<u>4Q16 Conference Call Guidelines</u>

[I-advize people begin talking]

***Miguel Angel Peirano**: Good morning and welcome to Coca-Cola Andina's fourth quarter 2016 results conference call.*

The results obtained by the Company in consolidated terms reflect the focus we have placed on growth through profitable volumes. Our active market segmentation strategy along with the pricing and packaging optimization policy for each of our defined segments, allowed us to maximize revenues within a complex macroeconomic environment we faced in the territories where we operate, thus achieving the increase in average income per unit case regarding the previous year, and in most cases, above local inflation.

The foregoing, along with a continuous program focused on the containment of costs and expenses implemented by all of our operations, enabled us to grow consolidated EBITDA and expand EBITDA margins despite of the weak macroeconomic environment that we continue facing in the countries of our franchise territories. This is how we have turned these challenges into drivers of efficiencies and operating and execution optimizations, allowing us to improve our competitive position in costs as well as in the market and be better prepared in order to continue harvesting the fruits of this effort in the future. Likewise, Consolidated Net Income grew 20.5% during the quarter and net margin expanded 130 basis points, reaching 7.0%.

Regarding Monster, we began commercializing it in Chile beginning September 1st and in Brazil beginning November 1st of 2016. This agreement allowed us to add a first-class brand to our product portfolio that together with our market execution capacity and the wide-ranging client network that we service, has led us to enhance our current presence in the category for energy drinks, enabling us to be positioned as one of the leaders in the category. In the case of distribution in Argentina and Paraguay, we continue negotiations with Monster to define the details of the agreement.

*Going on to the operations, **in Argentina** during this quarter we continue facing a complex macroeconomic environment that impacted on our sales volumes. Real wages decreased due to inflation, which negatively affected consumption. However, thanks to our execution at the point of sale in addition to the various business initiatives that we implemented throughout the year, we were able to consolidate our leadership and achieve a margin of more than 100 basis points above the previous year. Looking forward, we expect the economy to begin growing and that consumption will reverse its negative trend to the extent that inflation begins converging at lower levels. Finally, I would like to emphasize that we continue strengthening our competitiveness in the juice segment through new investments such as the hotfill line, which we already operate at our Montecristo plant and that allowed us to earn 290 basis points of market share this year, thus enabling us to consolidate as one of the leaders in a very fragmented industry.*

***In Brazil**, this quarter we continue to see a complicated macro-politic environment in Rio de Janeiro, which impacted our sales volumes. Even so, our financial results in the quarter were positive, since we were able to*

leverage on a successful strategy of pricing and packaging segmentation per channel, along with a strict control over costs and expenses. In this context, our EBITDA margin showed expansions of more than 150 basis points in the quarter and our market share reached 63.2 points, reflecting a gain of 40 basis points compared to the last quarter.
With regard to the Mineral Water project that we have discussed in other opportunities, towards the end of November we began marketing Agua Mineral Crystal, bottled in Riberao Preto-Fuente Ipiranga, which we consider as a great opportunity for our company, since we went from third party purchases of finished product to bottling it internally, which allowed us not only to improve margins in our P&L but also availability.

***In Chile,** sales volume grew 4.0%, highlighting the juices & water category and the low calorie soft drinks category. This growth was facilitated in the quarter by temperatures approximately 2 degrees higher with regard to the previous year. However, we saw a more aggressive competition, with various promotional activities in the supermarket channel, and particularly in the multi-serving non-returnable format segment. This led our market share to reach levels of 67.9 points, 120 basis points below the previous year, but always within the historical ranges we have had in the market. The results achieved were positive, with EBITDA margins ranging 23.7% showing an expansion with regard to the year previous.*

***In Paraguay**, we also saw a more aggressive competition in the quarter, with promotional activities, such as discounts on the main packaging and new launches, as well as distribution improvements. This had an effect on the record levels of market share which we had obtained, after having developed and implemented during more than two years, an exclusive and personalized service model to our customers. However, the volume of the franchise showed a healthy growth of 4.4%, driven particularly by the new categories. We will continue to be focused on the search of opportunities and capturing profitable volume, as well as on controlling costs and expenses, thus maintaining the operation's profitability levels.*

On Sustainability issues, 2016 was a year of capitalization of achievements. We strived to maintain value dialogues with all our stakeholders, customers, consumers, suppliers, shareholders, collaborators, authorities and the community in general and we had the satisfaction of being recognized by different agencies and public opinion media. In addition to having been chosen to be part of the sustainability index of the Santiago Stock Exchange, during the fourth quarter we were distinguished as the ALAS20 2016 Company in Chile. This award is given to companies that demonstrate leadership, consistency, and excellence in the public disclosure of information on their investor relations, sustainable development, and corporate governance practices.
In addition to the ALAS20 Company distinction, Coca-Cola Andina received First Place in the Category of Company Leader in Investor Relations, Second Place in the Category Leader in Sustainability and Leader in Corporate Governance, and Third Place in Director of Company Leader in Sustainability.
We are convinced that the continuous and focused work of each one of our contributors is what allowed us to be placed as a benchmark in each one of these important pillars and we will continue working to continue generating shared value.

*Now Andrés will comment on the **Company's financial results.***

***Andrés Wainer:** To begin, I would like to refer to the exchange rates of each of the countries where we have operations and their impact on the consolidation of figures. Again, during this quarter, we had a negative impact* *upon consolidation of figures from local currencies in Argentina and Paraguay to Chilean Pesos, particularly resulting from the 37.2% and the 5.1% depreciation of the Argentine Peso and the Paraguayan Guaraní, respectively. On the other hand, regarding our reporting currency, the Brazilian Real appreciated by 11.3% during the quarter, generating a positive impact upon consolidation.*

We will now review each of the franchises where the Company has operations, and for a better understanding, the figures that we will analyze in each one of them are expressed in local currency.

In Argentina *Net Sales increased 33.2% during the quarter, which was mainly explained by the implementation of price increases and partially offset by the 6.8% sales volume decrease. As already explained, the volume contraction is mainly due to the reduction in private consumption given the macroeconomic conditions the country is going through.*
Cost of Sales grew 34.5% in the quarter, explained by:

1. *The increase in revenues, which has a direct incidence on the cost of concentrate,*
2. *Increased labor costs, mainly due to inflation, and*
3. *The 51.8% devaluation of the Argentine Peso against the U.S. dollar having a direct incidence over our dollarized costs.*

This was partially offset by a lower cost given lower sales volume and the lower cost in U.S. dollars of dollarized raw materials.
On the other hand, Distribution Costs and Administration Expenses increased 27.5% in the quarter, which is mainly explained by the effect of local inflation over expenses such as labor, freight and services provided by third parties.
Finally, EBITDA increased 40.9% in the quarter, and EBITDA margin expanded 78 basis points reaching 14.3%. Argentina represented 23% of the EBITDA generated by the Company.

In Brazil *Net Sales decreased 7.5%, which is explained by the 17.2% sales volume reduction that was not able to be offset by the implementation of price increases.*
Cost of Sales decreased 12.6% which is mainly explained by:

1. *Lower volume sold*
2. *Lower cost in U.S. dollars of dollarized raw materials*
3. *Lower labor costs, partially explained by the shutdown of the Vitoria plant, and*
4. *The positive effect over dollarized costs of the 14.3% appreciation of the Brazilian Real against the U.S. dollar.*

These effects were partially offset by higher concentrate costs due to the implementation of price increases and by the higher cost of other beverages.
On the other hand, Distribution Costs and Administration Expenses had no variation, which in part is explained by lower freight expenses, resulting from lower volumes sold which was partially offset by greater labor costs.
EBITDA increased 1.5% in the quarter and EBITDA margin was 17.6%. Brazil represented 29% of the EBITDA generated by the Company.

In Chile *Net Sales increased 9.1% in the quarter, explained by the 4.0% growth in volumes and by price increases in all categories where we participate.*
Cost of Sales increased 9.1% in the quarter mainly explained by the shift in the mix from soft drinks to juices and water, and greater depreciation charges.

This was partially offset by the positive effect over dollarized costs of the 4.6% appreciation of the Chilean Peso against the U.S. Dollar and the lower cost in U.S. dollars of our dollarized raw materials, mainly sugar and PET.
Distribution Costs and Administration Expenses increased 12.0% in the quarter, mainly explained by the effect of other operating income classified under this item and that were substantially higher during the fourth quarter of 2015.
Isolating this effect SG&As would have increased 5.2%, mainly explained by greater distribution freight expenses and greater marketing expenses.
This was partially offset by lower haulage freights.
EBITDA increased 9.5% in the quarter and EBITDA margin reached 23.7%. The Chilean operation represented 38% of the EBITDA generated by the Company.

In Paraguay *Net Sales increased 8.4% in the quarter, explained by the 4.4% growth in sales volume and the implementation of price increases.*
Cost of Sales increased 7.0%, which is mainly explained by greater concentrate costs resulting from the implementation of price increases, and by greater labor costs.
Distribution Costs and Administration Expenses increased 14.8%, which is mainly explained by the effect of other operating income classified under this item, which were substantially higher during the fourth quarter of 2015.
Isolating this effect, SG&As would have increase 8.6% in local currency, mainly explained greater labor costs and greater distribution freight expenses.
This was partially offset by lower depreciation charges.
EBITDA increased 1.9% in the quarter and EBITDA margin was 27.7%. Paraguay represented 10% of the EBITDA generated by the Company.

We are now available for any questions you may have.

Antonio González: I wanted to ask you about Brazil and particularly about the beer business. Obviously, I guess, that you are in the middle of negotiations with Heineken after the announcement that they will be acquiring Kirin, etc. But first I wanted to ask if it would be strategically desirable for you to have more exposure to beer and if you believe you can better leverage your expense structure? And second, if it is feasible to do this, in light of the investments you made both in terms of distribution, especially, in Brazil in the last years, if you would actually have the physical capacity to absorb extra beer volumes? And any strategic comment that you can make on this regard would be very useful. Thank you.
MAP: Yes, clearly there has been noise in the beer segment in Brazil lately with Heineken and the acquisition of Kirin Brazil. In our particular case, you have to consider that the presence of Kirin Brazil is very strong, especially in the northeast and south of Brazil. Not necessarily in our territories. In Rio de Janeiro, we have been specially focused on the premium beer segment. With the development Heineken initially and Amstel after their recent launch, last year. So, actually from an operating point of view, the situation has not changed much for us. Given that that is the focus and the presence of Schincariol in our territory is not necessarily relevant, except in Ribeirão Preto. Therefore, actually from an operational point of view, does not change much the situation for us. Given that the focus is that and the presence of Schincariol in our territory not necessarily is relevant, except in Ribeirão Preto. Therefore, from an investment and costs point of view, adding more volume of the size being added does not affect us and clearly because beer has been a positive supplement to our trucks and to our sales. Especially in a market as Brazil, where it is very relevant.
Antonio González: And is it possible that you share with us - I don't know if you have an idea, although not very accurate, maybe an estimated range of numbers, as to what is currently the existing overlap at the points of sale between beer and

soft drinks, in the particular case of your franchise in Brazil? And what will happen with this figure if you add extra volumes of Kirin, in this case?

MAP: Actually, we already have presence at all brewer points, with the higher-end segment beer, such as Heineken and Amstel or the low-end segment, with Kaiser, Bavaria, Sol. So we would not necessarily add too many additional points of sale, because today we are already present. What we would add is a new packaging, a new SKU within the sale we make. And figures will depend on the type of channel. I do not have the figures right now in my head for Brazil, but I can send them later through Paula.

Alex Robarts: Two questions, please. One on Chile and the second on consolidation in Latin America. And thinking about the loss of market share in Chile, 110 points of market share. This was because, if I understand it correctly, this was due to promotions in supermarkets, returnable packaging, and multi-serving? Was this something-or, what was your response? Did you follow these discounts? Are you thinking about implementing a somewhat different policy? And if so-in terms of portfolio and promotions. And if this competition trend you have been seen in the fourth quarter continues now in the summer of the first quarter? So, several things. But if you can comment on the current competitive environment for soft drinks in Chile.

MAP: Clearly the loss of market share we had in Chile were due to very strong actions from the competition, especially in the supermarket channel. We have defined a price and packaging strategy where we very much respect the relationship of price between channels and we avoid what is called the “channel leakage” where by having very aggressive offers in one channel, you end up hurting the traditional channel. Where truck prices end up being higher than those you can find in a supermarket promotion. Therefore, we a very careful in handling prices and prices between channels. You have to consider that our value market share, which is one of the indicators we also monitor, is in the range of 70 points. Therefore, while a market share, we are talking about very high market share positions that we have and that suddenly it does not make sense to react aggressively. Now, should aggressive promotions continue, there will probably be some reaction from our part, for the purposes of pitting the market in order. Our priority is profitability and maintaining margins and profitable growth. And all of our strategy is pivoted on those factors. There are specific moments regarding competition, when we react. It is being assessed, but our priority is to maintain profitability.

Alex Robarts: So, the trend extended somewhat in January, but Andina’s policy is to maintain value market share and not necessarily follow in these promotions. Would this be a fair summary?

MAP: Correct. Our goal is to generate value for the company, generating value for shareholders and generate value, especially for the industry. And try to avoid price wars that only destroy value in the short-term without generating absolutely anything for the future. So the summary you made is very accurate. Our priority is profitability, but of course everything has a limit, right?

Alex Robarts: Second question, consolidation. Andina is among the three largest Coca-Cola bottlers in LATAM, right? We have seen several movements towards the North, in the United States, in Brazil and the truth is that you have capacity of one (new) and all this. So, thinking about 2017, can you tell us a little about Andina’s perspective in terms of M&A? Perhaps, in terms of new franchises in the region or perhaps some segments. I am thinking, for example, in dairy products. Any comments on your vision for this year in terms of M&A would be very helpful.

MAP: We have two vectors, organic and inorganic. The organic, as I mentioned a few minutes ago, goes hand in hand with the strategy of profitable growth and value towards products that are already available. And there are also two vectors in the inorganic. One is to partner or join another Coca-Cola franchise that is available and willing to do it and that it is suitable for both. The other is to acquire a business to expand our current product portfolio. Clearly those growth vectors are a priority, particularly for me, for the company in the past and will continue to be so in the future. And we will assess all existing possibilities, whether from new segments, as you say, dairy, juice or whatever. As I mentioned we just finished incorporating the soy segment in Chile and within some time we will do so in the other countries. We already did it in Brazil also. We are negotiating in Paraguay and in Argentina and we hope to do it as soon as possible. And any other segments that might appear. The truth is that our goal, aligned with The Coca-Cola Company’s policy, is to expand our product portfolio and we are working on it, as the saying goes in Brazil, “with four hands.”

José Yordán: My question is about sugar. Not a lot was mentioned about sugar in the beginning. But since prices have calmed a little, etc., I wanted to see if you could give us an idea, perhaps per franchise, on how you are hedged this year or a breakdown, and what is the excepted increase on average costs for sweetener for the year, given those hedges and price expectations, is it similar to where we are right now?
Andrés Wainer: As you say, sugar had a significant increase towards the end of the past year. Since we hedge gradually in the different countries, we already have fixed prices for a large part of the sugar we will consume this year. In the case of Chile and Argentina more than 80% is already fixed in U.S. dollars. In the case of Brazil, it should be around two-thirds today, 65% of total volume total. And in the case of Paraguay, it is a little different. In Paraguay, we have a fixed price in Guarani with local suppliers. Cost by country varies with respect to the previous year, but in U.S. dollars it should increase around 20% compared to the previous year.

Carlos Laboy: Could you further comment on the market share issue in Chile? Can you tell us what your market share is in the supermarket channel, compared with the traditional channel in Chile? I ask this since you have been pushing your competitors towards the supermarket channel, in other words away from the traditional channel. Every time these kinds of strong promotions are implemented in the supermarket channel, they reflect on your total market share. So, it seems that what you are doing is actually defending your more profitable and significant market share, which is the traditional channel. I don't know if I understand correctly?
MAP: As you correctly say, the traditional channel is a great strength we have here in Chile. Not only in terms of share market, but also in terms of profitability and it is a channel that we protect. But this does not mean that we neglect the supermarket channel. We also make offers to the supermarket channel and service it as an important channel. Now, what we do care about is avoiding that volume from one channel goes to another channel. And our strategy is closely tied to segmentation. Packaging and pricing segmentation. Not only due to geographical reasons but also channels. And we try to avoid these sales that are very specific, which generate volume in the short-term, market share in the short-term, but that are unsustainable in the long run. Because in the end all companies have to take care of their numbers, their results and tremendously aggressive promotions erode profitabilities. So, when one has accustomed clients in the supermarket to buy cheap, the client will stop buying waiting for the next sale. And that is the reason behind the ups and downs of market share. Once those aggressive promotions from the competition stop, market shares will go back to normal. Because the consumer is first used to buying only during sales, in the case of the competition. And in our case, at a price that is reasonable, stable and somehow well balanced between channels. Our market share is very healthy in both channels. We do not give numbers by channel, only consolidated numbers. But clearly, when there is a very aggressive sale in the supermarket channel, the market share in that channel suffers and therefore, there is an impact on consolidated market share. However, it reinforces our relationship and our day-to-day with the most important channel which is the traditional market.

Pedro Leduc: I have two questions on Brazil. The first in connection with the drop-in volumes, of course there is a very difficult macro environment, but I would also like to of ask, how the Coca-Cola Company is viewing it? If it understands the macro that can maybe help you or encourage you recover volumes somewhat or is it happy with the value and thinking in the more in the long-term? And secondly, on Brazil, I would also like to ask about your margins, although your volumes have decreased a lot, you have expanded margins. If you can perhaps help us understand what will profitability be for 2017. How much of this margin expansion came from the new water business, how much came from the shutdown of the plant, perhaps if sales volume increase again we can approach margins of 18 or 20 there? Thank you.
MAP: Actually, neither The Coca-Cola Company nor we are happy with volumes in Brazil. Unfortunately, it is something that goes beyond us, beyond our industry and it is tied to political-economic situation that Brazil is facing, that unfortunately generates uncertainties, it generates fear in the people and forces them to be much more cautious when buying food on a daily basis and of course regarding investments, which they have stopped doing a long time ago. So, both, The Company Coca Cola and us, are looking for ways to reactivate consumption. But not ways that destroy the industry, but rather strengthen it. And that is the reason behind the investments we are making in Brazil, to continue extending the returnable formats. The returnable format will allow volume generation, because it enables us to lower prices without destroying our profitability, on

the contrary. And these are the actions we are focused on day-to-day working hand-in-hand with The Coca-Cola Company. What happens in Brazil concerns us both. We are hopeful that the situation starts to improve, that as time goes by and the political turmoil slows down, the economic situation will return to order. And thus, as in all countries, in the end, cycles have a period and then they recover. So, the goal is to be well prepared, from a productive capacity point of view, from a product portfolio point of view, to maximize that profitability when the situation recovers. And in the moment we are at now, try to suffer as little as possible with the drop in volumes, maintaining profitability. And that comes hand-in-hand with dedicated work, not only line by line, but also from a strategic point of view in terms of reducing costs, that involved the shutdown of the plant in Vitoria, transfer lines to Ribeirão Preto and Rio de Janeiro; i.e., it implied a complete repositioning of our productive structure, our logistics structure, by internalizing all of our trucks and of course, line by line search for all opportunities to reduce costs, in order to sustain profitability without having to further increase prices because the market is weak.
Pedro Leduc: Is it possible that with the savings and efficiencies that you had and now that dollarized costs are decreasing, that one can also see price reductions to stimulate volumes? Or that is not the preferred way for 2017 in Brazil?
MAP: Of course we will analyze lowering prices if it encourages volume and generates a profitable equation. But I don't think that is the way to go right now. At a time where volumes do not react so much to reductions that one could implement.

Tomás Sanhueza: My question is regarding Chile. Particularly, I am interested in knowing how the product mix has evolved. In general, well, you give some highlights with respect to how master brand has evolved in terms of soft drinks. And also, you obviously mentioned growth has been for the other segment, such as water and juice. And in that sense, what do you expect for 2017? And also, how this could impact in terms of volume growth and margins for this year? Thanks a lot.
MAP: Regarding growth by mix, the trend that we've been seeing in recent years has continued forward. The light segments, within the soft drinks segment, continue to grow and this is basically because there are still possibilities of continue adding to our numeric distribution. Because the master brand campaign has significantly supported the presence of this type of products everywhere, because we are driving it and also because there is consumer conscience towards light products. That is within the soft drinks segment. Going towards the general, the trend towards stills also continues to grow. And since maximums and per capita, both in juice and water, are much lower than soft drinks, clearly there is room for this trend to continue in the future.

José Yordán: My question is about volume growth in Chile in the first quarter. What do you think was the impact of the weather, etc., in this growth? Since your competition also reported a fairly high number of volume growth, although it does not separate soft drink and beer? Can you give us an idea on what impact the weather has had and if it has extended during the first quarter? In this case I imagine it has because of the fires that have been in the news, etc. But any comment on how the weather is being viewed, in Chile. And also, when do you expect more economic, organic growth to be a major growth factor. Or, when is the economy expected to fully begin growing? If it will be in the second half of the year or if it already has started to do so, has it been felt in the demand for your products?
MAP: On the subject of temperature, while it helped, it wasn't really relevant. Temperature was good, it helped somewhat, but growth was not exclusively attributed to temperature. And with regard to the market, when we see that it starts to grow and stabilize, you have to consider that in Chile we are already talking about future elections, so the political part is already beginning to be relevant. And generally always, election years are years where the economy sometimes reactivates because of this, right? And they are also years of some uncertainty, depending on where the new Government is headed or who may be the new Government. Therefore, I think we have to wait a little more until all these types of types of news settle and until there are trends in place as to see if there really will be a reactivation going forward, where the consumer feels more at ease or not. The reality is that Chile, unlike the rest of the countries, is a very stable, very predictable, in terms of its policies, beyond some changes that have occurred in the short-term. When one compares with neighbors, the reality is that the stability and certainty in Chile is big enough. Therefore, as once that political issues begin to align, I think that the economy is going to start to operate more rapidly.

José Yordán: And speaking about your country, where historically it has not been so stable, but the economists, for the most part, are expecting growths, a more rapid recovery, since the decline obviously, was much more significant also. But since you live there, and you also consume there, etc., how do you view—I mean when should we expect the point of lesser demand in Argentina? And when do you expect full recovery to begin?
MAP: In the case of Argentina, on the other side of the mountains, I think the good news is that inflation, for different reasons, some good some not so much, has dropped. On the other hand, negotiations are looking more back than forward, so, in general, with values above inflation, which will imply an improvement in real wages. This can be an incentive for the economy to start moving. Coupled with the infrastructure plan this Government has thought launching in the short-term. Somehow it had it planned for last year, apparently there were circumstances that delayed it. But, theoretically, they would initiate it this year, so this would also be another driver of the economy. And given the low point where it is at, we should, I think that this year, start to see a growing trend. Considering that this year there also are elections and that it will involve some commotion from the social and other points of view somewhat offsetting this. But the reality is that this year Argentina should begin growing, not in a relevantly, but yes, it will change its trend.
José Yordán: But basically in so far this year we still don't see it- the changing point has not occurred.
MAP: No, not yet.

(When there are no more questions)

***MAP**: Simply thank you all once again for your time, for participating in this conference call, and for your interest in Coca-Cola Andina's results. As always, our investor relations and management team are and will be available to answer your questions and meet with you whenever you wish. Please do not hesitate to contact us for any reason. Have a nice day.*

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