,180,000)
Payments on forward, term, option and financial exchange agreements		(517,094)	(546,882)
Other cash inputs (outputs)		66,795	89,035
Net cash flows used in Investing Activities		**(32,510,623)**	**(13,022,117)**
Cash Flows provided by (used in) Financing Activities			
Short-term loans obtained		71,227,887	30,767,971
Loan payments		(67,785,572)	(32,277,436)
Financial lease liability payments		(15,748)	-
Dividend payments by the reporting entity		(1,670,632)	(6,556,927)
Net cash flows used in Financing Activities		**1,755,935**	**(8,066,392)**
Increase (Decrease) in Cash and cash equivalents, before effects of variations in foreign exchange rates		**(9,470,780)**	**9,780,331**
Effects of variations in foreign exchange rates on cash and cash equivalents		145,669	(876,433)
Net decrease in cash and cash equivalents		**(9,325,111)**	**8,903,898**
Cash and cash equivalents – beginning of year	**4**	55,522,255	31,297,922
Cash and cash equivalents - end of year	**4**	**46,197,144**	**40,201,820**

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 geographic areas in which the Company has distribution franchises are regions II, III, IV, XI, XII, Metropolitan Region, Rancagua and San Antonio. In Brazil, the Company has distribution franchises in the states of Rio de Janeiro, Espírito Santo, Niteroi, Vitoria, and Nova Iguaçu. In Argentina, the Company 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 franchised territory is the whole country.

The Company holds separate distribution licenses from The Coca-Cola Company for all of its territories. 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 renewable on similar terms, unless either the Company or The Coca-Cola Company choose not to do so. The Company currently expect that the licenses will be renewed upon expiration based on similar terms and conditions.

As of Mach 31, 2013 the Freire Group and related companies hold 55.35% of the outstanding shares with voting rights corresponding to the Series A shares.

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.

NOTE 1 - CORPORATE INFORMATION (Continued)

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.

The physical exchange of shares took place on October 16, 2012, with which former shareholders of Polar then having 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 consolidated 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 a gain (or loss) in its 2012 results, because book values of the equity method investments approximated their fair values at the date of de-recognition.

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 income statement..

NOTE 1 - CORPORATE INFORMATION (Continued)

The 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 (includes deferred taxes of ThCh$81,672,940)	(149,131,026)
Total liabilities	**(249,055,305)**
Net Assets AcquiredAmounts attributed to non-controlling interests	445,108,573
Goodwill	16,460,068
Total consideration excluding non-controlling interests	**461,568,641**

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.

Condensed financial information of Polar for the period between January 1, 2013 and March 31, 2013 is as follows:

	ThCh$
Net sales	87,620,026
Income before taxes	7,019,422
Net income	6,509,636

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 March 31, 2013 and December, 2012.

Consolidated income statements by function and comprehensive income: For the years ended March 31, 2013 and 2012.

Consolidated statements of cash flows: For the years ended March 31, 2013 and 2012, using the "direct method".

Consolidated statements of changes in equity: For the years ended March 31, 2013 and 2012.

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 accompany consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

Those Spanish language IFRS consolidated financial statements consisted of consoliated statements of financial position as of March, 31 2013 and 2012 along with consolidated income statements by function, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows (and related disclosures), each for the two years then ended. Those Spanish language IFRS consolidated financial statements were then subsequently approved by the Company's shareholders during its May 28, 2013 meeting.

The accompanying English language IFRS consolidated financial statements are consistent with the previously issued Spanish language IFRS consolidated financial statements.

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

These Consolidated Financial Statements have been prepared based on accounting records kept by the Embotelladora Andina S.A. ("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, as explained above.

2.3 Basis of consolidation

2.3.1 Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Parent 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 March 31, 2013 and December 31,2012 and results of operations and cash flows for the years ended March 31, 2013 and 2012. 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.

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

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

		Percentage Interest					
		03-31-2013			12-31-2012		
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.	0.71	99.28	99.99	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.	-	99.98	99.98	-	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. (1)	0.92	99.07	99.99	-	99.98	99.98
Foreign	Coca-Cola Polar Argentina S.A. (1)	-	-	-	5.00	95.00	99.99
96.705.990-0	Envases Central S. A.	59.27	-	59.27	59.27	-	59.27
96.971.280-6	Inversiones Los Andes Ltda.	99.99	-	99.99	99.99	-	99.99
Foreign	Paraguay Refrescos S. A.	0.08	97.75	97.83	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.	99.99	-	99.99	99.99	-	99.99
76.389.720-6	Vital Aguas S. A.	17.10	49.40	66.50	17.10	49.40	66.50
96.845.500-0	Vital Jugos S. A.	15.00	50.00	65.00	15.00	50.00	65.00

(1) On January 1, 2013 Coca-Cola Polar Argentina S.A. was absorbed byEmbotelladora del Atlántico S.A.

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

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.

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

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**
03.31.2013	472.03	234.40	92.16	22,869.38	0.1181	605.40
03.31.2012	479.96	234.87	97.59	22,840.75	0.1100	634.45

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. (Brazil Segment)	R$ Brazilian Real
Embotelladora del Atlántico S.A. (Argentina Segment)	A$ Argentine Peso
Andina Empaques Argentina S. A. (Argentina Segment)	A$ Argentine Peso
Paraguay Refrescos S. A. (Paraguay Segment)	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. Exchange rate differences from accounts receivable which are considered to be part of an equity investment, have been recognized as comprehensive income net of deferred taxes, 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.

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

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

NOTE 2 - **BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Distribution rights correspond to contractual rights to produce and distribute products under the Coca-Cola brand in certain territories in Argentina, Chile and Paraguay acquired during the Polar merger. Distribution rights have an indefinite useful life and are not amortized, given that that the Company believes that the bottling agreements will be indefinitely renewed by the Coca-Cola Company upon similar terms and conditions. They are subject 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, plant and equipment 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.

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

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.

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

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 March 31, 2012 and December 31, 2012 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 March 31, 2013 and 2012, there were no transfers of items between fair value measurements categories all of which were valued during the period using Level 2.

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

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 of 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.

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

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

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.

NOTE 2 - <u>BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</u>

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.

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 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 it has distribution licensing. The resources received are recorded as a reduction in marketing expenses in the consolidated income statement. Given its discretionary nature, the portion of contributions received in one period does not imply it will be repeated in the following period.

In certain limited situations there is a legally binding 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. In those situations, payments received pursuant to these agreements are recorded as a reduction of the cost of the respective assets acquired.

NOTE 2 - **BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 (such as distribution rights) 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.

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 fair value of the intangible assets acquired as 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.

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

2.24.3 Allowances 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$139,703,767 at March 31, 2013 (ThCh$159,540,993 at December 31, 2012), net of an allowance for doubtful accounts provision of ThCh$2,369,678 at March 31, 2013 (ThCh$1,486,749 at December 31, 2012).

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.

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

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.

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

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

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.

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

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.

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

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 materially impact these consolidated financial statements.

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:

NOTE 3 – REPORTING BY SEGMENT (Continued)

A summary of the Company's segment operations in accordance to IFRS is as follows:

For the year ended March 31, 2013	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Paraguay Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers	120,083,511	107,630,146	119,321,387	29,630,914	376,665,958
Interest income	162,256	15,217	414,290	37,437	629,200
Interest expense	(2,222,088)	(749,321)	(2,496,381)	(103,821)	(5,571,611)
Interest income, net	**(2,059,832)**	**(734,104)**	**(2,082,091)**	**(66,384)**	**(4,942,411)**
Depreciation and amortization	(8,849,231)	(3,705,083)	(4,166,107)	(2,470,499)	(19,190,920)
Total significant expenses items	(101,850,575)	(98,668,714)	(102,837,544)	(22,340,479)	(325,697,312)
Net income of the segment reported	**7,323,873**	**4,522,245**	**10,235,645**	**4,753,552**	**26,835,315**
Share of the entity in income of associates accounted for using the equity method, total	83,634	-	443,899	-	527,533
Income tax expense (income)	1,387,627	2,018,253	6,371,327	255,196	10,032,403
Segment assets, total	**753,054,914**	**186,953,088**	**326,641,935**	**277,213,622**	**1,543,863,559**
Carrying amount in associates and joint ventures accounted for using the equity method, total	18,094,238	-	56,913,835	-	75,008,073
Capital expenditures and other	15,370,478	7,172,779	7,868,522	4,215,680	34,627,459
Liabilities of the segments, total	**308,330,377**	**103,160,501**	**154,769,759**	**39,726,799**	**605,987,436**
Cash flows provided by in Operating Activities	10,419,597	(1,451,997)	8,639,998	3,676,310	21,283,908
Cash flows used in Investing Activities	(12,851,633)	(6,882,899)	(7,886,009)	(4,890,082)	(32,510,623)
Cash flows used in Financing Activities	(4,240,933)	6,450,537	(453,669)	-	1,755,935

NOTE 3 – REPORTING BY SEGMENT (Continued)

For the year ended March 31, 2012	Chile Operation	Argentina Operation	Brazil Operation	Consolidated Total
	ThCh$	ThCh$	ThCh$	ThCh$
Operating revenue from external customers	89,110,633	76,295,911	124,221,884	289,628,428
Interest income	192,549	148,343	379,959	720,851
Interest expense	(1,342,839)	(383,333)	(104,316)	(1,830,488)
Interest income, net	**(1,150,290)**	**(234,990)**	**275,643**	**(1,109,637)**
Depreciation and amortization	(4,930,879)	(2,443,042)	(4,543,200)	(11,917,121)
Total significant expenses items	(76,578,045)	(69,230,006)	(106,084,418)	(251,892,469)
Net income of the segment reported	**6,451,419**	**4,387,873**	**13,869,909**	**24,709,201**
Share of the entity in income of associates accounted for using the equity method, total	853,090	-	481,674	1,334,764
Income tax expense (income)	1,911,216	2,530,106	7,120,288	11,561,610
Segment assets, total	**330,988,903**	**109,804,674**	**284,006,885**	**724,800,462**
Carrying amount in associates and joint ventures accounted for using the equity method, total	37,678,958	-	23,385,271	61,064,229
Capital expenditures and other	9,017,674	4,428,647	7,392,043	20,838,364
Liabilities of the segments, total	**160,757,586**	**54,304,068**	**73,732,991**	**288,794,645**
Cash flows provided by in Operating Activities	16,251,222	5,308,646	9,308,972	30,868,840
Cash flows used in Investing Activities	(714,276)	(4,934,805)	(7,373,036)	(13,022,117)
Cash flows used in Financing Activities	(6,600,857)	(1,391,375)	(74,160)	(8,066,392)

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows as of March 31, 2013 and December 31, 2012

Description	03.31.2013	12.31.2012
By item	**ThCh$**	**ThCh$**
Cash	371,559	871,173
Bank balances	21,289,320	24,171,486
Time deposits	772,157	783,223
Money market funds	23,764,108	29,696,373
Cash and cash equivalents	**46,197,144**	**55,522,255**

By currency	**M$**	**ThCh$**
Dollar	4,311,004	5,067,208
Argentine Peso	3,223,178	5,181,955
Chilean Peso	7,318,357	14,089,380
Paraguayan Guaraní	5,946,787	6,112,524
Brazilian Real	25,397,818	25,071,188
Cash and cash equivalents	**46,197,144**	**55,522,255**

4.1 Time deposits

Time deposits defined as Cash and cash equivalents are detailed as follows at March 31, 2013 and December, 31 2012:

Issuance	Entity	Currency	Capital	Annual rate	12.31.2012
			THCH$	%	THCH$
03.27.2013	Banco Regional SAECA – Paraguay	Paraguayan Guaraní	772,157	3.50	772,157
		Total			**772,157**

Issuance	Entity	Currency	Capital	Annual Rate	12.31.2011
			THCH$	%	THCH$
12.28.2012	Banco Regional SAECA – Paraguay	Paraguayan Guaraní	783,223	3.50	783,223
		Total			**783,223**

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

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	03.31.2013	12.31.2012
	ThCh$	ThCh$
Mutual fund Select Banco Itaú – Chile	792,121	1,989,833
Mutual fund Soberano Banco Itaú – Brasil	21,789,523	18,235,213
Mutual fund Corporativo Banco BBVA – Chile	900,202	2,081,666
Western Assets Institutional Cash	147,004	3,472,196
Mutual fund Banco Galicia	-	946,885
Mutual fund Patrimonio Banco Caixa Económica Federal - Brasil	-	2,833,080
Mutual fund Wells Fargo Bank	135,258	137,500
Total mutual fund	**23,764,108**	**29,696,373**

NOTE 5 – OTHER CURRENT FINANCIAL ASSETS

Below are the financial instruments held by the Company at March 31, 2013 at December 31, 2012, other than cash and cash equivalents. They consist of time deposits expiring in the short term (more than three months), restricted mutual funds and derivative contracts. The detail of financial instruments is detailed as follows:

Time deposits

Placement date	Maturity date	Maturity date	Currency	Principal	Annual Rate	03.31.2013
				ThCh$	%	ThCh$
02.06.2013	06.06.2013	BBVA Banco Francés – Argentina	$Arg	12,441	15.5	12,721
03.18.2013	03.14.2014	Banco Votorantim - Brasil	R$	16,447	8.82	17,487
Total						**30,208**

Bonds

Institution	ThCh$
Bonds Provinicia Buenos Aires - Argentina	10,949
Subtotal	**10,949**
Total other current financial assets	**41,157**

NOTE 5 – OTHER CURRENT FINANCIAL ASSETS (Continued)

Time deposits

Placement date	Maturity date	Entity	Currency	Principal	Annual Rate	12.31.2012
				ThCh$	%	ThCh$
03.25.2012	03.20.2013	Banco Votorantin - Brasil	R$	16,480	8.82	17,280
				Subtotal		**17,280**

Mutual Funds

Institution	ThCh$
Mutual Fund Banco Galicia (1)	111,301
Subtotal	**111,301**

Total other current financial assets	**Total**	**128,581**

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

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

Note 6.1 Other current non-financial assets

Descrption	03.31.2013 ThCh$	12.31.2012 ThCh$
Prepaid insurance	221,809	182,015
Prepaid expenses	5,141,150	3,513,515
Fiscal credits	12,933,561	14,118,736
Other current assets	475,096	388,572
Total	**18,771,616**	**18,202,838**

Note 6.2 Other non-current, non-financial assets

Description	03.31.2013 ThCh$	12.31.2012 ThCh$
Prepaid expenses	2,637,846	2,515,235
Fiscal credits	5,856,469	5,880,191
Judicial deposits (1)	18,306,450	18,002,490
Others	537,519	529,174
Total	**27,338,284**	**26,927,090**

(1) See note 21.1 2)

NOTE 7 – TRADE AND OTHER ACCOUNTS RECEIVABLE

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

Trade and other accounts receivable	03.31.2013 Assets before provisions	03.31.2013 Allowance for doubtful accounts	03.31.2013 Commercial debtors net assets	12.31.2012 Assets before provisions	12.31.2012 Allowance for doubtful accounts	12.31.2012 Commercial debtors net assets
Current commercial debtors	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Trade debtors	90,948,452	(2,343,285)	88,605,167	115,998,388	(1,458,801)	114,539,587
Other current debtors	20,726,615	-	20,726,615	15,782,069	-	15,782,069
Current commercial debtors	**111,675,067**	**(2,343,285)**	**109,331,782**	**131,780,457**	**(1,458,801)**	**130,321,656**
Prepayments suppliers	4,357,887	-	4,357,887	4,021,021	-	4,021,021
Other current accounts receivable	18,013,515	(26,393)	17,987,122	18,502,187	(27,948)	18,474,239
Commercial debtors and other current accounts receivable	**134,046,469**	**(2,369,678)**	**131,676,791**	**154,303,665**	**(1,486,749)**	**152,816,916**
Non-current accounts receivable						
Trade debtors	8,024,173	-	8,024,173	6,599,310	-	6,599,310
Other non-current debtors	2,803	-	2,803	124,767	-	124,767
Non-current accounts receivable	**8,026,976**	**-**	**8,026,976**	**6,724,077**	**-**	**6,724,077**
Trade and other accounts receivable	**142,073,445**	**(2,369,678)**	**139,703,767**	**161,027,742**	**(1,486,749)**	**159,540,993**

Aging of debtor portfolio	Number of clients	03.31.2013	N° Number of clients	12.31.2012
		ThCh$		ThCh$
Up to date non-securitized portfolio	9,913	42,660,009	8,514	59,686,698
1 and 30 days	33,709	42,616,325	30,523	51,451,804
31 and 60 days	2,338	999,368	484	784,192
61 and 90 days	687	969,598	346	951,083
91 and 120 days	276	138,140	273	316,787
121 and 150 days	206	2,078	282	34,370
151 and 180 days	221	697,971	264	307,727
181 and 210 days	197	191,695	280	176,493
211 and 250 days	204	28,126	276	251,247
More than 250 days	168	10,669,315	1,362	8,637,297
Total	**47,919**	**98,972,625**	**42,604**	**122,597,698**

	03.31.2013	12.31.2012
	ThCh$	ThCh$
Current comercial debtors	90,948,452	115,998,388
Non-current comercial debtors	8,024,173	6,599,310
Total	**98,972,625**	**122,597,698**

NOTE 7 – TRADE AND OTHER ACCOUNTS RECEIVABLE (Continued)

The change in the allowance for uncollectible receivables between January 1 and March 31, 2013, and January 1 and December 31, 2012 is presented below:

Item	03.31.2013	12.31.2012
	ThCh$	ThCh$
Initial balance	**1,486,749**	**1,544,574**
Bad debt expense	1,092,273	976,331
Write-off of accounts receivable	(187,022)	(843,766)
Increase (decrease) because of foreign exchange	(22,322)	(190,390)
Movement	**882,929**	**(57,825)**
Ending balance	**2,369,678**	**1,486,749**

NOTE 8 – INVENTORY

The composition of inventory balances is detailed as follows:

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Raw materials	49,291,482	41,942,176
Merchandise	13,940,338	8,797,194
Production inputs	425,743	1,125,276
Products in progress	616,879	705,637
Finished goods	25,016,021	22,792,255
Spare parts	15,206,592	14,479,488
Other inventory	490,377	1,504,926
Obsolescence provision (1)	(1,757,391)	(2,027,126)
Total	**103,230,041**	**89,319,826**

The cost of inventory recognized as a cost of sales totaled ThCh$220,561,691, ThCh$169,808,197 at March 31, 2013 and 2012 respectively.

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

NOTE 9 – INCOME TAX AND DEFERRED TAXES

At the end of the period to March 31, 2013 the parent company has a Tax Income Fund amounting to M$64,446,138, consisting of profits with income tax credits from 1st. category by M$58,729,942 and utilities no credit for M $ 5,716,196

9.1 Current tax assets

Current tax receivables break down as follows:

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Monthly provisional payments	3,307,131	2,319,627
Tax credits (1)	1,026,678	559,766
Total	**4,333,809**	**2,879,393**

(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:

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Income tax	3,626,315	355,363
Other	70,364	759,447
Balance	**3,696,679**	**1,114,810**

NOTE 9 – INCOME TAX AND DEFERRED TAXES (Continued)

9.3 Tax expense

The current and deferred income tax expenses for the periods ended March 31, 2013 and 2012 are detailed as follows:

Item	03.31.2013	03.31.2012
	ThCh$	ThCh$
Current tax expense	9,146,633	8,697,277
Adjustment to current tax from previous year	97,312	256
Other current tax expenses	(11,896)	322,703
Total net current tax expense	**9,232,049**	**9,020,236**
Deferred tax expenses	896,078	2,541,374
Other current tax deferred	(95.724)	-
Total deferred tax expenses	**800.354**	**2.541.374**
Income tax expense	**10.032.403**	**11.561.610**

NOTE 9 – INCOME TAX AND DEFERRED TAXES (Continued)

9.4 Deferred taxes

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

	03.31.2013		12.31.2012	
Temporary differences	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Property, plant and equipment	754,255	29,595,215	432,181	29,494,188
Obsolescence provision	821,385	-	637,675	-
Employee benefits	1,825,186	-	1,807,163	-
Post-employment benefits	-	260,685	-	277,510
Tax loss carry-forwards (1) and (2)	9,172,182	-	9,026,314	-
Contingency provision	2,415,783	-	2,020,821	-
Foreign exchange rate difference (Foreign Subsidiaries) (4)	-	9,082,265	-	9,145,349
Allowance for doubtful accounts	336,755	-	350,319	-
Tax incentives (Brazil) (3)	-	12,059,757	-	10,930,694
Assets and liabilities for placement of bonds	370,245	136,765	370,245	77,316
Leasing liabilities	383,508	-	430,476	-
Inventories	142,113	357,471	150,486	127,550
Distribution rights	-	77,667,486	-	76,559,423
Other	401,943	692,566	997,372	1,025,648
Subtotal	**16,623,355**	**129,852,210**	**16,223,052**	**127,637,678**
Net Liabilities	**-**	**113,228,855**	**-**	**111,414,626**

(1) Tax losses associated with our subsidiary in Chile Chile Andina SA, which is in the process of implementing its manufacturing and business operations, the amount amounts to M $ 4,048,984. The tax losses in Chile do not have expiration.

(2) Tax losses associated with the Ex - Coca Cola Polar Argentina SA, (now Embotelladora del Altántico S.A.) which are being exploited to the extent that Embotelladora del Altántico S.A. generate taxable profits. The amount in effect at March 31, 2013 amounted to M $ 4,971,605.

(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.

NOTE 9 – INCOME TAX AND DEFERRED TAXES (Continued)

9.5 Deferred tax liability movement

Movement in deferred accounts is detailed as follows:

Item	03.31.2013	12.31.2012
	ThCh$	ThCh$
Initial Balance	**111,414,626**	**35,245,490**
Increase due to merger	-	76,544,806
Increase in deferred tax liabilities	874,398	4,453,994
Decrease due to foreign currency translation	939,831	(4,829,664)
Movements	**1,814,229**	**76,169,136**
Ending balance	**113,228,855**	**111,414,626**

9.6 Distribution of domestic and foreign tax expenses

As of March 31, 2013 and 2012, domestic and foreign tax expenses are detailed as follows:

Income tax	03.31.2013	03.31.2012
	ThCh$	ThCh$
Current taxes		
Foreign	(7,936,245)	(7,440,621)
Domestic	(1,295,804)	(1,579,615)
Current tax expense	**(9,232,049)**	**(9,020,236)**
Deferred taxes		
Foreign	(708,531)	(2,209,773)
Domestic	(91,823)	(331,601)
Deferred tax expense	**(800,354)**	**(2,541,374)**
Income tax expense	**(10,032,403)**	**(11,561,610)**

NOTE 9 – INCOME TAX AND DEFERRED TAXES (Continued)

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	03.31.2013	03.31.2012
	ThCh$	ThCh$
Income before taxes	**36,867,718**	**36,270,811**
Tax expense at legal rate (18.5%)	**-**	**(6,710,100)**
Tax expense at legal rate (20%)	**(7,373,544)**	**-**
Effect of a different tax rate in other jurisdictions	**(4,122,671)**	**(4,233,151)**
Permanent differences:		
Non-taxable revenues	1,946,140	966,507
Non-deductible expenses	(764,423)	(1,190,499)
Other increases (decreases) in charge for legal taxes	282,095	(394,367)
Adjustments to tax expenses	**1,463,812**	**(618,359)**
Tax expense at the effective rate	**(10,032,403)**	**(11,561,610)**
Effective rate	**27.2%**	**31.9%**

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

	Rate	
País	**2013**	**2012**
Chile	20%	18.5%
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:

Item	Property, plant and equipment, gross 03.31.2013 ThCh$	Property, plant and equipment, gross 12.31.2012 ThCh$	Cumulative depreciation and impairment 03.31.2013 ThCh$	Cumulative depreciation and impairment 12.31.2012 ThCh$	Property, plant and equipment, net 03.31.2013 ThCh$	Property, plant and equipment, net 12.31.2012 ThCh$
Construction in progress	57,774,362	61,735,710	-	-	57,774,362	61,735,710
Land	56,864,666	57,134,715	-	-	56,864,666	57,134,715
Buildings	160,759,195	163,759,761	(31,006,222)	(31,980,362)	129,752,973	131,779,399
Plant and equipment	345,491,311	346,179,261	(165,151,637)	(169,999,912)	180,339,674	176,179,349
Information technology	12,338,109	12,429,618	(6,743,828)	(6,629,395)	5,594,281	5,800,223
Fixed facilities and accessories	41.609.910	40,282,483	(17,516,421)	(15,443,891)	20,093,489	24,838,592
Vehicles	12,818,657	11,134,161	(4,055,746)	(3,298,464)	8,762,911	7,835,697
Improvements to leased property	129,977	130,240	(123,300)	(120,818)	6,677	9,422
Other property, plant and equipment (1)	319.999.754	294,974,382	(203,641,285)	(183,736,764)	116,358,469	111,237,618
Item	**1,007,785,941**	**987,760,331**	**(428,238,439)**	**(411,209,606)**	**579,547,502**	**576,550,725**

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

(2) 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 March 31, 2013 and December 31, 2012 is detailed as follows:

Other property, plant and equipment	03.31.2013 ThCh$	12.31.2012 ThCh$
Bottles	61,135,046	59,983,147
Marketing and promotional assets	42,032,723	40,251,550
Other property, plant and equipment	13,190,700	11,002,921
Total	**116,358,469**	**111,237,618**

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.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT (Continued)

10.2 Movements

Movements in property, plant and equipment are detailed as follows between January 1 and March 31, 2013 and Januanry 1 at December 31, 2012

For the year ended 03.31.2013	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed facilities and accessories, net	Vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**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**
Additions	15,416,812	562,426	79,377	2,699,447	148,031	3,872	-	-	11,670,766	30,580,731
Disposals	-	-	-	(2,084,215)	(220)	-	-	-	(736,435)	(2,820,870)
Transfers between items of property, plant and equipment	(18,893,500)	-	859,893	11,857,225	35,489	6,267	1,313,929	-	4,820,697	-
Transfers to assets held for sale, current	-	-	-	(1,565,232)	-	-	-	-	-	(1,565,232)
Depreciation expense	-	-	(969,774)	(6,645,729)	(374,908)	(464,589)	(372,999)	(2,753)	(9,975,798)	(18,806,550)
Increase (decrease) in foreign currency translation	(484,660)	106,825	(839,259)	(51,805)	(12,993)	(142,381)	(13,716)	8	50,395	(1,387,586)
Other increases (decreases)	-	(939,300)	(1,156,663)	(49,366)	(1,341)	(148,272)	-	-	(708,774)	(3,003,716)
Total movements	**(3,961,348)**	**(270,049)**	**(2,026,426)**	**4,160,325**	**(205,942)**	**(745,103)**	**927,214**	**(2,745)**	**5,120,851**	**2,996,777**
Ending balance	**57,774,362**	**56,864,666**	**129,752,973**	**180,339,674**	**5,594,281**	**24,093,489**	**8,762,911**	**6,677**	**116,358,469**	**579,547,502**

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT (Continued)

For the year ended 12.31.2012	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed facilities and accessories, net	Vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**47,924,160**	**34,838,977**	**65,354,562**	**109,316,370**	**2,143,340**	**15,450,209**	**1,938,804**	**23,980**	**73,074,065**	**350,064,467**
Additions	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 consolidation of Embotellaoras Coca-Cola Polar S.A. and certain other companies explained in note 1 b).

NOTE 11 – RELATED PARTY DISCLOSURES

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

11.1 Accounts receivable:

11.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2012	12.31.2012
					ThCh$	ThCh$
96.891.720-K	Embonor S.A.	Related to shareholder	Chile	Chilean pesos	3,910,674	4,893,956
96.517.210-2	Embotelladora Iquique S.A.	Related to shareholder	Chile	Chilean pesos	291,758	358,859
Foreign	Montevideo Refrescos S.A.	Related to shareholder	Uruguay	Dollars	-	51,215
96.919.980-7	Cervecería Austral S.A.	Related to director	Chile	Dollars	21,485	20,058
77.755.610-k	Comercial Patagona Ltda.	Related to director	Chile	Chilean pesos	206	301
		Total			**4,224,123**	**5,324,389**

11.1.2 Non current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2012	12.31.2011
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	7,636	7,197
		Total			**7,636**	**7,197**

NOTE 11 – RELATED PARTY DISCLOSURES (Continued)

11.2 Accounts Payable:

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	03.31.2013	12.31.2012
					ThCh$	ThCh$
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	3,248,906	8,680,945
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Argentine peso	7,890,745	11,624,070
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Brazilian Reais	5,920,212	6,721,378
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean pesos	3,633,515	5,441,206
89.996.200-1	Envases del Pacifico S.A.	Related to director	Chile	Chilean pesos	247,527	259,613
		Total			**20,940,905**	**32,727,212**

NOTE 11 – RELATED PARTY DISCLOSURES (Continued)

11.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 03.31.2013
						ThCh$
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean pesos	26,955,333
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	2,540,081
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Lease of water fountain	Chilean pesos	866,516
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	12,537,228
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of packaging materials	Chilean pesos	810,445
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean pesos	514,587
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of services and others	Chilean pesos	149,430
96.891.720-K	Embonor S.A.	Related to shareholder	Chile	Sale of finished products	Chilean pesos	4,547,409
96.517.310-2	Embotelladora Iquique S.A.	Related to shareholder	Chile	Sale of finished products dos	Chilean pesos	301,996
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Concentrate purchase	Brazilian Reais	24,455,159
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Reimbursement and other purchases	Brazilian Reais	173,042
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brasil	Advertising participation payment	Brazilian Reais	4,378,561
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Concentrate purchase	Argentine pesos	23,358,869
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine pesos	150,395
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Collection of advertising participation	Argentine pesos	1,760,122
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean pesos	230,294
Foreingn	Coca Cola Perú	Related to shareholder	Chile	Purchase of finished products	Chilean pesos	551,228

NOTE 11 – RELATED PARTY DISCLOSURES (Continued)

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.	Related to shareholder	Argentina	Concentrate purchase	Argentine pesos	68,569,280
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine pesos	2,624,656
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to 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	Vendomatica 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)

NOTE 11 – RELATED PARTY DISCLOSURES (Continued)

11.4 Payroll and benefits of the Company's key employees

As of March 31, 2013 and 2012, Salary and benefits paid to the Company's key employees, corresponding to directors and managers, are detailed as follows:

Full description	03.31.2013	03.31.2012
	ThCh$	ThCh$
Executive wages, salaries and benefits	1,251,777	1,928,313
Director allowances	378,000	276,000
Total	**1,629,777**	**2,204,313**

NOTE 12 – EMPLOYEE BENEFITS

As of March 31, 2013 and December 31 , 2012, the Company had recorded reserves for profit sharing and for bonuses totaling ThCh 3,445,106 and ThCh$8,240,460, 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

As of March 31, 2013 and 2012, Personnel expenses included in the statement of consolidated income statement were:

Description	03.31.2013	03.31.2012
	ThCh$	ThCh$
Wages and salaries	38,019,643	25,049,252
Employee benefits	9,902,282	6,506,252
Severance and post-employment benefits	1,171,379	615,221
Other personnel expenses	2,334,409	1,554,348
Total	**51,427,713**	**33,725,073**

NOTE 12 – EMPLOYEE BENEFITS (Continued)

12.2 Post-employment benefits

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

Post-employment benefits	03.31.2013	12.31.2012
	ThCh$	ThCh$
Non-current provision	6,842,821	7,037,122
Total	**6,842,821**	**7,037,122**

12.3 Post-employment benefit movement

The movements of post-employment benefits for the period January 1 to March 31, 2013 and the year ended December 31, 2012 are detailed as follows:

Movements	03.31.2013	12.31.2012
	ThCh$	ThCh$
Initial balance	**7,037,122**	**5,130,015**
Increase due to merger	-	189,921
Service costs	193,443	1,500,412
Interest costs	32,487	158,235
Net actuarial losses	299,219	1,010,136
Benefits paid	(719,450)	(951,597)
Total	**6,842,821**	**7,037,122**

12.4 Assumptions

The actuarial assumptions used at March 31, 2013 and December 31, 2012 were

Assumption	2012	2012
Discount rate (1)	4.2%	5.1%
Expected salary increase rate (1)	3.5%	4.4%
Turnover rate	5.4%	5.4%
Mortality rate (2)	RV-2009	RV-2009
Retirement age of women	60 años	60 years
Retirement age of men	65 años	65 years

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

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

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

13.1 Balances

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

Taxpayer ID	Name	Country of Incorporation	Functional Currency	Carrying Value 03.31.2013	Carrying Value 12.31.2012	Percentage interest 03.31.2013	Percentage interest 12.31.2012
				ThCh$	ThCh$	%	%
86.881.400-4	Envases CMF S.A. (1)	Chile	Pesos	18,094,238	17,848,010	50.00%	50.00%
Foreing	LEAO Alimentos e Bebidas Ltda. (4)	Brasil	Brazilian Real	20,928,102	-	9.57%	-
Foreign	Kaik Participacoes Ltda. (2)	Brasil	Brazilian Real	1,182,954	1,172,641	11.31%	11.31%
Extranjera	SRSA Participacoes Ltda. (4)	Brasil	Brazilian Real	67,735	-	40,00%	-
Foreign	Sistema de Alimentos de Bebidas Do Brasil Ltda. (2) and (4)	Brasil	Brazilian Real	-	9,587,589	-	5.74%
Foreign	Sorocaba Refrescos S.A.(3)	Brasil	Brazilian Real	34,735,044	34,709,914	40.00%	40.00%
Foreign	Holdfab2 Participacoes Societarias Ltda. (4)	Brasil	Brazilian Real	-	9,761,907	-	36.40%
	Total			75,008,073	73,080,061		

(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) In these companies, regardless of the percentage of ownership interest held,it has been 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.

(3) 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.

(4) During the year 2013 through corporate restructuring occurred in Brazil, which had in Sistema de Alimentos y Bbeidas Do Brasil Ltda and Holdfab 2 Participacoes Societarias Ltda. were merged into a new company called LEAO Alimentos e Bebidas Ltda. .Teh amounts investment by merging with respect to the shares received from the new Company were valued at book value, giving a negative goodwill of M$6,288,892, which is reflected in other reserves in shareholders' waiting to be valuations made according to fair value that are required by the international financial reporting standards

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

13.2 Movement

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

Details	03.31.2013	12.31.2012
	ThCh$	ThCh$
Initial Balance	**73,080,061**	**60,290,966**
Capital increases in equity investees	-	2,380,320
Acquisition of Sorocaba Refrescos S.A. (40%)	-	34,513,444
Low investment in Holdfab 2 Participacoes Soc. Ltda.and SABB exchanged for a new participation in Leao Alimentos e Bebidas Ltda.	(20,161,893)	-
Increase by 9.57% percentaje in new company Leao Alimentos e Bebidas Ltda	24,889,394	-
Dividends received	-	(402,148)
Share in operating income (a)	675,105	2,409,110
Goodwill in sale of property plant and equipment to Envases CMF	21,317	85,266
Amortization Fair Value Vital Jugos S. A. (a)	-	(77,475)
Decrease in foreign currency translation	(3,495,911)	(3,652,740)
Deconsolidation of certain equity method investments due to Polar merger	-	(22,466,682)
Ending balance	**75,008,073**	**73,080,061**

(a) Refer to table below for a reconciliation of these amounts to those recorded in the accompanying consolidated income statement.

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

The main movements for the periods ended 2013 and 2012 are detailed as follows:

- During 2012 Envases CMF S.A. has not paid dividends, notwithstanding the above, it is recognized the minimum dividend established by IFRS amounting to M $ 402,148

- 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. The 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 as of October 1, 2012, since it now holds an ownership interest of 72.0%, 73.6% and 59.27% respectively, and the substantive participating rights of other shareholders that previously existed are no longer in effect.

- 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 of October with a payment of 146.9 million reais.

- During the first quarter of 2013, there is a rearrangement in the Companies processors of juice products and mate in Brazil, merging companies Holdfab 2 Participacoes Ltda. and Sistema e Alimentos y Bebidas do Brasil Ltda in one company that is the legal successor called LEAO Alimentos y Bebidas Ltda..

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

- 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.

- 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 as of October 1, 2012, since it now holds an ownership interest of 72.0%, 73.6% and 59.27% respectively, and the substantive participating rights of other shareholders that previously existed are no longer in effect.

- 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 of October with a payment of 146.9 million reais. The Company is still in the process of completing its equity method purchase price allocation for this transaction. Specifically, it is in the process of finalizing amounts to be assigned to non-monetary assets at the investee level.

13.3 Reconciliation of Income by Investment in Associates:

Details	03.31.2013	03.31.2012
	ThCh$	ThCh$
Equity in income of associates	675,105	1,570,709
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)	(168,889)	(257,262)
Amortization of gain sale of property plant and equipment Envases CMF	21,317	21,317
Amortization of fair value adjustments related to Vital acquisition	-	-
Income Statement Balance	**527,533**	**1,334,764**

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

13.4 Summary financial information of associates:

The attached table presents summarized information regarding the Company´s equity investees as of March 31, 2013:

	Envases CMF S.A.	Sorocaba Refrescos S.A.	Kaik Participacoes Ltda.	SRSA Participacoes Ltda.	Leao Alimentos e Bebidas Ltda.
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Total assets	54,598,170	42,554,727	10,450,445	4,730,621	333,476,227
Total liabilities	16,990,208	21,929,444	44	4,561,284	171,410,427
Total revenue	10,953,927	-	-	-	12,800,688
Net income (loss) of associate	462,413	155,844	76,577	34,531	4,567,370
Reporting date	03/31/2013	03/28/2013	02/28/2013	02/28/2013	02/28/2013

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:

	March 31, 2013			December 31, 2012		
Description	Gross Amount	Cumulative Amortization	Net Amount	Gross Amount	Cumulative Amortization	Net Amount
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Water rights	491,318	(86,448)	404,870	497,998	(90,041)	407,957
Distribution rights	470,750,414	-	470,750,414	459,320,270	-	459,320,270
Software	14,041,306	(8,725,233)	5,316,073	13,597,796	(8,743,750)	4,854,046
Total	**485,283,038**	**(8,811,681)**	**476,471,357**	**473,416,064**	**(8,833,791)**	**464,582,273**

The movement and balances of identifiable intangible assets are detailed as follows for the period January 1 to March 31, 2013 and January 1 to December 31, 2012:

NOTE 14 – INTANGIBLE ASSETS AND GOODWILL (Continued)

The movement and balances of identifiable intangible assets are detailed as follows for the period January 1 to March 31, 2013 and January 1 to December 31, 2012:

	March 31, 2013				December 31, 2012			
Description	Distribution Rights	Water rights	Software	Total	Distribution Rights	Water rights	Software	Total
	ThCh$	ThCh$	ThCh$	ThCh$	M$	M$	M$	M$
Initial balance	459.320.270	407.957	4.854.046	464.582.273	-	422.463	716.394	1.138.857
Additions	-	-	849.865	849.865	-	-	3.506.266	3.506.266
Increase due to merger (1)	-	-	-	-	459.393.920	-	1.083.184	460.477.104
Amortization	-	(1.448)	(382.922)	(384.370)	-	(6.585)	(547.481)	(554.066)
Other increases (decreases)	11.430.144	(1.639)	(4.916)	11.423.589	(73.650)	(7.921)	95.683	14.112
Final balance	**470.750.414**	**404.870**	**5.316.073**	**476.471.357**	**459.320.270**	**407.957**	**4.854.046**	**464.582.273**

(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:

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

NOTE 14 – INTANGIBLE ASSETS AND GOODWILL (Continued)

14.2 Goodwill

Movement in goodwill is detailed as follows:

Period ended March 31, 2013

Cash generating unit	01.01.2013 ThCh$	Additions (1) ThCh$	Disposals or impairments ThCh$	Foreign currency translation difference – functional currency different from currency of presentation ThCh$	03.31.2013 ThCh$
Chile operation	8,503,023	-	-	-	8,503,023
Brazilian operation	35,536,967	-	-	(69,642)	35,467,325
Argentine operation	13,837,339	-	-	(772,874)	13,064,465
Paraguayan operation	6,915,412	-	-	510,836	7,426,248
Total	**64,792,741**	**-**	**-**	**(331,680)**	**64,461,061**

(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, 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**

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

Current	12.31.2012 ThCh$	12.31.2012 ThCh$
Bank loans	91,098,195	87,278,613
Bonds payable	5,140,319	4,376,648
Deposits in guarantee	14,011,033	13,851,410
Forward contract obligations (see note 20)	1,280,623	394,652
Leasing agreements	339,900	346,696
Total	**111,870,070**	**106,248,019**

Non-current	12.31.2012 ThCh$	12.31.2012 ThCh$
Bank loans	49,031,685	46,353,758
Bonds payable	126,470,748	126,356,040
Leasing agreements	1,146,997	1,170,397
Total	**176,649,430**	**173,880,195**

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

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 03.31.2013 ThCh$	At 12.31.2012 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario	Argentina	Argentine Peso	Monthly	14.80%	9.90%	301,130	869,886	1,171,016	949,545
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santa Fe	Argentina	Argentine Peso	Trimestral	15.00%	15.00%	-	182,016	182,016	96,370
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine Peso	Trimestral	15.00%	15.00%	-	51,840	51,840	27,447
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Bicentenario	Argentina	Argentine Peso	Monthly	15.25%	15.25%	-	180,976	180,976	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santa Fe	Argentina	Argentine Peso	At maturity	12.85%	12.85%	6,840,602	-	6,840,602	6,500,755
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine Peso	At maturity	16.00%	16.00%	432,898	-	432,898	645,870
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Patagonia	Argentina	Argentine Peso	At maturity	13.75%	13.75%	3,692,762	-	3,692,762	3,896,499
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Standard Bank	Argentina	Argentine Peso	At maturity	15.50%	15.50%	-	-	-	913
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación	Argentina	Argentine Peso	At maturity	14.75%	14.75%	1,843,200	-	1,843,200	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine Peso	At maturity	12.20%	12.20%	2,425,953	-	2,425,953	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Brazilian Real	Monthly	9.40%	9.40%	33,757	101,012	134,769	134,864
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	6.63%	6.63%	274,170	771,112	1,045,282	941,997
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian Real	Monthly	7.15%	7.15%	81,739	233,659	315,398	328,872
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian Real	Monthly	2.99%	3.52%	-	-	-	525,091
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	9.52%	9.52%	-	1,240,722	1,240,722	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco Chile	Chile	Chilean pesos	At maturity	6.84%	6.84%	2,876,921	-	2,876,921	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%	360,835	330,000	690,835	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%	9,321,377	-	9,321,377	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%	62,707	2,300,000	2,362,707	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%	2,741,113	-	2,741,113	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%	-	1,350	1,350	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%	23,527	1,416,690	1,440,217	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%	-	4,782,468	4,782,468	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%	138,320	7,000,000	7,138,320	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%	403,100	-	403,100	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%	5,045,000	-	5,045,000	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%	260,530	10,250,000	10,510,530	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%	189,833	7,500,000	7,689,833	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%	-	10,870,174	10,870,174	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%	-	5,091,959	5,091,959	5,031,567
93.899.000-K	Vital Jugos S.A.	Chile	97.036.000-k	Banco Santander	Chile	Chilean pesos	At maturity	9.50%	9.50%	133,223	-	133,223	-
96.705.990-0	Envases Central S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean pesos	At maturity	4.680%	4.68%	-	441,634	441,634	674,516
											Total	91,098,195	87,278,613

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

15.1.2 Bank loans, non current

Indebted Entity			Creditor Entity							Maturity			Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	1 year up to 3 years	3 years up to 5 years	More than 5 years	at 03.31.2013	at 12.31.2012
										ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario(1)	Argentina	Argentine Peso	At maturity	14.80%	14.80%	1,950,579	556,741	-	2,507,320	2,895,961
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	BancoNación Bicentenario	Argentina	Argentine Peso	At maturity	9.90%	9.90%	521,011	151,962	-	672,973	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Nuevo Banco Santa Fe	Argentina	Argentine Peso	At maturity	15.00%	15.00%	546,048	-	-	546,048	674,591
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Nuevo Banco Santa Fe	Argentina	Argentine Peso	At maturity	15.25%	15.25%	944,640	-	-	944,640	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine Peso	At maturity	15.00%	15.00%	155,520	-	-	155,520	192,130
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia	Argentina	Argentine Peso	At maturity	15.25%	15.25%	239,616	-	-	239,616	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	BBVA Banco Francés	Argentina	Argentine Peso	At maturity	15.25%	15.25%	740,624	-	-	740,624	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Votorantim	Brasil	Brazilian Real	Monthly	9.40%	9.40%	168,749	-	-	168,749	202,358
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	6.63%	6.63%	3,860,306	600,507	-	4,460,813	4,069,577
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian Real	Monthly	7.15%	7.15%	881,559	181,751	-	1,063,310	1,134,032
Foreign	Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	2.99%	3.52%	21,501,640	12,900,984	-	34,402,624	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	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	1,900,000
96.705.999-0	Envases Central S.A.	Chile	97.080.000-K	Banco BICE	Chile	Chilean pesos	At maturity	4.29%	4.29%	569,448	-	-	569,448	568,735
												Total	**49,031,685**	**46,353,758**

(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.

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

15.2.1 Bonds payable

Composition of bonds payable	Current 03.31.2013	Current 12.31.2012	Non-Current 03.31.2013	Non-Current 12.31.2012	Total 03.31.2013	Total 12.31.2012
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Bonds (face rate interest)	5,396,827	4,728,582	127,329,379	127,169,976	132,726,206	131,898,558
Expenses of bond issuance and discounts on placement	(256,508)	(351,934)	(858,631)	(813,936)	(1,115,139)	(1,165,870)
Net balance presented in statement of financial position	**5,140,319**	**4,376,648**	**126,470,748**	**126,356,040**	**131,611,067**	**130,732,688**

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 / Bond registration or	Series	Face amount	Unit of adjustment	Interest rate	Final maturity	Interest payment	Next amortization of capital	Par value 03.31.2013 ThCh$	Par value 12.31.2012 ThCh$
Bonds, current portion									
SVS Registration No, 640, 8/23/2010	A	1,000,000	UF	3.0%	08.15.2017	Semi- annually	02/15/2014	82,774	255,057
SVS Registration No, 254, 6/13/2001	B	3,298,646	UF	6.5%	06.01.2026	Semi- annually	06/01/2013	5,148,905	3,964,645
SVS Registration No, 641, 8/23/2010	C	1,500,000	UF	4.0%	08.15.2031	Semi- annually	02/15/2021	165,148	508,880
Total current portion								**5,396,827**	**4,728,582**
Bonds non-current portion									
SVS Registration No, 640, 8/23/2010	A	1,000,000	UF	3.0%	08.15.2017	Semi- annually	02/15/2014	22,869,380	22,840,750
SVS Registration No, 254, 6/13/2001	B	3,298,646	UF	6.5%	06.01.2026	Semi- annually	06/01/2013	70,155,929	70,068,101
SVS Registration No, 641, 8/23/2010	C	1,500,000	UF	4.0%	08.15.2031	Semi- annually	02/15/2021	34,304,070	34,261,125
Total non-current portion								**127,329,379**	**127,169,976**

Accrued interest included in the current portion of bonds totaled ThCh$ 1,820,310 and ThCh$1,156,542 at March 31, 2013 and December 31, 2012, respectively

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

15.2.3 Non-current maturities

	Series	Year of maturity 2014	2015	2016	2017	After	Total non-current 03.31.2013
		ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
SVS Registration 640, 8/23/2010	A	5,717,345	5,717,345	5,717,345	5,717,345	-	22,869,380
SVS Registration 254, 6/13/2001	B	3,808,991	4,056,579	4,320,255	4,601,070	53,369,034	70,155,929
SVS Registration 641,08/23/2010	C	-	-	-	-	34,304,070	34,304,070
Total		**9,526,336**	**9,773,927**	**10,037,600**	**10,318,415**	**87,673,104**	**127,329,379**

15.2.4 Restrictions

The bonds issued on the Chilean market had the following rating at March 31, 2013

AA + : Clasificación correspondiente a Fitch Chile
AA + : Clasificación correspondiente a 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 in 2010, 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.

As of March 31, 2013 the amounts included in this indicadion are the following:

	ThCh$
Other financial liabilities	111,870,070
Other non-current financial liabilities	176,649,430
Total Equity Consolidated	937,876,123

Based on these figures, the level of indebtedness amounts to 0.31 times the 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.

As of March 31, 2013 the amounts included in this indicadion are the following:

	ThCh$
Cash and cash equivalents	46,197,144
Other financial liabilities	111,870,070
Other non-current financial liabilities	176,649,430
Total Equity Consolidated	937,876,123

Based on these figures, the level of indebtedness amounts to 0.26 times shareholders' equity ..

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

As of March 31, 2013 the amounts included in this restriction are the following:

	ThCh$
Consolidated Assets free from pledges, mortgages and other taxes:	1,523,689,912
Non-guaranteed outstanding liabilities	288,519,500

Based on these figures Consolidated Assets free from pledges, mortgages and other taxes are equal to 5.28 times of non consolidated no garantizado.

- 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.

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

- 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.

At March 31, 2013 the values of the items included in this indicator are:

	ThCh$
(+) Consolidated Ebitda between January 1 and March 31, 2013	64,806,676
(+) Consolidated Ebitda between January 1 and December 31, 2012	207,987,799
(-) Consolidated Ebitda between January 1 and March 31, 2012	53,483,207
Consolidated EBITDA 12 months (between April 1 2012 and March 31, 2013)	**219,311,268**
(+) Consolidated financial income between January 1 and March 31, 2013	629,200
(+) Consolidated financial income between January 1 and December 31, 2012	2,728,059
(-) Consolidated financial income between January 1 and March 31, 2012	720,851
Consolidated financial income 12 months (between April 1 2012 and March 31, 2013)	**2,636,408**
(+)Consolidated financial expenses between January 1 and March 31, 2013	5,571,611
(+)Consolidated financialexpenses between January 1 and December 31, 2012	11,172,753
(-)Consolidated financial expenses between January 1 and March 31, 2012	1,830,488
Consolidated financial expenses 12 months (between April 1 2012 and March 31, 2013)	**14,913,876**

Based on these figures, the level of net financial coverage (EBITDA / (Finance costs - Interest income)) totals 17.9 times.

The Company was in compliance with all financial covenants at March 31, 2013 and December 31, 2012

15.2.6 Fair value of financial liabilities

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 March 31, 2013 and December 31, 2012, 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.

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Continued)

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	90 days 1 year	at 03.31.2013	at 12.31.2012
									ThCh$	ThCh$	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	10.21%	10.22%	66,349	199,045	265,394	255,122
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Alfa	Brasil	Brazilian Real	Monthly	9.65%	9.47%	6,988	20,965	27,953	45,493
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	11,122	35,431	46,553	46,081
										Total	339,900	346,696

15.4.2 Noncurrent liabilities for leasing agreements

Indebted Entity		Creditor Entity							Maturity			Total	
Name	Country	Tax ID,	Year	Year	Currency	Amortization Year	Effective Rate	Nominal Rate	1 years to up 3 years	3 years to up 5 years	More than de 5 years	at 03.31.2013	at 12.31.2012
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Itaú	Brasil	Brazilian Real	Monthly	10.21%	10.22%	607,998	-	-	607,998	599,593
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Banco Santander	Brasil	Brazilian Real	Monthly	9.65%	9.47%	53,818	-	-	53,818	63,561
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	163,251	321,930	-	485,181	507,243
											Total	1,146,997	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**	**12.31.2012**
	ThCh$	**ThCh$**
Trade accounts payable	132,791,597	159,211,448
Withholdings	11,461,492	23,529,819
Others	4,540,028	1,576,506
Total	**148,793,117**	**184,317,773**

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:

	03.31.2013
	ThCh$
Maturity within one year term	3,386,068
Maturity after a term of one year to less than five years	2,157,798
Total	**5,543,866**

Total expenses related to operating leases maintained by the Company as of March 31, 2013 and 2012amounted to ThCh$1,763,758 and ThCh$1,795,055, respectively.

NOTE 17 – CURRENT AND NON-CURRENT PROVISIONS

17.1 Balances

The balances of provisions recorded by the Company at March 31, 2013 and December 31, 2012 are detailed as follows:

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Litigation (1)	6,953,386	6,821,165
Others	958,369	195,103
Total	**7,911,755**	**7,016,268**
Current	1,366,814	593,457
Non-current	6,544,941	6,422,811
Total	**7,911,755**	**7,016,268**

(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:

	03.31.2013			12.31.2012		
Description	Litigation	Others	Total	Litigation	Others	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial Balance at January 1	**6,821,165**	**195,103**	**7,016,268**	**7,970,835**	**-**	**7,970,835**
Increase due to mergen				325,174	136,826	462,000
Additional provisions	-	-	-	65,745	62,372	128,117
Increase (decrease) in existing provisions	58,245	-	58,245	851,150	-	851,150
Payments	183,387	774,692	958,079	(1,168,725)	-	(1,168,725)
	(187,627)	-	(187,627)			
Increase (decrease) foreign exchange rate difference	78,216	(11,426)	66,790	(1,223,014)	(4,095)	(1,227,109)
Ending Balance	**6,953,386**	**958,369**	**7,911,755**	**6,821,165**	**195,103**	**7,016,268**

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	03.31.2012	12.31.2012
	ThCh$	ThCh$
Dividend payable	369,402	99,427
Employee remuneration payable	3,445,106	8,240,460
Accrued vacations	9,722,143	11,392,231
Other	698,321	813,034
Total	**14,234,972**	**20,545,152**
Current	13,988,760	20,369,549
Non-current	246,212	175,603
Total	**14,234,972**	**20,545,152**

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 March 31, 2013, 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	Paid-in Capital
	ThCh$	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:

- Series A: Elect 12 of the 14 directors
- Series B: Receives an additional 10% of dividends distributed to Series A and elects 2 of the 14 directors .

NOTE 19 – EQUITY (Continued)

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$4,839,831 have been realized at March 31, 2013 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 03.31.2013 ThCh$	Amount of accumulated earnings at 03.31.2013 ThCh$
Revaluation of assets	Sale or impairment	12,538,123	(2,899,090)	9,639,033
Foreign currency translation differences of investments in related companies	Sale or impairment	6,393,518	(1,481,482)	4,912,036
Full absorption cost accounting	Sale of products	813,885	(813,885)	-
Post-employment benefits actuarial calculation	Termination of employees	929,560	(478,487)	451,073
Deferred taxes complementary accounts	Amortization	(1,414,383)	833,113	(581,270)
Total		**19,260,703**	**(4,839,831)**	**14,420,872**

NOTE 19 – EQUITY (Continued)

The dividends declared and paid during 2013 and 2012 are presented below:

Dividend payment date		Dividend type	Profits imputable to dividends	Ch$ per Series A Share	Ch$ per Series B Share
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	2013 ThCh$	2012 ThCh$
Polar acquisition	421,701,520	421,701,520
Foreign currency translation reserves	(52,758,387)	(63,555,545)
Otras reservas varias	6,288,892	-
Legal and statutory reserves	5,435,538	5,435,538
Total	**380,667,563**	**363,581,513)**

19.3.1 Polar acquisition

This amount corresponds to the the fair value of the issuance of shares of Embotelladora Andina S.A. used to acquire Embotelladoras Coca-Cola Polar S.A.,.

19.3.2 Other reserves

Represents the excess of the value of the percentage shares in the new company received LEAO Alimentos e Bebidas Ltda., above the book values of the companies in which Rio de Janeiro Refrescos Ltda. had interests; "Sistema de Alimentos y Bebidas do Brasil Ltda. y Holdfab 2 Participacoes Societarias Ltda. "which were merged into the new company. The securities investment by merging with respect to the shares received from the new Company were valued at book values

19.3.3 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.

19.3.4 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:

NOTE 19 – EQUITY (Continued)

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	(27,402,495)	(26,905,052)
Embotelladora del Atlántico S.A	(34,234,689)	(29,448,998)
Paraguay Refrescos S.A.	15,896,238	24,248
Exchange rate differences in related companies	(7,017,441)	(7,225,743)
Total	**(52,758,387)**	**(63,555,545)**

The movement of this reserve for the fiscal periods ended March 31, 2013 and December 31, 2012 respectively is detailed as follows:

Description	03.31.2013	12.31.2012
	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	(497,443)	(25,630,195)
Embotelladora del Atlántico S.A	(4,785,691)	(10,376,803)
Paraguay Refrescos S.A.	15,871,990	24,248
Exchange rate differences in related companies	208,302	(5,112,916)
Total	**10,797,158**	**(41,095,666)**

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 March 31, 2013 is as follows:

	Non-controlling Interests		
Description	**Percentage %**	**Shareholders Equity y**	**Income**
		ThCh$	**ThCh$**
Embotelladora del Atlántico S.A.	0.0171	9,520	818
Andina Empaques Argentina S.A.	0.0209	1,712	113
Paraguay Refrescos S.A.	2.1697	5,152,824	103,139
Inversiones Los Andes Ltda.	0.0001	53	1
Transportes Polar S.A.	0.0001	1	-
Vital S.A.	35.0000	8,978,544	166,780
Vital Aguas S.A.	33.5000	1,882,826	74,913
Envases Central S.A.	40.7300	4,300,489	189,230
Andina Inversiones Societarias S.A.	0.0001	35	1
Total		**20,326,004**	**534,995**

NOTE 19 – EQUITY (Continued)

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 is detailed as follows:

Earnings per share	**03.31.2013**		
	SERIES A	**SERIES B**	**TOTAL**
Earnings attributable to shareholders (ThCh$)	12,523,962	13,776,358	26,300,320
Average weighted number of shares	473,289,368	473,289,368	946,578,736
Earnings per basic and diluted share (in pesos)	**26.46**	**29.11**	**27.78**

Earnings per share	**03.31.2012**		
	SERIES A	**SERIES B**	**TOTAL**
Earnings attributable to shareholders (ThCh$)	11,765,868	12,942,454	24,708,322
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**30.95**	**34.05**	**32.50**

NOTE 20 – DERIVATIVE ASSETS AND LIABILITIES

The company held the following derivative liabilities at March 31, 2013 and December 31, 2012:

20.1 Currency forwards of items recognized for accounting purposes:

As of Marchr 31, 2013, 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$1,126,060. The effect of these agreements have been recognized as current financial liabilities and financial costs within the statement of income as of March 31, 2012.

20.2 Currency forwards for highly probable expected transactions:

During 2011, 2012 and 2013 the Company made agreements to hedge the exchange rate in the purchases of raw materials and future flows in 2012 and 2013. At March 31, 2013 The outstanding agreements totaled ThUS$88,405

at March 31, 2013 ThUS$ 88,405 (ThUS$140,000 at December 31, 2012). Those agreements were recorded at fair value, resulting in a net loss of ThCh$1,424,444 for the year ended at March 31, 2013 (net loss of ThCh$256,584 at March 31, 2012), and liabilities for derivative contracts of ThCh$1,280,623 were recognized at March 31, 2013 (ThCh$394,652 at March 31, 2012). Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

Fair value hierarchy

The Company had total assets related to its foreign exchange forward contracts of ThCh$1,280,623 and liabilities to ThCh$394,652 at March 31, 2013 and 2012, 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.

NOTE 20 – DERIVATIVE ASSETS AND LIABILITIES (Continued)

During the year ended March 31, 2013 and 2012, there were no transfers of items between fair value measurements categories all of which were valued during the period using level 2

	Fair Value Measurements at Marchr 31, 2013			
	Quoted prices in actives markets for Identical Asset ThCh$	Significant other observable Inputs ThCh$	Significant unobservable Inputs ThCh$	Total ThCh$
Liabilities:				
Current liabilities				
Current financial liabilities	-	1,280,623	-	1,280,623
Total liabilities	**-**	**1,280,623**	**-**	**1,280,623**

	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$
Liabilities:				
Current liabilities				
Current financial liabilities	-	394,652	-	394,652
Total liabilities	**-**	**394,652**	**-**	**394,652**

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$1,230,185. 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$5,314,755. 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$18,306,450 at March 31, 2013 and ThCh$18,002,490 at March 31, 2012.

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$175,984. Management considers it unlikely that non-provisioned contingencies will affect income and equity of the company, in the opinion of its legal advisors.

NOTE 21 – CONTINGENCIES AND COMMITMENTS

21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets as of March 31, 2013 and December 31, 2012 are detailed as follows:

Guarantee in favor of	Provided by: Name	Provided by: Relationship	Committed assets: Guarantee	Committed assets: Type	Carrying amount at 03.31.2013	Balance pending payment on the closing date of the financial statements: 2013	Balance pending payment on the closing date of the financial statements: 2012	Date of guarantee release: 2013	Date of guarantee release: 2014
					ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
a) Guarantees that compromise assets included in the Financial Statements									
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidia	Cash	Other non-financial assets	196,755	196,755	-	196,755	-
Municipalidad Gral. Alvear	Embotelladora del Atlántico S.A.	Subsidia	Cash	Other non-financial assets	11,910	11,910	19,993	-	-
Municipalidad San Martín	Embotelladora del Atlántico S.A.	Subsidia	Cash	Other non-financial assets	33,178	33,178	35,132	-	-
Poder Judiciario	Rio de Janeiro Refrescos Ltda.	Subsidia	Guarantee receipt	Other non-financial assets	18,459,944	18,459,944	18,002,490	-	-
Varios Acreedores	Rio de Janeiro Refrescos Ltda.	Subsidia	Property, plant and equipment	Property, plant and equipment	1,471,860	1,471,860	1,679,818	-	-
				Total	**20,173,647**				
b) Guarantees provided without compromisto asset included in the Financial Statements									
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidia	Guarantee insurance	Import	-	33,177	35,132	-	33,177
Estado rio de Janeiro	Rio de Janeiro Refrescos Ltda.	Subsidia	Guarantee receipt	Guarantee receipt	-	12,099,474	11,240,243	-	-
Central de Restaurantes Aramark Ltda.	Embotelladora Andina S.A.	Matriz	Guarantee receipt	Guarantee receipt	-	243,515	-	-	-
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Matriz	Guarantee receipt	Guarantee receipt	-	141,609	143,988	-	-
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Matriz	Guarantee receipt	Guarantee receipt	-	287,976	287,976	-	-
Echeverría Izquierdo Ingeniería y Construcción Ltda.	Embotelladora Andina S.A.	Matriz	Guarantee receipt	Guarantee receipt	-	452,442	-	-	-

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 March 31, 2013, 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 1% (instead of 0.12%) for the period January 01 to March 31, 2013, the Company's results would have decreased by ThCh$1,159,455

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
32%	32%	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 at of raw material purchases that are indexed to the US dollar, if the currencies were to devalue by 5% in the four countries where the Company operates and remaining everything constant, it would generate a cumulative decrease in income March 31, 2013 of ThCh$1,963,300. Currently, the Company holds derivative contracts to cover this effect in Chile and Argentina, which do not qualify for hedge accounting according to IAS 39

NOTE 22 – <u>FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)</u>

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.

In the period January to March 2013, the Brazilian real and the Argentine peso devaluations have presented average of 14.4% and 16.4% respectively with respect to the presentation currency for the same period of 2012. In the same period of 2013 Paraguayan Guarani presented with respect to appreciation to the presentation currency of 5.8% over the same period of 2012.

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$1,353,601. 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$23,792,014.

If the Brazilian real devalued at least 2.4% 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$285,405. 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$6,527,385

If the Paraguayan Guarani appreciated 3.0% 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$125,156. 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$8,668,411.

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 March 31, 2013 of approximately ThCh$2,369,684. 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.

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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 March 31, 2013

	Year of maturity				
Item	**2013**	**2014**	**2015**	**2016**	**2017 and more**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
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 INCOME

Other operating income is detailed as follows

Description	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	ThCh$
Gain on disposal of property, plant and equipment	215,065	55,158
Adjustment judicial deposit (Brazil)	161,091	265,019
Other	49,873	68,538
Total	**426,029**	**388,715**

NOTE 24 – OTHER EXPENSES

Other expenses are detailed as follows:

Item	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	ThCh$
Tax on bank debits	1,532,224	1,118,659
Loss on sale participation Leao Jr. (Brasil)	1,176,284	-
Write-off of property, plant and equipment	-	264,609
Contingencies	493,204	469,710
Professional service fees	50,716	162,127
Loss on the sale of property, plant and equipment	63,049	115,518
Merger Andina-Polar (see note 13.2)	80,194	1,394,793
Other	393,627	300,795
Total	**3,789,298**	**3,826,211**

NOTE 25 – FINANCIAL INCOME AND COSTS

Financial income and costs break down as follows:

a) Finance income

Description	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	**ThCh$**
Interest income	539,240	586,330
Other interest income	89,960	134,521
Total	**629,200**	**720,851**

a) Finance costs

Description	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	**ThCh$**
Bond interest	1,732,124	1,273,789
Bank loan interest	3,646,281	372,688
Other interest costs	193,206	184,011
Total	**5,571,611**	**1,830,488**

NOTE 26 – OTHER INCOME AND EXPENSES

Other gains and losses are detailed as follows:

Description	01.01.2013 03.31.2013	01.01.2012 03.31.2012
	ThCh$	ThCh$
Restructuring of operations (new Renca plant)	(104,743)	(57,088)
Gain (loss) derivatives transactions	(1,424,444)	(256,584)
Other income and outlays	(153,665)	(2,599)
Total	**(1,682,852)**	**(316,271)**

NOTE 27 – ENVIRONMENT (UNAUDITED)

The Company has made disbursements totaling ThCh$1,506,020 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 March 31, 2013		Future commitments	
Country	**Recorded as expenses**	**Capitalized to property, plant and equipment**	**Recorded as expenses**	**Capitalized to property, plant and equipment**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Chile	674,893	124,388	-	-
Argentina	-	193,041	717,156	1,941,479
Brazil	232,411	257,068	286,725	268,623
Paraguay	21,346	2,873	-	3,983
Total	**928,650**	**577,370**	**1,003,881**	**2,214,085**

NOTE 28 – SUBSEQUENT EVENTS

On April 25, 2013, final additional dividend number N° 184 was agreed to pay from retained earnings as follows:

a) Ch$12.3 for each series A share; and
b) Ch$13.53 for each series B share.

On April 25, 2013, final additional dividend number 185 was agreed to pay from retained earnings as follows:

a) Ch$47.0 for each series A share; and
b) Ch$51.7 for each series B share.

Except as stated above between March 31, 2013 and the date of issue of this report there are no subsequent events that could significantly affect the presentation of the statements of financial position.