Coca-Cola ANDINA

Annual Report 2016

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Coca-Cola ANDINA

We are a great Company,
where happiness
has no borders.

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OUR COMPANY

MISSION

Add value growing sustainably, refreshing our consumers and sharing moments of optimism with our clients.

Focused on our Customers

Austerity

Team Work

VALUES

Oriented on Results

Attitude

Integrity

VISION

Lead the beverage market, being recognized for our management excellence, people and welcoming culture.

Letter from the Chairman of the Board

On behalf of the Board I preside, I am pleased to submit the Annual Report and Financial Statements of Coca-Cola Andina S.A and its subsidiaries, along with the Sustainability Report for the 2016 Fiscal Year.

At Coca-Cola Andina, we are in a process of constant innovation and growth in each of our markets. Team work, perseverance and openness to new and innovative ideas have been the drivers in this task within our group. 2016 was marked by a permanent effort with our different partners on a steady path to profitability and sustainable growth. This way of working allows us to face adverse macroeconomic and political contexts and even so continue delivering positive results.

This year Coca-Cola Andina saw its 70th anniversary and we fully celebrated it, strengthening our role as one of the region's largest bottlers. Much has changed since the beginning of the 20th century: the new consumption trends, the role of technology in society, among other aspects; but what has not changed is that we continue to face each challenge eagerly and with a sense of urgency, seeking excellence in everything we develop, maintaining a positive performance, capturing opportunities, anticipating adverse environments and delivering value to our stakeholders. We are convinced that we will continue doing so every year.

Macroeconomic context in the region

It is important to review the macroeconomic situation of the countries where we operate, in order to place this year's results into context.

In Argentina we saw a strong adjustment after the change of Government. 2016 was complex in macroeconomic issues with a year-on-year inflation around 40%, while, in terms of growth and consumption, the year was negative, significantly impacting our volumes. In addition, the exchange rate devaluation considerably affected our cost structure.

Brazil suffered the deepening of a macroeconomic and political crisis. In terms of growth, 2016 was a negative year for the Brazilian economy, which translated in an approximate 3.5% decline in GDP. Unemployment exceeded 10%, hitting consumption. Political uncertainty has affected all social strata, and has delayed economic recovery.

Chile did not experience the macroeconomic impacts of the other countries. However, the country continues with low growth rates and increased unemployment. The main challenges were posed by the Labelling Law, where we became leaders in the implementation of Government regulations.

In Paraguay GDP and consumption remained stable, without negative relevant impacts.

Financial challenges and results

613 million unit cases of soft drinks and 166 million unit cases of other beverages were sold in 2016. This represented a drop of 5.0% compared to the previous year, attributable to the slowdown in regional economies, since approximately 60% of our volume comes from Argentina and Brazil, both countries that suffered consumption declines. Simultaneously, there was a stronger trend to consume categories different from soft drinks, which include juices, waters, isotonic and energy drinks. Taking this into account, we see a great opportunity to keep on growing these segments. Along with that, we have the challenge of maintaining soft drinks growth, which continues to be our main category.

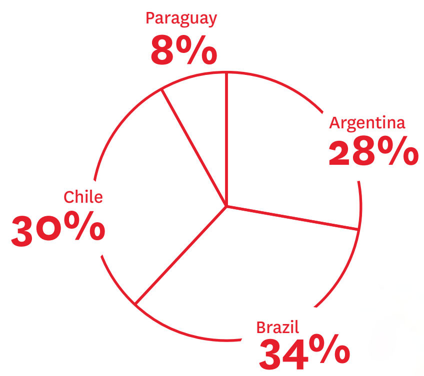
Our EBITDA reached 311,004 million Chilean pesos, diminishing 1.7% with respect to the previous year. Operating income was 213,670 million Chilean pesos. However, EBITDA margin improved by 65 basis points and operating margin by 54 basis points, reflecting the excellent work performed on cost and price management. Despite the strong impact of volumes, net income reached 90,526 million Chilean pesos, representing a 3.0% growth compared to the previous year.

Main achievements of our operations

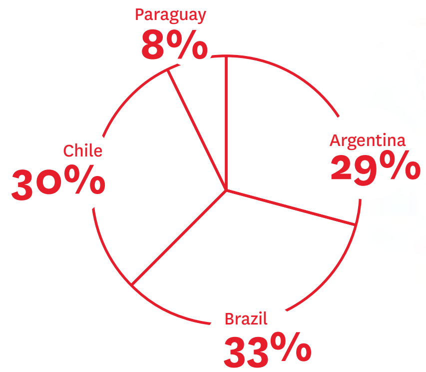
In Argentina, we exceeded the expectations of our results thanks to the great work accomplished in optimizing costs and revenue management. The increase in margins reflects a significant operating improvement within an adverse scenario. We consolidated the new Hot Fill line to continue strengthening the growth of the juice and isotonic categories. At the same time, we inaugurated a new deposit for raw materials that allows us to optimize procurement logistics and processes of key supplies.

This year Coca-Cola Andina saw its 70th anniversary and we fully celebrated it, strengthening our role as one of the region's largest bottlers.

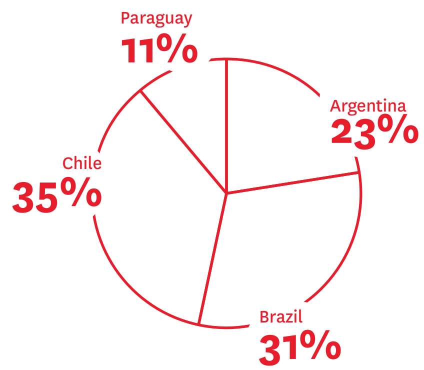
VOLUME



SALES



EBITDA



	Volume (MUC)	Sales (Ch$ M)	EBITDA (Ch$ M)
ARGENTINA	219	517,059	71,302
BRAZIL	266	590,146	96,957
CHILE	232	540,427	112,499
PARAGUAY	62	132,006	35,351

MUC: million unit cases

In Brazil, we continue consolidating and improving our efficiencies. The project for our new plant in Duque de Caxias is strongly moving forward and seeks to change the production paradigm, modernizing the productive system and reducing our environmental footprint. This plant will enable us to significantly increase our returnable PET offer, and thus we will be able to extend this format to all our franchise, reaching our consumers with more attractive price points.

In Chile the new Labelling Law became effective during 2016, which we addressed more as an opportunity rather than as a problem. In that sense, we reformulated the portfolio in all categories and capitalized the light segment through Masterbrand. We lead changes as protagonists, achieving a record 26.5% sales mix in the zero calories beverages within the soft drinks category.

Also in Chile, we renewed a significant part of our fleet of distribution trucks, incorporating 151 Euro V Bluetec 5 units, with eco-friendly technology, minimizing impacts in the communities where our trucks circulate.

Paraguay recorded the best EBITDA margin of our operations, portraying the focus and excellence in the work on costs, achieving a 6.7% EBITDA growth compared to the previous year, measured in local currency. Simultaneously, we carried out a process of managing clients directly through our route to market team, allowing us to improve service levels in all of our categories, as well as increase our market share.

Strengthening corporate governance

An important part of the sustainability of our results is a consequence of the strengthening of our corporate governance, receiving major awards and honors this year on this matter. For starters, we were recognized for our third party and suppliers' code of ethics practices, in the SIPP Global Compact Research, Chile chapter. We distinguish the value of our partners and therefore we put special focus on developing relationships with suppliers and outsourced personnel; we understand that without the development of these partners we could not be what we are today and, therefore, our Board of Directors gives vital importance to building growth relationships and synergies with all of our suppliers.

An important part of the sustainability of our results is a consequence of the strengthening of our corporate governance.

We received the second place in the ALAS20 recognition of leadership in corporate governance, which takes into account corporate governance principles involving recognition of shareholders, consideration of the interests of the various stakeholders (communities, shareholders, workers, etc.) and the outlining of Board responsibilities. Together, all of these seek to ensure an ethical and transparent behavior as a company, one of the strengths that we learned to develop in an environment where there has been significant questioning regarding this aspects.

This was a very special year since new members were incorporated to our Board of Directors, who have a broad and renowned experience in issues such as ethics, social performance and actions with the community. One of our goals was to achieve greater diversity throughout the Company, an ongoing process that we will be consolidating into the Board of Directors and hierarchic positions in the organization in the coming years.

Commercial challenges and results

The commercial aspect is one of our vital activities. We had the opportunity of putting our operation to test during the Olympic Games in Rio de Janeiro, once again taking part in one of the most important events in the world, exceeding our expectations. The Games were a success, our collaborators carried the torch and participated in commercial activities, once more demonstrating that working at Coca-Cola Andina and in the Coca-Cola System is a reason to make them proud. These Olympic Games were definitely a chance to leave our mark and we did it successfully.

On the other hand, we faced major challenges, the main exponent is the Labelling Law in Chile. As a company we adopted Government measures with responsibility and initiative, becoming leaders in the implementation of labels ordered to be placed on products; we seek to always be proactive and show our goodwill with the community and policy makers, understanding the objectives of common good and well-being of our consumers.

In 2016, The Coca-Cola Company announced the purchase of Ades, reinforcing the growth tendency of new categories; we expect to begin marketing these products in our four franchises during 2017. In addition, we successfully began the distribution of Monster in Chile and Brazil, showing the ability to work together. We recognize that teamwork is not a zero-sum game, and thus we coordinate internally and with our external partners.

To deepen our coverage and scope of returnable packaging is a challenge we maintain in all our territories, since it enables us to reach different sectors of the society and continue reducing the impact on the environment and, at the same time, allowing cost reductions of our raw materials. During 2016 we increased market penetration of returnable packaging in Argentina. We capitalized the learnings achieved and translated them into initiatives in all countries, being an excellent platform to anticipate and proactively manage the framework of the REP law, Extended Liability of the Manufacturer in Chile. We continued to increase the focus on the development of returnables, we implemented plans to enhance coverage and growth of these

Coca-Cola Andina was distinguished as the 2016 ALAS20 Company in Chile. This is the most important category to which a company can aspire in ALAS20 nationwide, and only one company by country obtains this distinction.

packages, and we also launched initiatives for the optimization of packaging design, at the same time reducing the use of materials.

In the framework of the development of capabilities and knowledge management process, we planned and were able to coordinate the work of our 4 operations in an orderly and synergistic fashion. With the development of multi-operation work teams, focused on the commercial, industrial and supply chain processes, we carried out simultaneous implementations based on the invaluable contribution of our workers in each operation. So the countries with greater expertise in certain topics support and share their knowledge with the rest of the Organization, standardizing practices of excellence in all the territories where Coca-Cola Andina operates.

Sustainability challenges and results

In socio-political terms, the world has dramatically changed in the last years, and it is not the same scenario as that of 10 years ago. The markets have also drastically changed and the trends giving relevance to sustainability aspects were reinforced. As a company we do not only want to generate good financial results, but also have a positive social impact, and perform actions that improve the world. This led to begin implementing a quarterly review of the performance in terms of sustainability for each operation, discussing these issues thoroughly in our Board of Directors. Our greater focus on sustainability is reflected in that we became part of the Dow Jones Sustainability Chile Index and Vigeo Eiris "Emerging 70 Ranking". The latter is a leading indicator and we were selected among 842 companies worldwide to integrate it. Criteria of human rights, decent employment practices, environmental protection, corporate governance, business ethics and contribution to social and economic development were measured. We are proud to be one of the 5 Chilean companies that were included in this index.

Another positive result was that Coca-Cola Andina was distinguished as the 2016 ALAS20 Company in Chile. This is the most important category to which a company can aspire in ALAS20 nationwide, and only one company by country obtains this distinction. The ALAS20 recognition is granted to those enterprises that demonstrate leadership, consistency and excellence in its public disclosure of information regarding their practices on investor relations, sustainable development and corporate governance.

It is important to point out that these results are attributed to strategic guidelines accompanied by the design of comprehensive processes, executed by each one of our contributors that work to achieve the improvements and accomplish our goals throughout all of our territories.

As a company we have drawn a strategic agenda that seeks to attract, develop and retain the best talent to meet the challenges of the business. Numerous performance assessment initiatives, leader-development in all levels, succession programs and career plans, development plans, improvement of organizational climate, design of optimal and flexible structures, competitive and performance-related compensation strategies were developed. Our work environment management and development of human capital agenda involves a balanced offer of labor well-being, a key factor to ensure that the best people want to develop their careers at Coca-Cola Andina.

Within the challenges for the coming year, we seek to continue expanding the incorporation of handicapped people. As an agent of change, we recognize that it is key to give opportunities performing inclusive engagements, offering conditions so they can be professionally productive, and form a part of this more diverse and valuable great team.

Looking at a year with many changes and an adverse context in our environment, we can say that the results were very positive. Not only did we sail the troubled waters of the macroeconomic and political environment of 2016 in Latin America, but we stand in an excellent position to increase our profitability once the region returns to economic growth.

In the coming years, I am certain that we will face many more challenges. Taking this into consideration, we work on developing our capabilities to keep on improving. Under the 2020 vision we continue with management of excellence, maintaining clear guidelines in the achievement of results, ethical work and social responsibility. Growth projections are positive and our teams are capable of crossing all terrains, so we expect to deliver better results each time, with an inclusive vision of Coca-Cola Andina's role within our communities, generating a positive impact for our more than 250,000 customers, consumers, shareholders, suppliers and collaborators.

We hope that the contents of the Annual Report and Sustainability Report are to your liking. In these pages you can find more details to understand how our company is facing challenges with the strength of the Coca-Cola brand, a focus on innovation and a group of collaborators committed to helping grow in a responsible manner. I appreciate the confidence of our shareholders, more than 16,000 collaborators and everyone involved in this great group of people we call Coca-Cola Andina.

Juan Claro González
Chairman of the Board of Directors

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Rio 2016 Olympic Games

An experience that makes us proud

This year we witnessed the most important sporting event on the planet, the Rio de Janeiro 2016 Olympic Games, and of course Coca-Cola was present as one of the main sponsors, promoting sport and life in motion.

As in the past soccer World Cup in 2014, Coca-Cola Andina Brasil conducted a full deployment of our brand, to tinge red every activity framed by the Olympic Games.

"Isso é ouro: the Olympic experience in Brazil"

The Rio 2016 Olympic Games, marked an unforgettable experience for Coca-Cola Andina and particularly for our operation in Brazil, the enthusiastic and energetic main sponsors of this sporting event.

The excitement, adrenaline and joy of the Games, will be stored in the memory of all Brazilians, but for the collaborators of The Coca-Cola System, these memories have a special flavor, the flavor of belonging to the team that helped shape this great celebration in Brazil; a legacy that only a Coca-Cola Andina collaborator will treasure forever.

With the mission of refreshing millions of spectators and athletes during the Rio 2016 Olympic and Paralympic Games, Coca-Cola Andina Brasil chose 400 collaborators to dedicate exclusively to this important task. The participants of the team could

feel the warmth and energy of this mega event directly within the Olympic Arenas.

On the other hand, Coca-Cola Andina collaborators, proudly led the flame of the Olympics. More than 12,000 torchbearers participated in the event previews, at 329 Brazilian cities, bringing joy and emotion during the whole journey. Through several internal actions, 32 Coca-Cola Andina collaborators were chosen to have the opportunity to carry the Olympic torch, undoubtedly an unforgettable and magical experience

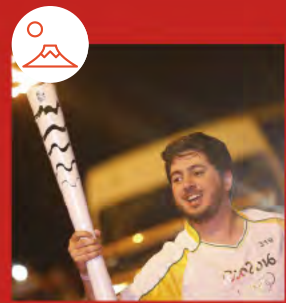
One Company, one team

The 2016 Rio Olympic Games was an unforgettable experience, an integration activity that counted with the participation of collaborators from Argentina, Chile and Paraguay. Thus 16 were the lucky ones who were able to represent Coca-Cola Andina and join our colleagues from Brazil in the first Olympics to take place in South America.

After more than 1,000 people taking part in a competition, 4 collaborators had the opportunity to carry the Olympic torch, and 12 collaborators lived the adventure of being enablers during the Olympics period, with a view to supply our products at the stadiums, arenas and venues of competition.

We are proud to have represented our Company with a great deal of camaraderie, commitment, positive attitude and hard work, proving that the Coca-Cola Andina team is worth its weight in gold.

Memorable moments - Torchbearers



Memorable moments - Enablers

COMPANY DESCRIPTION

Embotelladora Andina S.A. (hereinafter "Coca-Cola Andina" or the "Company") is one of the three largest Coca-Cola bottlers in Latin America, servicing franchised territories with almost 52.2 million people, delivering during 2016 more than 4,4 billion liters of soft drinks, juices, and bottled waters. Coca-Cola Andina has the franchise to produce and commercialize Coca-Cola products in certain territories in Argentina (through the company Embotelladora del Atlántico, S.A. hereinafter "Edasa" or "Coca-Cola Andina Argentina"), Brazil (through the company Rio de Janeiro Refrescos Ltda., hereinafter "Coca-Cola Andina Brasil"), Chile (through the company Embotelladora Andina S.A., hereinafter "Coca-Cola Andina Chile"), and in all of Paraguay (through the company Paraguay Refrescos S.A. hereinafter "Coca-Cola Paresa"). The Company is controlled in equal parts by the Chadwick Claro, Garcés Silva, Hurtado Berger, Said Handal and Said Somavía families, in accordance with a shareholders' agreement. The Company's proposal to generate value is being leader in the non-alcoholic beverage market, developing a relationship of excellence with consumers of its products, as well as with its employees, customers, suppliers, the community in which operates and with its strategic partner Coca-Cola.

For more information visit www.koandina.com

Consolidated Financial Highlights
(Figures in million Chilean pesos)

	2016	2015	2014	2013[2]	2012[1]
NET SALES	1,777,459	1,877,394	1,797,200	1,521,681	1,172,293
OPERATING INCOME	213,670	215,596	186,773	171,284	154,164
NET INCOME	92,049	88,098	75,807	90,267	88,269
EBITDA	311,004	316,229	289,740	254,621	207,988
TOTAL ASSETS	2,199,110	2,209,361	2,269,173	2,082,961	1,539,836
FINANCIAL DEBT	750,761	791,470	762,935	686,409	265,531
SHAREHOLDERS' EQUITY	842,170	851,534	918,998	881,433	893,605

	2016	2015	2014	2013[2]	2012[1]
EOP price Andina A (Ch$)	2,289	1,955	1,472	1,850	2,437
EOP price Andina B (Ch$)	2,491	2,130	1,717	2,413	3,012
EOP price AKO A (US$)	20.53	16.28	14.30	28.24	29.94
EOP price AKO B (US$)	22.47	17.41	17.00	21.04	37.97

1. Includes figures of Embotelladoras Coca-Cola Polar only for the 4th quarter of 2012.
2. Includes figures of Ipiranga only for the 4th quarter of 2013

Our history

'40

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

'60

The
San Joaquín Plant

Is inaugurated in Santiago. The Company acquires a 45% ownership interest in Embotelladora Concepción.

1974

The Company acquires an additional 46% in Embotelladora Concepción.

1975

The Company acquires a 34% ownership interest in Embotelladora Talca.

1978

Termas Mineral de Chanqueahue and the brand Agua Mineral Vital are purchased. The Company increases to 80% its ownership interest in Embotelladora Talca.

1979

Operations begin at the Chanqueahue Vital production facility in Rengo and Embotelladora Concepción in Temuco.

1980

Launch of the PET non-returnable 2-lt bottle.

1981

The plastishield format is introduced in Chile, the most modern non-returnable format in the world. Launch of diet soft drinks, TAB and Sprite Light.

1982

Andina sells its ownership interest in Embotelladora Talca and Embotelladora Concepción to Sociedad de Inversiones Williamson.

1984

Launch of Diet Coca-Cola.

1985

Inversiones Freire acquires control over Andina.

1986

Sale of the bottling facility in Viña del Mar.

1991

Envases Multipack in the packaging business begins operations.

1992

Vital is established and dedicated to the business of juices and mineral waters in Chile. Andina acquires a minority ownership in INTI, a Coca-Cola product bottling Company in Córdoba, Argentina.

1994

Placement of 7,076,700 American Depositary Receipts (ADRs) on the NYSE, collecting US$127 million. Entrance to the Brazilian market begins with the acquisition of Rio de Janeiro Refrescos, bottling Company located in the city of Rio de Janeiro, with a bottling facility in Jacarepaguá.

1995

Envases Central begins operations. Greater presence in the Argentine market with the acquisition of Embotelladora del Atlántico, controller of the Coca-Cola bottling facilities for the franchises of Rosario and Mendoza.

1996

A 49% ownership interest of Vital is sold to The Coca-Cola Company along with the brands: Kapo, Andina and Vital. Expansion into Argentina continues, acquiring an additional 36% ownership interest in EDASA, an additional 79% in INTI (today merged with EDASA), 100% of Complejo Industrial PET in Buenos Aires (dedicated to the packaging business), and a 15% of Cican, a Coca-Cola product canning facility. The Coca-Cola Company enters into Andina's ownership with an 11% stake.

1997

Stock split creating series A & B shares. An additional 5% stake in EDASA is acquired. US$350 million issue in the U.S. market in tranches of 10, 30, and 100 years.

1998

Andina repurchases the 49% stake that The Coca-Cola Company held in Vital but The Coca-Cola Company remains with ownership of all brands.

1999

Inauguration of the Montecristo production facility in Córdoba, Argentina.

2000

Acquisition of the Brazilian Coca-Cola bottler for Niteroi, Vitoria and Governador Valadares.

2001

Joint Venture between Multipack and Crowpla creating the new Company Envases CMF for the packaging business. Andina issues UF 7,000,000 in bonds (7 and 25 years). Tender Offer for the partial repurchase of bonds issued in the US market.

2002

EDASA concentrates all productive operations at the Montecristo production facility in Córdoba and shuts down the Mendoza and Rosario plants.

2003

EEDASA takes control over CIPET. Andina is awarded the "Carlos Vial Espantoso" award, which distinguishes the most relevant Chilean Company in terms of labor relations and with more dedication to human capital.

2004

Franchise swap between Rio de Janeiro Refrescos and a subsidiary of The Coca-Cola Company in the State of Minas Gerais for the franchise of Nova Iguaçu located in the State of Rio de Janeiro. Series B shares of Andina become eligible as investment instruments for the Chilean Pension Funds (Series A shares have always been eligible investment instruments).

2005

Vital is divided into two companies, creating Vital Aguas. Hence, Vital exclusively develops the juice and other non-carbonated beverage business and Vital Aguas, along with the other Coca-Cola bottlers in Chile develops the water business.

2006

Lthe Company obtains the 2005 National Award for Quality and Competitiveness, distinction given by the Presidency of the Republic of Chile. Andina is the first Company in the mass consumption sector to obtain this award.

2007

Andina inaugurates Maipú and Puente Alto Distribution Centers in Santiago. The Coca-Cola Company along with the Coca-Cola bottlers in Brazil create a Joint Venture, Mais Indústria de Alimentos, in order to enhance the non-carbonated business for the entire System in that country.

2008

Andina incorporates the Benedictino brand to its water portfolio in Chile. Acquisition in Brazil through the Mais joint venture of the Sucos del Valle brand, leader in the juice segment in this market.

2009

Andina commemorates its 15th Anniversary of listing on The New York Stock Exchange. In Argentina we received the National Award for Quality, the highest recognition granted to private companies and public organizations.

2010

Andina significantly increases production and distribution capacity in Chile, Argentina and Brazil.

2011

Andina commemorates 65 years and the new bottling facility in Chile begins operations. The juice business is restructured and Vital becomes Vital Jugos, a joint venture with the other Coca-Cola bottlers in Chile.

2012

Materialization of the merger with Embotelladoras Coca-Cola Polar S.A., incorporating Paraguay and new territories in Chile and Argentina. Acquisition of 40% of Sorocaba Refrescos in Brazil. Change of corporate image to Coca-Cola Andina.

2013

The acquisition of 100% of the shares of Companhia de Bebidas Ipiranga in Brazil becomes material. Additionally, Andina issues UF 5,000,000 in bonds in tranches of 7 and 21 years in the Chilean market and US$575 million in 10-year term bonds in the U.S. market.

2014

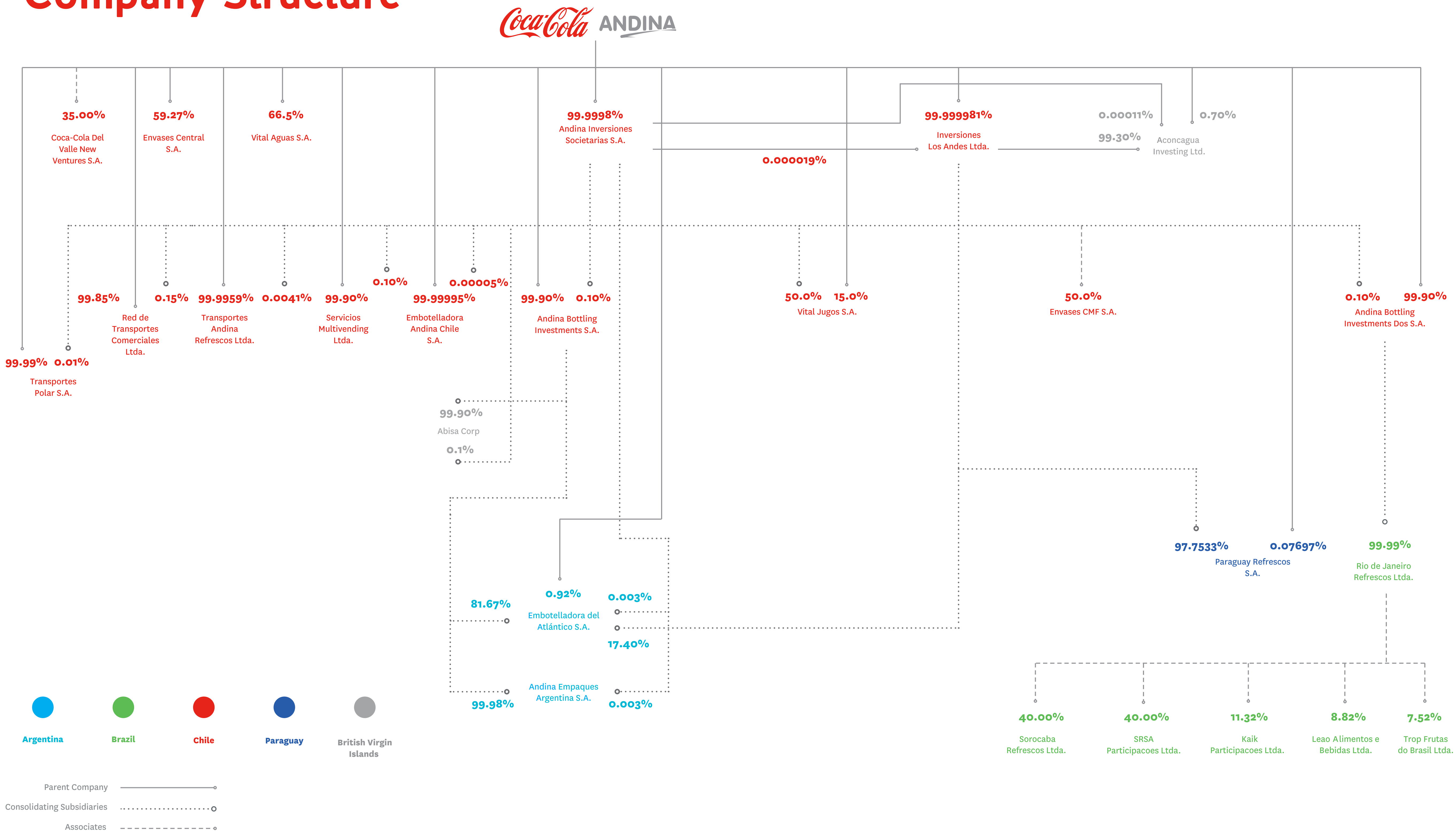
Andina issues UF 3,000,000 in twenty-one year-term bonds in the Chilean market.

2016

A joint venture is created on January 28, 2016 with The Coca-Cola Company and Embonor to develop a new model and commercial policies for the production and commercialization of still beverages.

70 años
Coca-Cola ANDINA

Company Structure



DEEDS OF INCORPORATION

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

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

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

Subsequently, by public deed dated 14 October 2013, granted by the notary public of Santiago, Mr. Eduardo Avello Concha, evidence was noted of a full-fledged equity decrease according to the provisions of article 27 of Chilean Company Law N° 18,046 . An abstract of this deed is scored aside from the company's social inscription on the Santiago Registry of Commerce, dated October 16 of the same year. In accordance with the above, the share capital decreased by Ch$21,724,544, and was divided into 473,289,301 Series A shares and 473,281,303 Series B shares.

Corporate Governance

The Company has an Executive Committee and its duty is to supervise the Company's general business and the control of operations on a permanent basis and through periodic sessions, and to propose guidelines concerning the administration of the Company's business.

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

The Company has an Executive Committee which was established by unanimous agreement of the Board of Directors of the Company at its session held on April 22, 1986, and its duty is to supervise the Company's general business and the control of operations on a permanent basis and through periodic sessions, and to propose guidelines concerning the administration of the Company's business. The members of the Executive Committee of the Board of Directors of Embotelladora Andina S.A. are the following directors: Eduardo Chadwick Claro, Arturo Majlis Albala, José Antonio Garcés Silva (junior), Gonzalo Said Handal and Salvador Said Somavía, who were elected during regular Board session held on April 26, 2016. The Chairman of the Board, Mr. Juan Claro Gonzalez and the Chief Executive Officer, Mr. Miguel Ángel Peirano, are also members of this committee, who participate by own right. This Committee meets permanently throughout the year.

The Company also has an Ethics Committee, which was established by the Board of Directors of the Company at its session held January 28, 2014. The following are included among its duties and responsibilities: (i) receive, acknowledge, and investigate irregularity reports referred to in law N°20,393 on crime prevention, and recommend actions to be followed in each of the cases; (ii) establish and develop procedures to promote the ethical conduct of Company employees; (iii) supervise compliance with the provisions of the code of ethics, and resolve queries and disputes that its application might generate; (iv) establish mechanisms for dissemination of the code of ethics, and general matters of ethical character.

This Committee is composed by three directors, who are appointed by the Board of Directors and will occupy their posts until their successors are elected, or until resignation or dismissal. The current members of the Ethics Committee are the directors Mr. José Antonio Garcés Silva, Mr. Juan Claro González and Mrs. Susana Tonda Mitri.

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

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

Further information regarding Corporate Governance matters and the difference with U.S. standards are included in our 20-F Form filed with the SEC every year, and on our website www.koandina.com., as of April 30, 2017.

1. For the period ended December 31, 2016, the Board of Directors incurred in Ch$415 million related to consultancies and audit expenses, among others.
2. The last election of Directors took place at the General Shareholders' Meeting on April 21, 2016.

Directors' Committee

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance to the dispositions of Circular N°1956 and Circular N°560 of the Chilean Superintendence of Securities and Insurance, the current Directors' Committee was elected during Board Session dated April 26, 2016. The Committee is composed of. Mr. Gonzalo Parot Palma (as Chairman and as independent director), Mr. Arturo Majlis Albala and Mr. Salvador Said Somavía comprise the Committee.Between April 30, 2013 and April 25, 2016, the Directors' Committee was composed of Messrs. Gonzalo Parot Palma (as Chairman and independent director), Arturo Majlis Albala and Salvador Said Somavía.

Pursuant to Article 50 bis of Chilean Corporation Law N°18,046, we inform about the tasks carried out by Embotelladora Andina S.A.'s Directors' Committee, reporting that during 2016 the Committee developed the following activities:

› Examined the reports of external auditors, the balance sheets and other financial statements, presented by the administrators of the Company to the shareholders, and took a position on such reports before they were presented to shareholders for their approval.

› Proposed External Auditors and Private Rating Agencies to the Board of Directors, which were suggested to the respective Shareholders' Meeting.

› Examined information regarding the operations referred to by Title XVI of Law N°18,046 and reported on these operations. Detailed information regarding these operations is contained in the notes to the Consolidated Financial Statements included in this Annual Report.

› Examined the salary systems and compensation plans of the Company's managers, principal officers and employees.

› Reviewed and approved the Company's 20F and verified Management compliance with Rule 404 of the Sarbanes Oxley Act (which states that Management must assess Company internal controls on a yearly basis).

› Reviewed Anonymous Reports.

› Reviewed Internal Audit Reports.

› Prepared the budget proposal for the Committee's operation.

› Periodically interviewed the Company's External Auditors.

› Reviewed the budget for Related Company Operations (production Joint Ventures).

› Reviewed Free Competition Compliance Program.

› Reviewed the Internal Control Model.

› Analyzed and Internal Audit Certification processes.

› Reviewed and approved Press Releases issued by the Company.

› Reviewed the Company's four Operations' Internal Control Standards, including Critical Risks in Accounting Processes, Compliance of Corporate Policies, Tax Contingencies and status of Internal and External Audit Observations.

› Analyzed Management and Risk Control Model.

› Reviewed progress on the implementation of Information Systems.

› Reviewed the terms and conditions of Corporate Insurance policies.

› Reviewed judicial contingencies in the Company's four Operations.

› Reviewed Dissemination Programs for Corporate Codes and Policies.

› Reviewed the Company's relevant tax risks.

› Prepared the Annual Management Report

Finally, we inform that during 2016, the Directors' Committee incurred in Ch$117 million. These expenses relate to consultancies on free competition and legal matters, among others.

SARBANES-OXLEY AUDIT COMMITTEE[1]

In accordance with NYSE and SEC requirements regarding compliance with the Sarbanes-Oxley Act, the Board of Directors established an Audit Committee on July 26, 2005. The current Audit Committee was elected during Board Session held April 26, 2016. The Committee is composed of Mr. Gonzalo Parot Palma, Mr. Arturo Majlis Albala, and Mr. Salvador Said Somavía were elected as members of the Audit Committee.

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

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

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

1. For the period ended December 31, 2016, the Audit Committee did not incur any expenses.

Board of Directors[1]

Juan Claro González
Chairman of the Board.
Entrepreneur.
Chilean Tax Id N°: 5.663.828-8

Salvador Said Somavía
Vice Chairman of the Board .
Business Administrator.
Chilean Tax Id N°: 6.379.626-3

Gonzalo Said Handal
Business Administrator.
Chilean Tax Id N°: 6.555.478-K

Arturo Majlis Albala
Lawyer.
Chilean Tax Id N°: 6.998.727-3

Enrique Rapetti
Accountant.
Foreign citizen

José De Gregorio Rebeco
Civil Industrial Engineer.
Chilean Tax Id N°: 7.040.498-2

Juan Andrés Fontaine Talavera
Business Administrator.
Chilean Tax Id N°: 6.068.568-1

Francisco Javier Crespo
Industrial Engineer.
Foreign citizen

Eduardo Chadwick Claro
Civil Industrial Engineer.
Chilean Tax Id N°: 7.011.444-5

José Antonio Garcés Silva
Business Administrator.
Chilean Tax Id N°: 8.745.864-4

Gonzalo Parot Palma
Civil Industrial Engineer.
Chilean Tax Id N°: 6.703.799-5

Georges de Bourguignon Arndt
Economist.
Chilean Tax Id. N°: 7.269.147-4

Susana Tonda Mitri
Business Administrator.
Chilean Tax Id. N°: 5.500.244-4

Mariano Rossi
Business Administrator.
Foreign citizen

1. Date appointed: April 21, 2016

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Notes

The Directors Messrs. Eduardo Chadwick Claro, José Antonio Garcés Silva, Gonzalo Said Handal and Salvador Said Somavía hold an ownership interest in the Company, a detail of which can be found on page 96 of this Annual Report. The Director Mr. Arturo Majlis Albala owns company stock representing a 0.0005% of Series A shares and 0.0016% Series B shares. None of the other Company Directors hold Andina´s stock.

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People who are not currently Company Directors but who were directors during the last 2 years are identified as follows:

Ricardo Vontobel
Business Administrator
Foreign Citizen
Elected as director on June 25, 2012.
Cessation of office date: January 29, 2016

Emilio Rodríguez – Larraín
Lawyer
Foreign Citizen
Elected as director on June 25, 2012.
Cessation of office date: April 21, 2016

Franz Alscher
Economist
Foreign Citizen
Elected as director on June 25, 2012.
Cessation of office date: September 27, 2016

–

The Board of Directors of Coca-Cola Andina is composed of 14 directors, 13 of whom are men and one is a woman. 11 of them are Chilean citizens and 3 are foreign citizens.

–

All members of the Board are older than 40 years of age and two are between 41 and 50 years old, eight between 51 and 60 years old, four between 61 and 70 years old, and there are no Directors over the age of 70.

–

Three of the directors who currently comprise the Company's Board have served in this position for less than three years, six have served between three and six years, none for more than six and less than nine years, three between nine and twelve years, and two for more than 12 years.

OUR COLLABORATORS[1]

Of total Company employees, 14,590 are men and 1,706 are women. Of them, 3,409 are Chilean citizens and 12,887 are foreign citizens. Of the foreign citizens, 12,726 collaborators are of national origin of their respective operations.

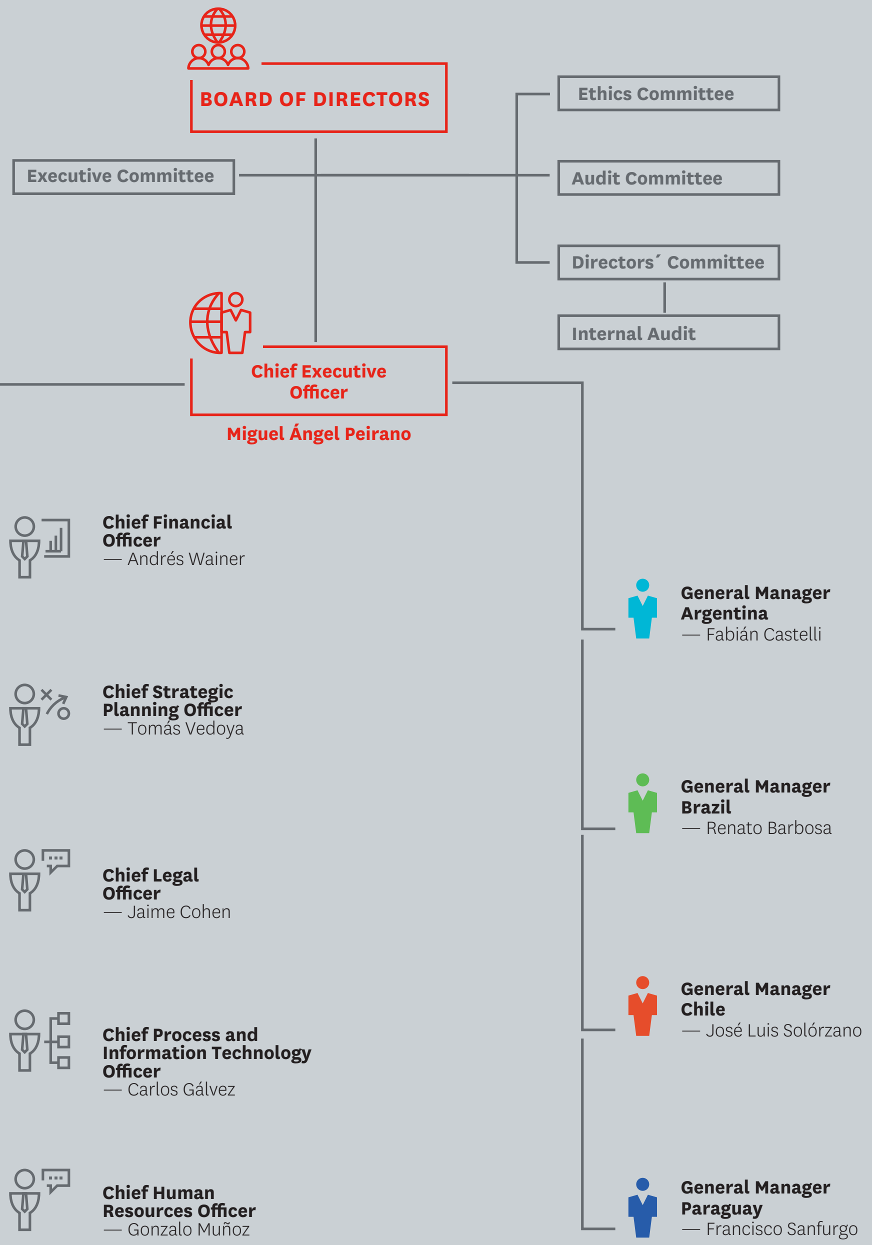
Of total Company collaborators, 4,926 are under 30 years of age, 6,560 are between 30 and 40, 3,305 between 41 and 50, 1,324 between 51 and 60, 170 between 61 and 70, and 11 are older than 70.

Of total Company collaborators, 7,322 have performed their role in the Company for less than 3 years, 3,384 between 3 and 6 years, 1,514 for more than 6 and less than 9 years, 1,345 between 9 and 12 years, and 2,731 for more than 12 years.

1. The number of employees is calculated as equivalent to full time hours, which means that extraordinary hours are considered as additional employees.

	MANAGERS AND PRINCIPAL OFFICERS	PROFESSIONALS AND TECHNICIANS	OTHER EMPLOYEES	TEMPORARIES	TOTAL
Argentina					
Embotelladora del Atlántico S.A.	98	684	1,899	471	3,152
Andina Empaques Argentina S.A.	5	42	113	16	176
Brazil					
Rio de Janeiro Refrescos Ltda.	61	5348	2,509		7,918
Chile					
Embotelladora Andina S.A.	64	365	1,851	552	2,832
Vital Aguas S.A.	1	50	49	47	147
Vital Jugos S.A.	4	123	264	32	423
Envases Central S.A.	3	22	40	18	83
Paraguay					
Paraguay Refrescos S.A.	32	287	1,082	126	1,527
Holding	16	18	3	1	38
TOTAL	268	6,921	7,807	1,262	16,296

Administrative Structure



MANAGEMENT STRUCTURE[1]

Miguel Ángel Peirano
Chief Executive Officer
Chilean Tax Id.: 23.836.584-8
Electrical Engineer
(IN OFFICE SINCE JANUARY 1, 2012)

Andrés Wainer
Chief Financial Officer
Chilean Tax Id.: 10.031.788-5
Economist
(IN OFFICE SINCE JANUARY 1, 2012)

Tomás Vedoya
Chief Strategic Planning Officer
Chilean Tax Id.: 23.058.990-9
Business Administrator
(IN OFFICE SINCE FEBRUARY 23, 2015)

Jaime Cohen
Chief Legal Officer
Chilean Tax Id.: 10.550.141-2
Lawyer
(IN OFFICE SINCE SEPTEMBER 1, 2008)

Carlos Gálvez
Chief Process & Information Officer
Chilean Tax Id.: 9.096.278-7
Computer Sciences Engineer
(IN OFFICE SINCE FEBRUARY 1, 2016)

Gonzalo Muñoz
Chief Human Resources Officer
Chilean Tax Id.: 7.691.376-5
Certified Public Accountant
(IN OFFICE SINCE JANUARY 1, 2015)

1. Administratively Embotelladora Andina S.A. is structured as a holding company made up of a Corporate Office and an Operation in each of the countries it is present.

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Note 1. None of the principal officers hold Andina's stock

Note 2. Diversity in the General Manager's office and other Managing areas that report to the General Manager: The General Manager and Principal Managers of Coca-Cola Andina are 10, all men. Of them, six are Chilean citizens and four are foreign citizens. Within the principal officers, there are no officers younger than 30 years old, one is between 30 and 40, three are between 41 and 50, five between 51 and 60 and one is between 61 and 70 years old. Regarding seniority within the Company, of the principal officers of Coca-Cola Andina, five of them have held their position for less than three years, two between three and six years, two for more than six and less than nine years, none between nine and twelve years and one for more than twelve years.

MAIN OPERATIONS

PARAGUAY

Francisco Sanfurgo
General Manager
Chilean Tax Id N° 7.053.083-K
Mechanical Engineer
(IN OFFICE SINCE JANUARY 1, 2005)

Eduardo Yulita
Finance, Administration
and Systems

Melina Bogado
Marketing Manager

Leonardo Calvete
Quality Manager

María Teresa Llamosas
Human Resources Manager

Carlos Stuardo
Industrial Manager

Julio Fiandro
Logistics Manager

BRAZIL

Renato Barbosa
General Manager
Foreign citizen
Economist
(IN OFFICE SINCE JANUARY 1, 2012)

David Parkes
Finance and Administration
Manager

Marcio Greco
Strategic Planning Manager

Rodrigo Ormaechea
Commercial Manager

Max Ciarlini
Human Resources Manager

Fernando Fragata
Legal Manager

Rui Barreto
Ribeirao Preto Manager

Rodrigo Klee
Logistics and Operations
Manager

Wagner Carrer
RP Commercial Manager

CHILE

José Luis Solórzano
General Manager
RUT 10.023.094-1
Business Administrator
(IN OFFICE SINCE APRIL 1, 2014)

Alberto Moreno
Finance and Administration
Manager

Sebastián Tagle
Commercial Manager

Rodrigo Marticorena
Human Resources Manager

Javier Urrutia
Legal Manager

María Cecilia Facetti
S&OP Manager

José María Sánchez
National Industrial Managerl

Alejandro Vargas
National Logistics Manager

Rodolfo Peña
Regions' Manager

Fernando Jaña
Red de Transportes
Comerciales Limitada
Manager

Alejandro Zalaquett
Coke One Manager

ARGENTINA

Fabián Castelli
General Manager
Dni 17.744.981
Industrial Engineer
(IN OFFICE SINCE APRIL 1ST, 2014)

Fernando Ramos
Finance and Administration
Manager

Pablo Teobaldo
Commercial Manager

Daniel Palacios
Quality Manager

Lilia Hidalgo
Human Resources Manager

Pablo Bardin
Industrial Manager

Santiago López
Distribution and Logistics
Manager

Diego Garavaglia
Integration Manager

Daniel Caridi
General Manager Andina
Empaques Argentina S.A.

Ana Maria Trinade left the Company on December 06, 2016. The position of Suply Manager was not replaced.

Hugo Aquerman left the Company on July 31, 2016. The position of Institutional Relations Manager was not replaced.

Company Ownership

The dividend distribution policy has consisted of paying out a percentage not lower than 30% of the earnings for the period. No material changes to this policy are expected in the future. Historically the Company has carried out dividend payments through interim dividends and one final dividend after its approval during the month of April by the General Shareholders' Meeting following the close of the fiscal year. Since the year 2000 the Company has paid out additional dividends every year in accordance with the General Shareholders' Meeting approval

During 2016 Distributable Earnings were equal to Net Income.

Series A and Series B shares are mainly differentiated by their voting and economic rights.

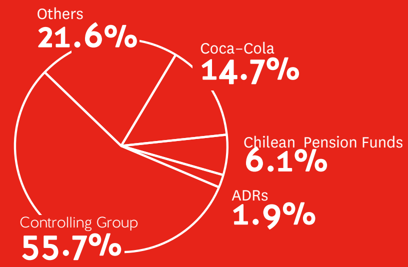
The preference of Series A shares consists of the right to choose 12 of the 14 directors. The preference of Series B shares consists of the right to receive all and any dividends that the Company distributes per share being those interim, definitive, minimum required, additional or possible, increased by 10%. The preference of Series A and Series B shares will last for the term that expires on December 31, 2130. Upon expiration of this term, Series A and B will be deleted and the shares which form them will be automatically transformed into common stock without any preference, eliminating the split into series of shares.

Shareholders' Summary and Comments

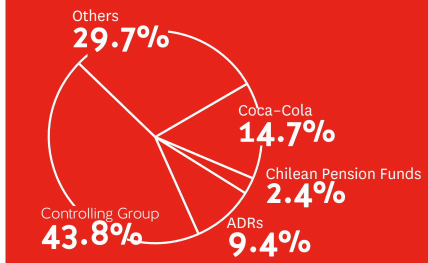
Pursuant to General Rule N ° 30 of the Chilean Superintendence of Securities and Insurance and article 74 of Law N ° 18.046, it is informed that neither the Committee nor shareholders or groups of shareholders representing or holding 10% or more of the issued shares with voting rights have made comments or suggestions concerning the running of Company business.

However, the minutes of the General Shareholders' Meeting of 2016 include all observations made by every shareholder that expressed his/her opinion during said meeting.

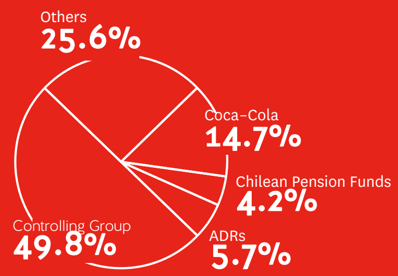
SERIES A



SERIES B



TOTAL



1. See Description of Controlling Group on page 96

TWELVE MAIN SHAREHOLDERS	SERIES A	SERIES B	TOTAL	OWNERSHIP INTEREST (%)
Coca-Cola de Chile S. A.	67,938,179	67,938,179	135,876,358	14.35
Inversiones Cabildo SpA*	52,987,375	49,650,863	102,638,238	10.84
Inversiones SH Seis Limitada[1]	52,989,375	37,864,863	90,854,238	9.60
Banco de Chile por Cuenta de Terceros	33,614,233	52,998,652	86,612,885	9.15
The Bank of New York Mellon	8,843,436	44,712,342	53,555,778	5.66
Inversiones Nueva Delta S.A.[1]	46,426,645		46,426,645	4.90
Inversiones El Olivillo Limitada[1]	46,426,645		46,426,645	4.90
Banco Itaú por Cuenta de Inversionistas	21,128,532	22,464,192	43,592,724	4.61
Rentas Ima Ltda.[1]		38,978,263	38,978,263	4.12
Banco Santander - JP Morgan	12,454,294	16,567,760	29,022,054	3.07
Inversiones Nueva Sofía Ltda.[1]	2,985,731	25,678,583	28,664,314	3.03
Inversiones Las Gaviotas Dos Ltda.[1]	13,513,594	13,513,594	27,027,188	2.86

1. Company Related to the Controlling Group

The total number of shareholders of Embotelladora Andina S.A. at December 31, 2016 is 828 shareholders of the Series A and 1,169 shareholders of the Series B.

DIVIDEND*		SERIES A[1]	SERIES B[1]	TOTAL PAID[2]
January	Interim	17.00	18.70	16,896
May	Final	17.00	18.70	16,896
August	Additional	17.00	18.70	16,896
October	Interim	17.00	18.70	16,896
Total 2016		**68.00**	**74.80**	**67,584**
Total 2015		**54.00**	**59.40**	**53,671**
Total 2014		**52.40**	**57.64**	**52,080**
Total 2013		**71.60**	**78.76**	**71,163**

1. Ch$ per share
2. Million nominal Ch$

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

OUR BUSINESS

Argentina

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

GENERAL INFORMATION 2016

Total Sales Volume (MUCs)	218.8	
Soft Drinks	Juices & Others	Waters
183.2	9.7	25.9

Total Per Capita Annual Consumption (8 oz. bottles)	362	
Soft Drinks	Juices & Others	Waters
316	16	30

Market Share(%)*		
Soft Drinks	Juices & Others	Waters
61.6	33.3	14.5

Clients (thousand)	64
Franchise Extension (thousand km^2)	1,892
Franchise Population (million)	13.9
Operating Income (M Ch$)	81.1
EBITDA (M Ch$)	105.4

* Market Share Source: AC Nielsen

Business Description[1]

Coca-Cola Andina Argentina produces and commercializes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Liviana, Schweppes Citrus, Schweppes Tónica, Schweppes Pomelo, Schweppes Lima Limón, Schweppes Zero, Crush Naranja, Kin carbonated and non-carbonated , Bonaqua carbonated and non-carbonated (mineral water), Aquarius (8 flavors), Aquarius Delight (2 flavors) and Aquarius Cero (3 flavors). Additionally, it produces and commercializes Cepita (5 flavors), Powerade (6 flavors), and Powerade Zero and in certain provinces It commercializes the following beer brands: Amstel, Budweiser, Heineken, Sol, Imperial (5 varieties), Palermo, Schneider Bieckert, Kunstmann (3 varieties).

License Agreements

These Agreements are international standard contracts that The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain soft drinks and non-soft drink beverages bearing the trademarks of The Coca-Cola Company. In accordance with these contracts we have the right to produce and commercialize soft drinks bearing the trademarks of The Coca-Cola Company in our franchise territory. Although this is not an exclusive right, The Coca-Cola Company has never authorized any other entity to produce or commercialize soft drinks or other beverages bearing the trademarks of The Coca-Cola Company in our franchise territory. The Agreement states as franchise territory the provinces of Córdoba, Mendoza, San Juan, San Luis and Entre Ríos, as well as part of the provinces of Santa Fe and Buenos Aires, Chubut, Santa Cruz, Neuquén, Río Negro, La Pampa, Tierra del Fuego, Antartic and South Atlantic Islands. The Agreement with The Coca-Cola Company has been extended until September 30, 2017.

Production and Distribution

Coca-Cola Andina Argentina operates 3 production facilities for soft drinks, one located in Córdoba with 10 lines and an average utilization capacity of 53.2%; another one located in Bahía Blanca (Province of Buenos Aires) with 3 lines and an average utilization capacity of 61.2%; and the third one located in Trelew (Province of Chubut) with 3 lines and an average utilization capacity of 36.5%. Additionally the Córdoba plant also has the capacity to produce juices for it which it has 3 lines with an average utilization capacity of 47.9% and it also has the capacity to produce mineral water and other products through one line with an average utilization capacity of 40.6%. Finally, at the Bahia Blanca plant the company has the capacity to produce juices through 1 line with an average utilization capacity of 18.9%. Additionally it manages 277 soft drink auto-vending machines.

Also, during June 2012, at the Córdoba production facility we inaugurated a plant for the processing of raw sugar, with nominal processing capacity of approximately 350 tons per day upon conclusion of next year's forecasted investments. The process has multiple stages and continues in development given the complexity of the operation, reaching 65% of plant utilization during 2016. This innovative integration into the value chain is unique in the Coca-Cola system.

The distribution of products is carried out through third party distributing companies with a fleet of 106 contractors with a total of 859 trucks.

Clients and Suppliers

The 12 main clients are:

S. A. Imp. y Exp. de la Patagonia, Jumbo Retail Argentina S.A., Inc Sociedad Anónima, Wal-Mart Argentina S.R.L., Mistura S.A., Pont Andrés Roberto, Cooperativa Obrera Ltda C y V, Cyre S.A., El Gringo S.R.L., Manzur Fortunato Alberto, López Hnos S.R.L. and Garzón S.R.L.

None of the clients by themselves concentrate more than 10% of the sales carried out.

The suppliers of main raw materials are:

› Concentrate: Servicios y Productos para Bebidas Refrescantes S.R.L. 1

› Sweetener: Atanor S.C.A., Glucovil Argentina S.A. y Temas Industriales S.A.

› Water: We own water wells and pay a fee to the Dirección Provincial de Aguas Sanitarias.

› Carbon Dioxide: Praxair Argentina S.R.L. and Air Liquide Argentina S.A.

› Packaging (Bottles): Cattorini Hermanos S.A.C.I.F., Andina Empaques Argentina S.A.[3], E.I. y Dak Americas Argentina S.A

› Boxes: Andina Empaques Argentina S.A.[3], and Cabelma S.A. and PbbPolisur S.A.

› Plastic Caps: Andina Empaques Argentina S.A.[3], and Alusud Argentina S.R.L.

› Metal Caps: Aro S.A. Exportação Importação Indústria Comercio and Metalgráfica Cearence S.A.

› Electric Energy: Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA), Termoandes S.A. and EPEC.

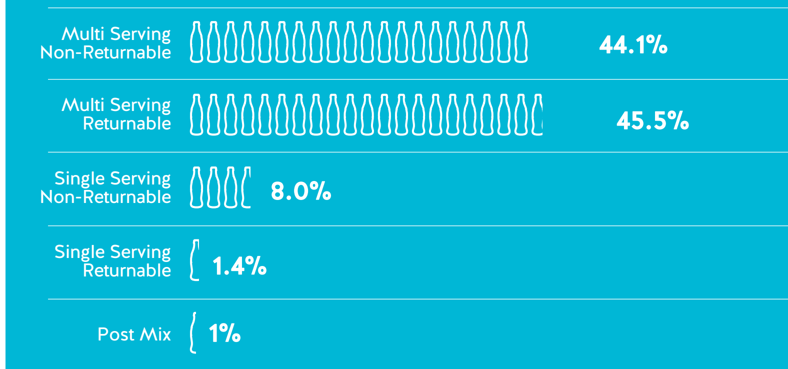
› Thermocontractable: Río Chico S.A., Petropack S.A. and Plastinadino S.A.

› Labels: Luis y Miguel Zanniello S.A. and Envases John S.A.

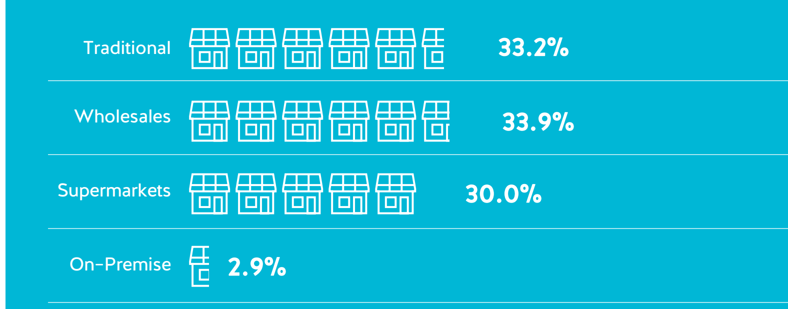
Servicios y Productos para Bebidas Refrescantes S.R.L.[2] individually concentrates at least 10% of the purchases carried out.

1. For an in-depth description of our business in Argentina, refer to our annual report on Form 20-F which will be available beginning April 30, 2017 on our website: www.koandina.com
2. Shareholder
3. Subsidiary

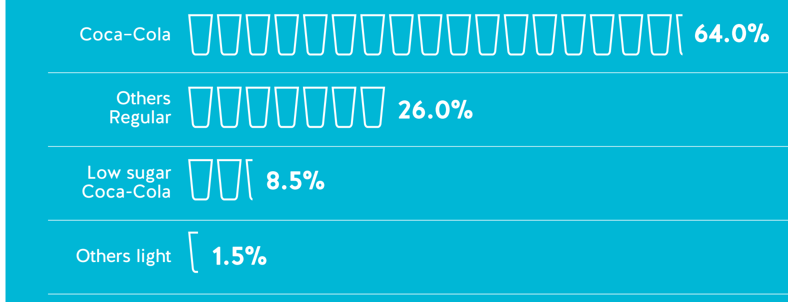
Sales by Format Soft Drinks



Sales by Channel



Sales by Flavor Soft Drinks



* Market Share Source: AC Nielsen

Brazil

• Part of the states of Rio de Janeiro, Espíritu Santo, São Paulo and Minas Gerais

GENERAL INFORMATION 2016

Total Sales Volume (MUCs): **266.1**

Soft Drinks	Juices & Others	Waters	Beers
216.2	26.4	6.6	16.9

Total Per Capita Annual Consumption (8 oz. bottles): **281**

Soft Drinks	Juices & Others	Waters	Beers
237	19	7	18

Market Share(%)*

Soft Drinks	Juices & Others	Waters
63.4	47.0	8.2

Clients (thousand)	79
Franchise Extension (thousand km^2)	165
Franchise Population (million)	21.9
Operating Income (M Ch$)	105.4
EBITDA (M Ch$)	143.3

* Market Share Source: AC Nielsen

Business Description[1]

Coca-Cola Andina Brazil commercializes products of The Coca-Cola Company and Heineken. It produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Coca-Cola Light, Coca-Cola Stevia, Coca-Cola Cherry, Coca-Cola Vanilla, Kuat, Kuat Zero, Fanta (3 flavors), Fanta Zero (2 flavors), Sprite, Sprite Zero, Schweppes, Schweppes Tónica, Schweppes Citrus, Schweppes Citrus Light, Del Valle 100% (3 flavors), Del Valle Frut (4 flavors), Del Valle Kapo (6 flavors), Del Valle Mais (8 flavors), Del Valle Mais Light (6 flavors), Del Valle Reserva (2 flavors), Kapo (5 flavors), Sabores Caseros, Suco Mais (3 flavors), Crystal (carbonated and non-carbonated mineral water), I9 (4 flavors), Powerade (6 flavors), Powerade Zero (2 flavors), Burn, Monster (2 flavors), Monster Zero, Fuze Chá Leão Zero (2 flavors), Fuze Ice Tea (2 flavors), Fuze Ice Tea Zero (2 flavors), Fuze Mate Leão (3 flavors), Fuze Mate Leão Zero (2 flavors) , Guaraná Leão (2 flavors), Matte Leão (3 flavors), and Matte Leão Zero. Additionally it distributes the following beer brands: Amstel, Bavaria (3 varieties), Birra Moretti, Desperados, Dos Equis, Edelweiss, Heineken, Kaiser (3 varieties), Sagres, Sol and Xingu (3 varieties).

License Agreements

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

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

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

Production and Distribution

Coca-Cola Andina Brazil operates three production facilities (i) one plant located in Jacarepaguá in the State of Rio de Janeiro, with 11 production lines and 68.3% of utilization capacity; (ii) one plant located in Vitoria in the State of Espírito Santo with 3 production lines and 42.3% of utilization capacity (iii) one plant in Ribeirão Preto in the state of São Paulo with 11 production lines and 58.8% of utilization capacity. The distribution of products is carried out through company-owned transportation companies (857 trucks) and third party transportation companies (136 trucks). Additionally it manages 418 vending machines.

Clients and Suppliers

The 12 main clients of Coca-Cola Andina Brazil are:

Companhia Brasileira De Distribuição Cdb S.A., Sociedade Comercial Champfer Ltda., Atacadao S.A., Xantocarpa Participacoes Ltda., Prezunic Comercial Ltda., Marko Atacadista S.A., Supermercados Mundial Ltda., Super Mercado Zona Sul S.A., Distribuidor de Bebidas Real Cola Ltda., Super Market , Savegnago, and Carrefour Comércio e Indústria Ltda.

None of our clients individually concentrate more than 10% of the sales carried out.

The suppliers of main raw materials are:

› Concentrate: Recofarma Indústrias do Amazonas Ltda.[2]

› Sweetener: Usina Alta Mogiana S.A. Açúcar e Alcool, Central E M Açúcar e Alcool Ltda (Moreno).

› Water: Companhia Estadual de Água e Esgoto do Rio de Janeiro, and Companhia Espírito Santense de Sanenamento

› Carbon dioxide: White Martins Gases S.A., and. Light Esco Ltda., Linde Gases S.A

› Packaging (bottles): CPR Industria e Comercio, Engepack Embalagens, and RioPet Embalagens

› Aluminum cans and caps: Rexam Beverage Can South, Latapack Ball Embalagens Ltda.

› Caps: Aro S.A., Bericap do Brasil Ltda., Mirvi Brasil AS, and America Tampas.

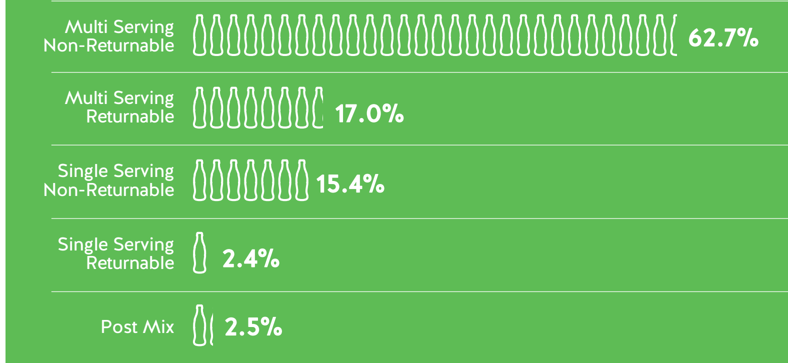
› Electric energy: Light Esco Ltda., Light S.A. and Centrais Elétricas S.A.

› Distributed Products: Leão Alimentos e Bebidas Ltda.[3] and Cervejarias Kaiser S.A.

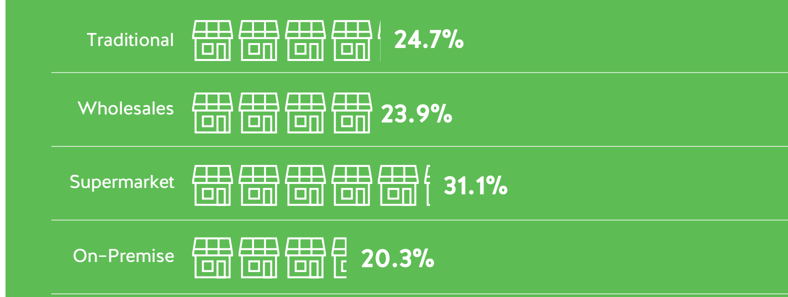
Leão Alimentos e Bebidas Ltda.[3], Cervejarias Kaiser S.A. and Recofarma Industrias do Amazonas Ltda.[2] each concentrate by themselves at least 10% of the purchases carried out.

1. "For an in-depth description of our business in Brazil, refer to our annual report on Form 20-F which will be available beginning April 30, 2017 on our website: www.koandina.com.
2. Related to Shareholder Coca-Cola de Chile S.A.
3. Subsidiary.

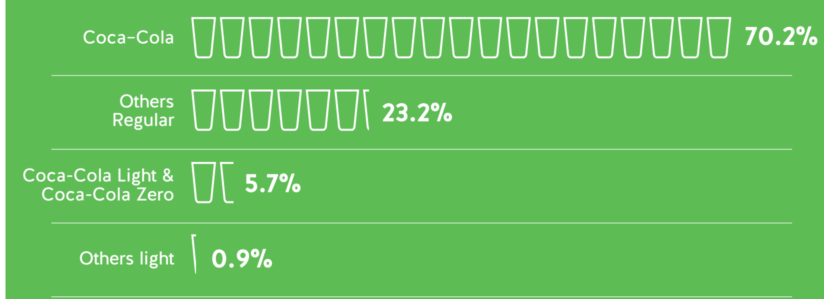
Sales by Format Soft Drinks



Sales by Channel



Sales by Flavor Soft Drinks



Chile

• Antofagasta • Atacama • Coquimbo • Metropolitan Region • San Antonio • Cachapoal • Aysen • Magallanes

GENERAL INFORMATION 2016

Total Sales Volume (MUCs)

232.2

Soft Drinks	Juices & Others	Waters
161.3	34.4	36.5

Total Per Capita Annual Consumption (8 oz. bottles)

532

Soft Drinks	Juices & Others	Waters
399	53	80

Market Share (%)*

Soft Drinks	Juices & Others	Waters
68.2	35.3	42.9

Clients (thousand)	63
Franchise Extension (thousand km^2)	398
Franchise Population (million)	9.5
Operating Income (M Ch$)	101.8
EBITDA (M Ch$)	166.3

* Market Share Source: AC Nielsen

Business Description[1]

Coca-Cola Andina Chile produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Coca-Cola Life, Coca-Cola Vainilla, Coca-Cola Vainilla Zero, Fanta Naranja, Fanta Naranja Zero, Inca Kola, Inca Kola Zero, Nordic Mist Agua Tónica, Nordic Mist Ginger Ale, Nordic Mist Zero, Quatro (4 flavors), Sprite, Sprite Zero, Cantarina (5 flavors) and Benedictino (carbonated and non-carbonated). Additionally it distributes the following products of Vital Jugos: Andina del Valle (5 flavors), Andina Del Valle Light (3 flavors), Andina del Valle Nutridefensas (4 flavors) and Kapo (4 flavors); Vital Aguas: Vital (carbonated and non-carbonated); Envases Central : Soft drinks under Coca-Cola brands in the following formats: cans, pet 500 cc and 1.5 Liters, also Aquarius (5 flavors), Fuze Tea (2 flavors), Powerade (4 flavors), Powerade Zero (3 flavors) and Glaceau Vitamin Water (5 flavors); Coca-Cola de Chile S.A. with café Blak; through the Koolife business unit it imports and distributes Coca-Cola Cherry, Coca-Cola Vainilla, Coca-Cola decaffeinated, Smartwater, GoldPeak (3 flavors), GoldPeak Diet, Core Power (3 flavors) and Zico (2 flavors) and it additionally distributes Monster (4 flavors). These products are commercialized in returnable and non-returnable glass and PET bottles, post-mix syrup, cans and Tetra Pak.

License Agreements

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

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

On the other hand and as a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina during 2012, The Coca-Cola Company authorized Embotelladora Andina to be the legal successor of the license agreement for the following territories in Chile: II, III, IV, XI, and XII regions as well the Chilean Antartic, this agreement is in full force and effect until October 31, 2019.

Production and Distribution

Coca-Cola Andina Chile operates 4 production facilities throughout Chile (i) one plant located in Renca with 10 lines and a utilization capacity of 69.0%. (ii) One plant located in Coquimbo with 3 lines and a utilization capacity of 42.0%. (iii) One plant located in Antofagasta with 4 lines and a utilization capacity of 63.0%; and (iv) one plant in Punta Arenas with 2 lines and a utilization capacity of 35.0%. The distribution of products is done through third part transport6ation companies (622 trucks) and Company owned (75 trucks).

Coca-Cola Andina Chile also manages 1,438 vending machines for soft drinks and snacks through its subsidiary, Servicios Multivending.

Clients and Suppliers

The 12 main clients are:

Walmart Chile Comercial S.A., Cencosud Retail S.A., Rendic Hermanos. S.A., Alimentos Fruna Ltda., Hipermercados Tottus S.A., Aramark Servicios Mineros y Remotos, Alvi Supermercados Mayoristas S.A., Supermercados Montserrat S.A.C., Ekono S.A., Super 10 S.A., Sodexho Chile S.A. and Compass Catering S.A.

None of our clients individually concentrate more than 10% of the sales carried out.

The suppliers of main raw materials are:

› Concentrate: Coca-Cola de Chile S.A.[2]

› Sweetener: Iansagro S.A., Sucden Chile S.A. and Sucden Americas.

› Water: Aguas Andinas S.A.

› Carbon dioxide: Linde Gas Chile S.A., Praxair Chile S.A. and Praxair Argentina.

› Packaging (bottles): Envases CMF S.A.[3], Cristalerías de Chile S.A., and Cristalerías Toro S.A.C.I.

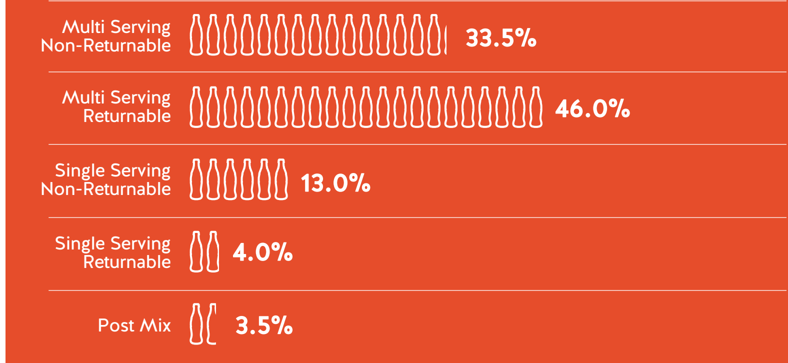
› Aluminum cans and caps: Rexam Chile S.A.

› Caps: Envases CMF S.A.[3]

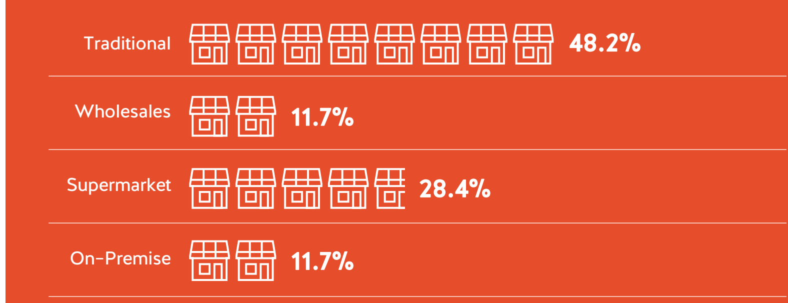
Coca-Cola de Chile S.A.[2], individually concentrates at least 10% of the purchases carried out.

1. For an in-depth description of our business in Chile, refer to our annual report on Form 20-F which will be available beginning April 30, 2017 on our website: www.koandina.com.
2. Shareholder.
3. Related Company.

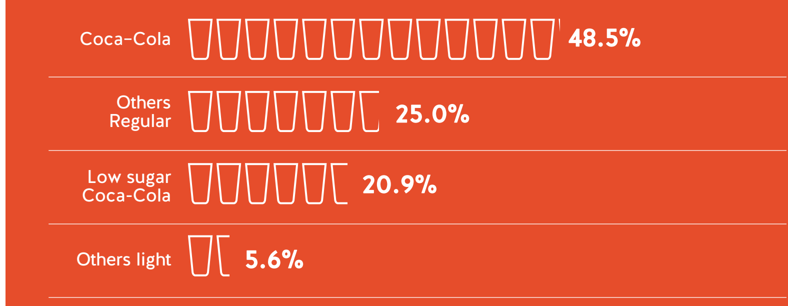
Sales by Format Soft Drinks



Sales by Channel



Sales by Flavor Soft Drinks



Paraguay

• *The entire country*

GENERAL INFORMATION 2016

Total Sales Volume (MUCs)		
	62.0	
Soft Drinks	Juices & Otheres	Waters
52.6	3.5	5.9

Total Per Capita Annual Consumption (8 oz. bottles)		
	216	
Soft Drinks	Juices & Otheres	Waters
183	12	21

Market Share (%)*		
Soft Drinks	Juices & Others	Waters
67.7	41.4	44.5

Clients (Thousand)	53
Franchise Extension (thousand km²)	407
Franchise Population (million)	6.9
Operating Income (M Ch$))	35.1
EBITDA (M Ch$)	52.2

* Market Share Source: AC Nielsen

Business Description[1]

Coca-Cola Paresa produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Naranja Mandarina, Fanta Guaraná, Fanta Piña, Fanta Uva, Schweppes Tónica, Schweppes Citrus, Schweppes Pomelo, Schweppes Zero, Sprite, Sprite Zero, Sprite Cranberry, Crush Naranja, Crush Piña, Crush Pomelo, Crush Guaraná, Frugos Manzana, Frugos Durazno, Frugos Naranja, Frugos Naranja Light, Frugos Pera, Frugos Naranja Casera, Aquarius (in 5 flavors), Dasani (carbonated and non-carbonated), Powerade (in 5 flavors) and Burn. These products are commercialized in returnable and non-returnable glass and PET bottles, bag-in-box syrup, cans and tetra.

License Agreements

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

The agreement states as franchise territory all of the Paraguayan territory and it is in is in full force and effect until September 1, 2020.

Production and Distribution

Coca-Cola Paresa operates one production facility located in Asunción with a total of 8 bottling lines, with 72.0% utilization capacity, 2 tetra lines with 87.0% utilization capacity and 2 blowing lines with 87.0% utilization capacity.

The distribution of products is carried out through third party distributing companies with an average fleet of 292 trucks that deliver our products to clients throughout Paraguay.

Clients and Suppliers

The 12 main clients of Coca-Cola Paresa are:

Cadena de Supermercados S6, Cadena de Supermercados Stock, Cadena de Supermercados Real, Cadena de Supermercados España, Tienda de Conveniencia Petrobras Spacio 1, Cadena de Supermercado Salemma, Mayorista La Alegría, Tienda de Conveniencia Copetrol CopeMarket, Cadena de Supermercados Todo Carne, MC Donalds, Cadena de Supermercado Luisito and Bodega Don Juan..

None of our clients individually concentrate more than 10% of the sales carried out.

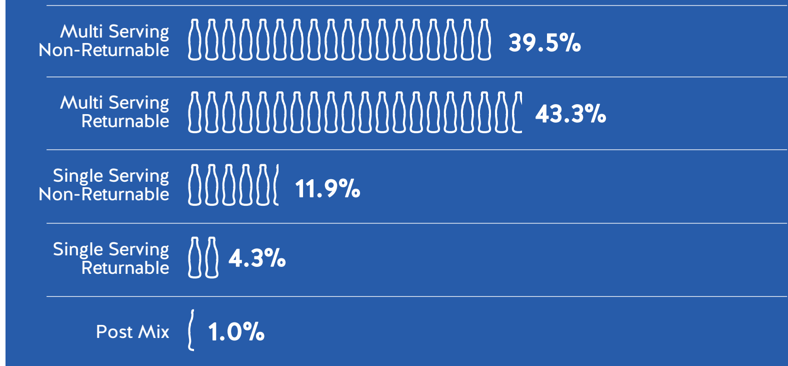
The suppliers of main raw materials are:

- Concentrate: Servicios y Productos Argentina[2]; and Recofarma Industrias do Amazonas Ltda.[3]
- Sweetener: Industria Paraguaya de Alcoholes S.A.
- Water: Coca-Cola Paresa owns water wells
- Packaging (bottles): Cattorini Hnos.(glass)
- Plastic caps: Andina Empaques Argentina[3] and Sinea S.A.
- Preforms: Industrias PET S.A.
- Electric energy: ANDE-Administración Nacional de Electricidad.
- Carbon Gas: Liquid Carbonic Del Paraguay S.A.

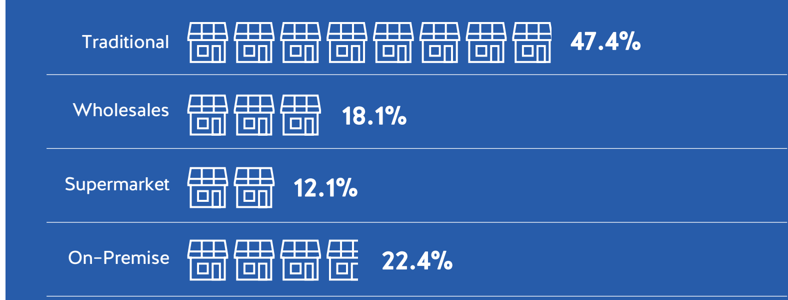
Industria Paraguaya de Alcoholes S.A. and Recofarma Industrias do Amazonas S.A.[3] and Servicios y Productos Argentina[1] each concentrate by themselves at least 10% of the purchases carried out.

1. For an in-depth description of our business in Paraguay, refer to our annual report on Form 20-F which will be available beginning April 30, 2017 on our website: www.koandina.com.
2. Shareholder
3. Related company

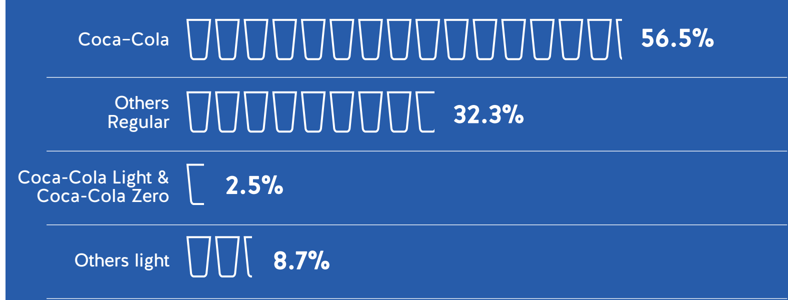
Sales by Format Soft Drinks



Sales by Channel



Sales by Flavor Soft Drinks



Other Operations

ANDINA EMPAQUES ARGENTINA S.A.

Andina Empaques Argentina S.A. (hereinafter "AEA"), is a company formed in 2011 from the division of Embotelladora del Atlántico S.A. for the purpose of designing, manufacturing, and commercializing plastic products, mainly bottles.

In developing its activities in the packaging division and aligned with our strategy to become the supplier of Andina's group of companies, during 2016 AEA supplied non-returnable preforms, plastic caps and returnable PET bottles to Coca-Cola Andina Argentina.

Production and Sales by Format

Andina Empaques Argentina operates one plant for the production of preforms, returnable PET bottles, plastic cases and caps located at Tigre in the province Buenos Aires, Argentina. The plant has 13 injection lines, 3 blowing lines, 1 line for cases and 2 lines for caps.

Average utilization capacity during 2016 was 84.4% for injection lines, 70.8% for blowing lines, 77.2% for cases and 88.3% for plastic caps. Sales by format during 2016 were 43.4 million PET returnable bottles and 719.0 million preforms for non-returnable PET bottles, 0.6 million cases and 513.9 million plastic caps.

Main suppliers of raw materials

- Resin: DAK Americas Argentina S.A., PBB Polisur S.A., Dow Chemical and PTT Polymer Marketing Company Lmt.
- Coloring: Colormatrix, Kemkoll, Clariant and Arcolor
- Ink: Nazdar Shawnee,
- Labels: Multi-Color Corp.
- Packaging: Argencraf S.A., N.E.M. S.A., Afema S.A., and Fadecco S.A.
- Electric energy: Edenor S.A., Cammesa, Termoandes S.A.

DAK Americas Argentina SA concentrate by itself at least 10% of the purchases carried out.

Main Clients

The main clients are: Embotelladora del Atlántico S.A.[1], Coca-Cola Femsa S.A., Grupo Arca, Paraguay Refrescos S.A.[1], Reginald Lee S.A., Montevideo Refrescos S.A., and Envases CMF S.A.[2]

Embotelladora del Atlántico S.A.[1], Cola Femsa S.A. and Grupo Arca each individually concentrate at least 10% of the sales carried out

1. Subsidiary.
2. Related Company.

Vital Jugos S.A.

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

In January of 2011, the juice production business is restructured allowing the incorporation of the other Coca-Cola bottlers in Chile to the ownership of Vital S.A., which changes its corporate name to Vital Jugos S.A. As a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina which took place at the end of 2012, the ownership structure of Vital Jugos was amended beginning November 2012 as follows: Andina Inversiones Societarias 50%, Embonor S.A. 35% y Embotelladora Andina S.A. 15%.

Juice Bottler Agreement

In 2005, Vital Jugos S.A. and The Coca-Cola Company ("TCCC") entered into a Juice Bottler Agreement by which TCCC authorized Vital Jugos S.A. to produce, prepare and bottle in packaging previously approved by TCCC the abovementioned brands. Andina and Embonor have the right to purchase products from Vital Jugos S.A. Said agreement is in effect until December 31, 2017. Additionally, Andina, Vital Jugos and Embonor have agreed with The Coca-Cola Company the respective agreements and authorizations to produce, package, and sell these products at their respective production facilities.

Production and Distribution

Vital Jugos operates one production facility located in Santiago with 9 lines for the production of Andina del Valle Fuze Tea, Powerade, Aquarius and Glaceau Vitamin Water; and 7 lines for the production of Kapo. Average utilization capacity for the year 2016 was 77.9%. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Vital Jugos. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

Main Suppliers

› Concentrate: Coca-Cola de Chile S.A.[1]

› Sweetener: Embotelladora Andina S.A.[5]

› Fruit Pulp: Aconcagua Foods S.A., Cicocitrico Cutrale-Brasil, Comercializadora Tradecos Chile Ltda.

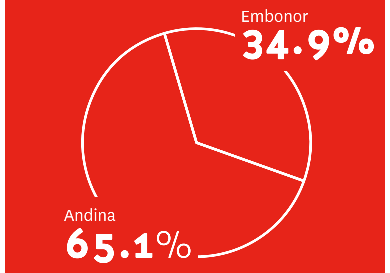
› Packaging, Bottles and Cans: Tetra Pak de Chile Ltda., Envases del Pacífico S.A.[2], Flexa, Envases CMF S.A.[4]

› Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L., Portola Packaging Inc. (SILGAN)

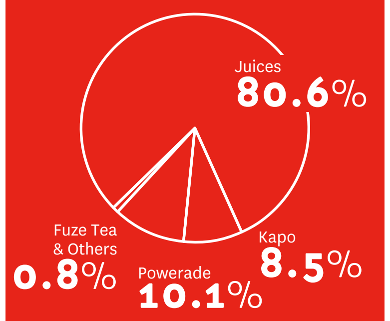
Tetra Pak, Envases CMF S.A.[3], and Coca-Cola de Chile S.A.[1] each individually concentrate at least 10% of the purchases carried out.

1. Shareholder
2. Shareholder related
3. Equity Investee
4. Subsidiary
5. Parent Company

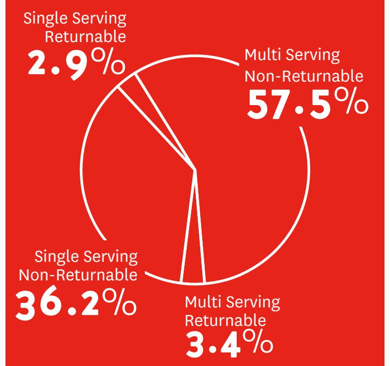
Sales by Client



Sales by Product



Sales by Format



Vital Aguas S.A.

In agreement with The Coca-Cola Company, Vital Aguas S.A. prepares and bottles the following brands: Vital (mineral water) in the following versions: with gas, without gas and soft gas. Vital mineral water is commercialized in returnable glass bottles and non-returnable PET bottles. As a result of the merger by absorption of Embotelladoras Coca-Cola Polar into Embotelladora Andina which took place at the end of 2012, the ownership structure of Vital Aguas was amended beginning November 2012 as follows: Embotelladora Andina S.A. 66.5% and Embonor S.A. 33.5%.

Water Manufacturer and Packaging Agreement

In 2005, Vital Aguas S.A. and The Coca-Cola Company entered into a Water Manufacturing and Packaging Agreement for the preparation and packaging of beverages regarding the brands Vital, Chanqueahue, Vital de Chanqueahue and Dasani; incorporating at the beginning of 2008 the Benedictino brand to the product portfolio elaborated by Vital Aguas S.A. in accordance to this agreement. Said agreement is effective until December 31, 2017.

Production and Distribution

Vital Aguas S.A. operates 4 production lines for mineral water and purified water at the production facility located in Chanqueahue, in the municipality of Rengo in Chile. During 2016, average utilization capacity was a 97.2%. In Chile, exclusively Andina and Embonor, the other Coca-Cola bottler in the country, distribute the products of Vital Aguas S.A. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

Main Suppliers

› Concentrate: Coca-Cola de Chile S.A.[1]

› Carbon dioxide: Linde Gas Chile S.A.

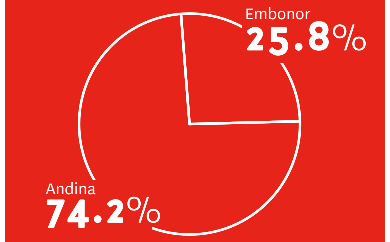
› Packaging: Envases CMF S.A.[2], Cristalerías de Chile S.A., Cristalerías Toro S.A.C.I.

› Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L., Portola Packaging Inc.

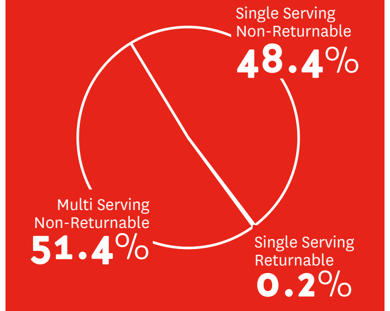
Envases CMF S.A. [2] and Coca Cola de Chile S.A. [1] each concentrate by themselves at least 10% of the raw material purchases carried out.

1. Shareholder
2. Equity Investee

Sales by Client



Sales by Format



ENVASES CENTRAL S.A.

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

License Agreement

These agreements are international standard contracts The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages.

The term of the agreement with The Coca-Cola Company has been renewed this year and is in effect until March 31, 2021

Production and Distribution

Envases Central S.A. operates one production facility located in Santiago, with 1 line for cans and 1 line for PET bottles. During 2016, the canning and bottling lines operated at an average of 60%, of its installed capacity. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Envases Central S.A. The distribution agreements stipulate for the distribution of products within each of the respective franchise territories.

Main Clients:

› Embotelladora Andina S.A.[1] and Coca-Cola Embonor S.A.

› Embotelladora Andina S.A.[1] and Coca-Cola Embonor S.A. each individually concentrate at least 10% of the sales carried out.

Main Suppliers:

› Aluminum cans and caps: Rexam Chile S.A.

› Concentrate: Coca Cola de Chile S.A.[1]

› Sweetener: Embotelladora Andina S.A.[3]

› Plastic Bottles: Envases CMF S.A.[2]

› Plastic caps: Envases CMF S.A.[2]

Rexam Chile S.A., Coca-Cola de Chile S.A.[1], Embotelladora Andina S.A.[3], Envases CMF S.A.[2] each individually concentrate at least 10% of the raw material purchases carried out.

1. Shareholder
2. Equity Investee
3. Parent Company

ENVASES CMF S.A.

Envases CMF produces returnable and non-returnable bottles, returnable and non-returnable preforms and caps. Since 2012, Envases CMF is owned by Andina Inversiones Societarias S.A. (50%) and by Embonor Empaques S.A. (50%).

Production and Sales by Format

Envases CMF operates one production facility for the manufacture of PET bottles located in Santiago. The plant has 12 preform injection lines, 12 blowing lines, 11 lines for conventional injection and one injector blowing line. During 2016, average utilization capacity of the production lines was 90.7%, 89.9%, 84.7% and 86.2%, respectively.

Sales by format during 2016 were 279 million non-returnable PET bottles, 27 million returnable PET bottles and 485 million preforms for non-returnable bottles and 760 million products from conventional injection.

Main Suppliers

› Resina: Jiangyin Xingyu New Material Co., Far Eastern Textile Ltd., Dak Americas LLC USA y China Resourses.

› Resin: Jiangyin Xingyu New Material Co., Far Eastern Textile Ltd., Dak Americas LLC USA and China Resources

› Masterbatch: Clariant Plastic & Coatings Chile S.A., Colormatrix do Brasil Industrial and Ampacet Chile Ldta.Ink: Nazdar Shawnee and Siegwerk Chile S.A.

› Labels: Multi-Color Corp.

› Packaging: Impresos y Cartonajes S.A., 3 Volcanes Ltda. and Plastyverg Industrial Limitada

Jiangyn Xingyu New Material Co., Dak Americas LLC USA , China Resources and Far Eastern Textile LTD., each individually concentrate at least 10% of the raw material purchases carried out during 2016.

Main Clients

Embotelladora Andina S.A.[1], Coca-Cola Embonor S.A., Vital Jugos S.A., Vital Aguas S.A., Embonor Empaques S.A., Envases Central S.A., Tres Montes S.A., Fábrica de Envases Plásticos, Emb. Bolivianas Unidas S.A., Soprole S.A., Alimentos Cordillera Ltda. y Embotelladora del Atlántico S.A.

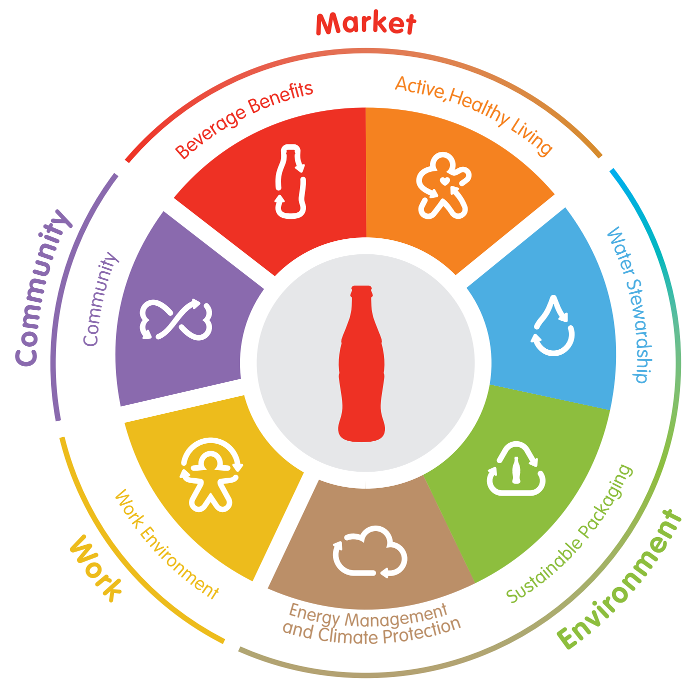
Embotelladora Andina S.A.[1] Coca-Cola Embonor S.A., Vital Jugos S.A. y Vital Aguas S.A., each individually concentrate at least 10% of the sales carried out during 2016.

1. Parent Company

Corporate Social Responsibility (CSR)

The 2016 Sustainability Report collects the daily valuable contributions of our collaborators and the Company as a whole in Argentina, Brazil, Chile and Paraguay. The Report contains projects and actions that inspire others and generate value for our collaborators, customers, consumers, suppliers and the communities where we have the privilege to operate.

AXIS OF OUR SUSTAINABILITY MANAGEMENT:



› You can access our Sustainability Report by scanning the QR code, in the enclosed memory flash in the Annual Report (Spanish version), or on our website.

Learn about the lessons learned and work plans in each of the pillars of our sustainability strategy, accessing our Sustainability Report.

NOTE: We have prepared this report in accordance with GRI4 International Sustainability guidelines and the International Standard of Social Responsibility ISO 26000.

ADDITIONAL INFORMATION

CAPITAL EXPENDITURES

	(NOMINAL MILLON DOLLARS)	2016	2015	2014
ARGENTINA	Embotelladora del Atlántico S.A.	50.8	43.4	41.5
	Andina Empaques Argentina S.A.	4	2.5	3.5
BRAZIL	Rio de Janeiro Refrescos Ltda.	58.4	37.9	53.0
CHILE	Embotelladora Andina S.A.	53.2	68.6	68.5
	Vital Jugos S.A.	6.7	3.8	6.8
	Vital Aguas S.A.	1.8	1.8	0.6
	Envases Central S.A.	1	2.3	3.2
PARAGUAY	Paraguay Refrescos S.A.	13.7	11.4	23.0
	TOTAL	**189.6**	**171.7**	**200.1**

Financial Activities

During 2016, the Company did not use external financing.

As of December 31, 2016 Company net debt amounted to US$737.3million. This figure is calculated considering the mark to market of Cross Currency Swaps ("CCS") entered into to hedge the debt in U.S. dollars.

Total financial assets, including the aforementioned CCS amounted to US$437.3 million. Excluding the CCS, financial assets amounted to US$310.6 million. This cash surplus is invested in short-term fixed income money markets and time deposits, and 31.6% is denominated in Chilean Pesos, 22.3% in U.S. Dollars, 18.0% in UFs, 17.9% in Brazilian Real, 6.8% in Paraguayan Guaraní, and 3.4% in Argentine Pesos.

Financial debt level reached US$1,174.6 million, US$575 million of which correspond to a bond in the international market, US$489.2 million to bonds in the local Chilean market and US$110.4 to bank debt Financial debt including the CCS effect is 64.6% denominated in UFs, 33.0% in Brazilian Real, 1.3% in Chilean Pesos, 0.7% in U.S. Dollars, 0.3% in Argentine Pesos, and 0.1% in Paraguayan Guaraní.

In addition to the Cross Currency Swaps, Coca-Cola Andina periodically uses exchange rate hedging agreements from time to time to backup commitments in currencies different from those used in its operations, due to obligations arising from acquisition of fixed assets and/or raw material purchases.

Investment and Financing Policy

The Deeds of Embotelladora Andina do not define a fixed financing structure or an investment policy. Within the faculties that the Shareholders have given, the Board of Directors has the faculty to define the financing and investment policy. On the other hand, during Board Session held December 20, 2011, supplemented by the agreements during Board Session held August 28, 2012, se established that the realization of certain types of investments and the hiring of certain financing requires prior consent of the Company's Board of Directors.

Insurance

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

Equipment

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

Research and Development

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

Risk Factors

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

Relationship with The Coca-Cola Company: 74% of our net sales for the year ended December 31, 2016 were derived from the distribution of soft drinks under The Coca-Cola Company trademarks, and an additional 21% was derived from the distribution of other beverages also bearing trademarks owned by The Coca-Cola Company. We produce, market and distribute products bearing the trademarks of The Coca-Cola Company through standard bottler agreements between our bottler subsidiaries and, in each case, The Coca-Cola Company's local subsidiary or The Coca-Cola Company, or, in the case of juices and nectars, The Minute Maid Company, a subsidiary of The Coca-Cola Company. The Coca-Cola Company has the ability to exercise substantial influence over our business through its rights under these bottler agreements. Under these bottler agreements, The Coca-Cola Company unilaterally sets the prices for concentrate and soft drinks (for soft drinks pre-mixed by The Coca-Cola Company) sold to us. The Coca-Cola Company also monitors our prices and has the right to review and approve our marketing, operational and advertising plans. In addition, The Coca-Cola Company may unilaterally set the price for its concentrate, and it may in the future increase the price we pay for concentrate, increasing our costs. These factors may impact our profit margins, which could adversely affect our net income and operating results. Our marketing campaigns for all products are designed and controlled by The Coca-Cola Company. The Coca-Cola Company also makes significant contributions to our marketing expenses, although it is not required to contribute a particular amount. Accordingly, The Coca-Cola Company may discontinue or reduce such contribution at any time. Pursuant to the bottler agreements, we are required to submit a business plan to The Coca-Cola Company for prior approval on a yearly basis. In accordance with our bottler agreements, The Coca-Cola Company may, among other things, require that we demonstrate the financial ability to meet our business plan, and if we are not able to demonstrate our financial capacity, The Coca-Cola Company may terminate our rights to produce, market and distribute Coca-Cola soft drinks or other Coca-Cola beverages in territories where we have such approval. Under these bottler agreements, we are prohibited from producing, bottling, distributing or selling any products that could be substituted for, be confused with or be considered an imitation of, soft drinks or other beverages and products bearing the trademarks of The Coca-Cola Company.

We depend on The Coca-Cola Company to renew our bottler agreements. We currently are party to two bottler agreements in Chile, which expire in 2018 and 2019, one agreement for Brazil, which expires in 2017, one agreement for Argentina, which expires in 2017, and one agreement for Paraguay, which expires in September 2020. We cannot provide any assurance that our bottler agreements will be maintained or extended upon their termination. Even if they are renewed, we cannot provide any assurance that renewal will be granted on the same terms as those currently in effect. Termination, non-extension or non-renewal of any of our bottler agreements would have a material adverse effect on our business, financial condition and results of operation.

In addition, any acquisition we make of bottlers of Coca-Cola products in other territories may require, among other things, the consent of The Coca-Cola Company under bottler agreements to which such other bottlers are subject. We cannot assure you that The Coca-Cola Company will consent to any future geographic expansion of our Coca-Cola beverage business. In addition, we cannot assure you that our relationship with The Coca-Cola Company will not deteriorate or otherwise undergo significant changes in the future. If such changes do occur, our operations and financial results and condition could be materially affected.

Nonalcoholic beverage business environment: consumers, public health officials and government officials in the majority of our markets, are increasingly concerned with public health consequences associated with obesity, particularly among young people. In addition, some researchers, health advocates and dietary guidelines are encouraging consumers to reduce consumption of sugar-sweetened beverages and beverages sweetened with nutritive or alternative sweeteners. Increasing public concern about these issues; possible new taxes on sugar-sweetened beverages; additional governmental regulations concerning the marketing, labeling, packaging or sale of our beverages; and negative publicity resulting from actual or threatened legal actions against nonalcoholic beverage companies relating to the marketing, labeling or sale of beverages may reduce demand for our products, which could adversely affect our profitability. The nonalcoholic beverage business environment in our territories is evolving rapidly as a result of, among other things, changes in consumer preferences, including changes based on health and nutrition considerations and obesity concerns; shifting consumer tastes and needs; changes in consumer lifestyles; and competitive product and pricing pressures. In addition, the nonalcoholic beverage retail landscape is dynamic and constantly evolving, and if we are unable to adapt successfully to the changing environment and retail landscape, our share of nonalcoholic beverage sales, volume growth and overall financial results will be adversely affected.

Highly competitive business: generally, the soft drink and nonalcoholic beverage businesses are highly competitive in each of the territories in which we operate. We compete with bottlers of local and regional brands, including low cost beverages and Pepsi products. This competition in each of the regions where we operate is likely to continue, and we cannot assure you that it will not intensify in the future, which could materially and adversely affect our financial condition and operating results.

Raw material prices: numerous raw materials, including concentrate, sugar and resin, are used in producing beverages and containers. Prices for concentrate are determined by The Coca-Cola Company, and we cannot assure you that The Coca-Cola Company will not increase the price for concentrate or change the manner in which these prices are calculated. We purchase our raw materials from both domestic and international suppliers, some of which must be approved by The Coca-Cola Company, which may limit the number of suppliers available to us. Because the prices of the main raw materials are denominated in U.S. dollars, we are subject to local currency risk with respect to each of our operations. If any of the Chilean peso, Brazilian real, Argentine peso, or Paraguayan guaraní were to depreciate significantly against the U.S. dollar, the cost of certain raw materials in our respective territories could rise significantly, which could have an adverse effect on our financial condition and operating results. We cannot assure you that these currencies will not lose value against the U.S. dollar in the future. Additionally, some raw material prices are subject to high volatility, which could also have a material adverse effect on our profitability. The supply or cost of specific raw materials could be adversely affected by domestic or global price changes, strikes, weather conditions, governmental controls or other factors. Any sustained interruption in the supply of these raw materials or any significant increase in their price could have a material adverse effect on our financial performance.

Instability in the supply of utility services: our operations depend on a stable supply of utilities and fuel in the countries where we operate. Electrical power outages could lead to increased energy prices and possible service interruptions. Interruptions in the supply of water or energy could also generate an increase of our production costs and possible service interruptions. We cannot assure you that in the future we will not experience energy or water supply interruptions that could materially and adversely affect our business. In addition, a significant increase in energy prices would raise our costs, which could materially impact our operating results. Fluctuations in oil prices have adversely affected our cost of energy and transportation in the regions where we operate and we expect that they will continue to do so in the future. We cannot assure you that fuel prices will not increase in the future, and a significant increase in fuel price may have a significant effect on our financial performance.

Water scarcity and poor water quality: water is the main ingredient in substantially all of our products. It is also a limited resource in many parts of the world, facing unprecedented challenges from overexploitation, increasing pollution and poor management. As demand for water continues to increase around the world, and as the quality of available water deteriorates, we may incur increasing production costs or face capacity constraints that could adversely affect our profitability or net operating revenues. We are also subject to uncertainty regarding the interpretation of the laws of the countries in which we operate, and any ambiguity or uncertainty regarding the interpretation or application of regulations can result in increased production costs or penalties for non-compliance, which are impossible or difficult to predict. We also anticipate discussions on new regulations on ownership and water usage in Chile and Paraguay.

Labeling requirements: the countries in which we operate may adopt significant advertising restrictions as well as additional product labeling or warning requirements relating to the chemical content or perceived adverse health consequences of certain of our Coca-Cola products or other products. We will also be subject to uncertainty with respect to the interpretation of the regulations, and any ambiguity or uncertainty with respect to the interpretation or application of the regulation could result in non-compliance and associated costs and penalties, which are difficult to predict. These types of requirements, may adversely affect sales of our products..

Brand image and product quality: our beverage business is highly dependent on maintaining the reputation of our products in the countries where we operate. If we fail to maintain high standards for product quality, our reputation and ability to remain a distributor of Coca-Cola beverages in the countries where we operate could be jeopardized. In addition, we may be liable if the consumption of any of our products causes injury or illness. Negative publicity or incidents related to our products may reduce their demand and could have a material adverse effect on our financial performance.

Tax uncertainty in Brazil: Ipiranga, absorbed by Rio de Janeiro Refrescos Ltda. In December 2013, is party to a series of ongoing administrative tax proceedings in which the Brazilian federal tax authorities have claimed that Ipiranga has unpaid liabilities for value-added taxes on industrialized products (imposto sobre produtos industrializados, or IPI) for a total amount of R$1,245,990,136 These procedures are at different administrative as well as judicial procedural stages. We disagree with the Brazilian tax authority's position and believe that it was entitled to claim IPI tax credits in connection with its purchases of certain exempt inputs from suppliers located in the Manaus Free Trade Zone. We estimate that the Brazilian tax authority's claims are without merit. Our external Brazilian counsel has advised us that it believes Ipiranga's likelihood of loss in most of these procedures should be classified as possible to remote (i.e., approximately 30% likelihood). Despite the foregoing, the outcome of these claims is subject to uncertainty, and it is impossible to predict its final resolution. Finally, pursuant to the agreement under which we agreed to acquire Ipiranga's shares, the sellers agreed to indemnify us for such tax obligations and established a five-year duration escrow account, in an amount equivalent to R$286,446,799.

Trademark infringement:a significant portion of our sales derives from sales of soft drinks branded with Coca-Cola trademarks, as well as other trademarks. If other parties attempt to misappropriate trademarks we use, we may be unable to protect these trademarks. The maintenance of the reputation of these brands is essential for the future success of our beverage business. Misappropriation of trademarks we use, or challenges thereto, could have a material adverse effect on our financial performance.

Weather conditions, natural disasters, earthquakes and tsunamis: lower temperatures and higher rainfall may negatively impact consumer patterns, which may result in lower per capita consumption of our beverage offerings. Additionally, adverse weather conditions or natural disasters may affect road infrastructure in the countries in which we operate and limit our ability to sell and distribute our products.

Insurance coverage: we maintain insurance for our principal facilities and other assets. Our insurance coverage protects us in the event we suffer certain losses resulting from theft, fraud, expropriation, business interruption, natural disasters or other similar events or from business interruptions caused by such events. We cannot assure you that our insurance coverage will be sufficient or will provide adequate compensation for losses that we may incur.

Information systems: we are increasingly dependent on information technology networks and systems, including over the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for digital marketing activities and electronic communications among us and our clients, suppliers and also among our subsidiaries. Infrastructure failures can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If we are unable to prevent such breaches, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information.

Perception of risk in emerging economies: international investors, as a general rule, consider the countries where we operate to be emerging market economies. Consequently, economic conditions and the market for securities of emerging market countries influence investors' perceptions of Chile, Brazil, Argentina and Paraguay and their evaluation of securities of companies located in these countries.

During periods of heightened investor concern regarding emerging market economies, the countries where we operate may experience significant outflows of U.S. dollars.

In addition, in these periods the companies based in the countries where we operate have faced higher costs for raising funds, both domestically and abroad, as well as limited access to international capital markets, which have negatively affected the prices of the aforementioned countries' securities. Although economic conditions are different in each of the emerging-market countries, investors' reactions to developments in one of these countries may affect the securities of issuers in the others. For example, adverse developments in emerging market countries may lead to decreased investor interest in investing in the securities of Chilean companies, including the bonds.

Collective labor Agreements, strikes or other labor unrest: a substantial portion of our employees is covered by collective bargaining labor agreements. These agreements generally expire every year. Our inability to renegotiate these agreements on satisfactory terms could cause work strikes and interruptions, which may adversely impact our operations. Amendments to the terms and conditions of existing agreements could also increase our costs or otherwise have an adverse effect on our operational efficiency. We experience periodic strikes and other forms of labor unrest through the ordinary course of business. For example, in 2008 we experienced a strike in our production facilities in Chile, which lasted for a period of approximately two weeks, and which had a significant effect on our production capacity. We cannot assure you labor interruptions or other labor unrest will not occur in the future. If we experience strikes, work stoppages or other forms of labor unrest at any of our production facilities, our ability to supply finished beverages to customers could be impaired, which would reduce our net operating revenues and could expose us to customer claims.

Regulation, which is complex and subject to change: we are subject to local regulations in each of the territories in which we operate. The principal areas in which we are subject to regulation are water, environment, labor, taxation, health, consumer protection, advertising and antitrust. Regulation could also affect our ability to set prices for our products. The adoption of new laws or regulations or a stricter interpretation or enforcement thereof in the countries in which we operate may increase our operating costs or impose restrictions on our operations which, in turn, may adversely affect our financial condition, business and results. Further changes in current regulations may result in increased compliance costs, which may have an adverse effect on our results or financial condition.

Expenses in relation with environmental laws and regulations: we are subject to various environmental laws and regulations that apply to our raw materials, products and activities. If these laws and regulations are strengthened or newly established in jurisdictions in which we conduct our businesses, we may be forced to incur considerable expenses in order to comply with such laws and regulations. Similarly, existing environmental laws already in effect, could also force us to incur expenses. Such expenses may have a material adverse effect on our operating results and financial position. To the extent we determine that it is not financially sound for us to continue to comply with such laws and regulations, we may have to curtail or discontinue our activities in the affected business areas.

Adverse determinations in legal proceedings: in the regular course of our business, we become involved in various other claims, lawsuits, investigations and governmental and administrative proceedings, including for example, proceedings associated with free competition regulations, some of which are or may be significant. In addition, Coca-Cola Andina Brazil is party to a series of ongoing administrative tax proceedings in which the Brazilian federal tax authorities have claimed that Coca-Cola Andina Brazil has unpaid liabilities for value-added taxes on industrialized products (imposto sobre produtos industrializados, or IPI) involving aggregate claims of a significant amount. Adverse judgments or determinations in one or more of these proceedings could require us to change the way we do business or use substantial resources in adhering to the settlements and could have a material adverse effect on our business, including, among other consequences, by significantly increasing the costs required to operate our business. Ineffective communications, during or after these proceedings, could amplify the negative effects, if any, of these proceedings on our reputation and may result in a negative market impact on the price of our securities. Additionally, adverse preliminary decisions in one or more of these proceedings may require the use of substantial financial resources during its review by a higher court.

New tax laws or amendment of existing laws. Tax incentives: we cannot assure you that any governmental authority in any country where we operate will not impose new taxes or increase taxes on our raw materials, products or packaging. The imposition of new taxes or increases in taxes on our raw materials, products or packaging may have a material adverse effect on our business, financial condition, prospects and results. Equally, we cannot assure that authorities will maintain and/or renew tax incentives that currently benefit some of our operations. Amendments or non-renewal of such incentives can have a relevant adverse impact on our business, financial condition, prospects and results.

RISKS RELATING TO ARGENTINA

Economic conditions in Argentina: 9.7% of our assets as of December 31, 2016 and 29.0% of our net sales for the year ended December 31, 2016 corresponded to our operations in Argentina. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the local market, which in turn is dependent on the macroeconomic condition of the country, the financial condition and operating results of our business operations in Argentina are, to a considerable extent, dependent upon political and economic conditions prevailing in Argentina.

The economic crisis in Europe, the international demand for Argentine products, the instability and competitiveness of the Argentine peso against foreign currencies, confidence among consumers and foreign and domestic investors, the significant inflation rate and future political, financial and economic uncertainties, among other factors, may affect the development of the Argentine economy.

Political and economic instability in Argentina: during the period from 1998 through 2003, Argentina experienced acute economic difficulties that culminated in the restructuring of substantially all of Argentina's sovereign indebtedness. There were a succession of presidents during this crisis period and various states of emergency were declared that suspended civil liberties and instituted restrictions on transfers of funds abroad and foreign exchange controls, among other measures. Argentina's GDP contracted 10.9% in 2002. Beginning in 2003, Argentine GDP began to recover and from 2004 to 2008 recorded an average rate of growth of 8.4%.

The global economic crisis of 2008 led to a sudden economic decline, accompanied by political and social unrest, inflationary and Argentine peso depreciation pressures and lack of consumer and investor confidence, which have forced the Argentine government to adopt different measures, including the tightening of foreign exchange controls, the elimination of subsidies to the private sector and the proposal for new taxes.

On the other, until December 2015, the Argentine government increased its intervention level in some of the areas of the economy. For example, in May of 2012, the Argentine government nationalized YPF S.A., Argentina's largest and previously Spanish-owned oil company and previously of the Argentine State. Expropriations and other interventions by the Argentine government such as the one relating to YPF can have an adverse impact on the level of foreign investment in Argentina, the access of Argentine companies to the international capital markets and Argentina's commercial and diplomatic relations with other countries. Despite the Government change occurred in December 2015 in Argentina,, the level of governmental intervention in the economy in the future may continue, which may have adverse effects on Argentina's economy and, in turn, our business, operating results and financial condition.

Restrictions on currency conversions and remittances abroad: under current Argentine law, we may declare and distribute dividends with respect to our Argentine subsidiary and Argentine banks may lawfully process payments of those dividends to us and other non-resident shareholders. Our declaration and distribution of dividends is subject to certain statutory requirements and must be consistent with our audited financial statements. The processing of payment of dividends by Argentine banks is subject to Argentine Central Bank regulations, including verification of our Argentine subsidiary's compliance with foreign debt and direct investment disclosure obligations. In addition to statutory and administrative rules affecting our Argentine subsidiary's payment of dividends, during 2012 the Argentine government imposed discretionary restrictions on Argentine companies as part of a policy to limit outbound transfers of U.S. dollars. These de facto restrictions essentially halted dividend payments to non-resident shareholders. The new Argentine Government which took office in December 2015 has significantly diminished these restrictions and our subsidiary in Argentina could recently distribute dividend. Nonetheless, we cannot assure you that we will be able to cause our subsidiary in Argentina to distribute dividends to its non-resident shareholders now or in the foreseeable future, despite otherwise meeting all statutory and regulatory requirements for payment.

Restrictions on imports: pursuant to a resolution of the Argentine Federal Tax Authority ("Administración Federal de Ingresos Públicos—AFIP"), since February 2012, prior to the execution of any purchase order or similar document, Argentine importers were required to file before the AFIP a "Prior Import Statement" (Declaración Jurada Anticipada de Importación) providing information on future imports. Compliance with this requirement was verified by the Argentine customs upon arrival of the goods into Argentina and was a condition for the authorization of the payment of the purchase price by the Argentine financial entities. Although this is intended merely as an information regime, it may be used for purposes of restricting imports into Argentina. A similar regime was also imposed in respect of the import and export of services, and resulted in additional restrictions being imposed on the payments made by Argentine residents on services provided by foreign residents.

While the change of the Argentine Government occurred in December 2015 considerably relaxed restrictions on imports of goods and services, replacing the AISS by a Comprehensive System of Monitoring Imports (Sistema Integral de Monitoreo de Importaciones - SIMI) (together with the implementation of automatic and non-automatic licenses) while maintaining the DJAS, we cannot assure that those restrictions will be completely removed or that it will not return to the previous situation. Restrictions on Argentine imports of goods and services of our subsidiaries may adversely affect our financial conditions or operating results.

Inflation in Argentina: Argentina has experienced high levels of inflation in recent decades, resulting in large devaluations of its currency. Moreover, after changes in personnel and in the methodology used to calculate the consumer price index at the INDEC in 2007, the accuracy of its measurements has been put in doubt by economists and investors, and the consumer price index and wholesale price index could have been substantially higher than those indicated by the INDEC until December 2015. With the change of the Argentine Government in December 2015, INDEC suspended the issuance of reports on consumer price index and wholesale price index until June 2016, date on which INDEC began reporting new indexes. We cannot assure that the new indexes will be appropriate. The lack of issuance of consumer price indexes and other proper indexes could cause a significant decrease in confidence in the Argentine economy, which could, in turn, have a material adverse effect on our operations and financial condition.

In the past, inflation has materially undermined the Argentine economy and the government's ability to generate conditions that foster economic growth. In addition, high inflation or a high level of price instability may materially and adversely affect the business volume of the financial system. This result, in turn, could adversely affect the level of economic activity and employment in the country.

High inflation would also undermine Argentina's foreign competitiveness and adversely affect economic activity, employment, real salaries, consumption and interest rates. In addition, the dilution of the positive effects of the Argentine peso devaluation on the export-oriented sectors of the Argentine economy even attached to the exchange restriction elimination, could decrease the level of economic activity in the country. In turn, a portion of the Argentine debt is adjusted by the Coeficiente de Estabilización de Referencia, the Stabilization Coefficient Index, or "CER Index," a currency index that is strongly tied to inflation. Therefore, any significant increase in inflation would cause an increase in Argentina's debt and, consequently, the country's financial obligations. A high level of uncertainty with respect to these economic indicators, and a general lack of stability with respect to inflation, could cause a shortening of contract terms and affect the ability of businesses to plan and make decisions, thereby potentially materially and adversely affecting economic activity and lowering consumers' and individuals' income and their purchasing power, all of which could have a material adverse effect on our financial condition and operating results.

Ability to obtain financing and to attract direct foreign investment: Argentina has limited access to foreign financing. Should it not have access to international private financing, Argentina would not be able to finance its obligations, which could also inhibit the ability of the Argentine Central Bank to adopt measures to curb inflation and could adversely affect Argentina's economic growth and public finances, which could, in turn, adversely affect our operations in Argentina, as well as its financial condition.

Depreciation and volatility of the Argentine peso: given the economic and political conditions in Argentina, we cannot predict whether, and to what extent, the value of the Argentine peso may depreciate or appreciate against the U.S. dollar, the euro or other foreign currencies. With the change of the Argentine Government in December 2015, the exchange market was released, although not completely, and the gap between the exchange rate published by the BCRA and the black market exchange rate considerably reduced. We cannot predict how these conditions will affect the consumption of our products. Moreover, we cannot predict whether the Argentine government will continue its monetary, fiscal, and exchange rate policy amendments and if so, what impact any of these changes could have on the value of the Argentine peso and, accordingly, on our financial condition, operating results and cash flows, and on our ability to transfer funds abroad in order to comply with commercial or financial obligations. According to IFRS, which is the method under which the Company presents its results, the results generated by our operations in Argentina are translated to the reporting currency using the official exchange rate.

Preempt or respond to social unrest: future government policies to preempt, or in response to, social unrest may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors' rights, new taxation policies and changes in laws and policies affecting foreign trade and investment. Such policies could destabilize the country and adversely and materially affect the Argentine economy, and thereby our business, operating results and financial condition.

Salary increases to be paid to employees in the private sector: in the past, Argentine governments have passed laws, regulations and decrees requiring companies in the private sector to increase wages and provide specified benefits to employees, and it can occur again in the future. It is possible that the Argentine government could adopt measures mandating salary increases and/or the provision of additional employee benefits in the future, which could have a material and adverse effect on our expenses and business, operating results and financial condition.

Legislative and public policy changes: during the year 2015 a new Civil and Commercial Code of the Republic of Argentina came into force that regulates all legal relations of our Argentine subsidiary with its customers, suppliers and consumers. In addition, the new Argentine Government which took office in December 2015 announced that it is considering various bills that could amend the Argentine legislation on issues such as tax, customs, social security, labor, commercial, among other areas. Also, the new Government has announced changes in various public policies, including an increase in controls of the competition act. We cannot guarantee that these legislative amendments, if approved, may not adversely affect our financial condition or operating results of our Argentine subsidiaries.

RISKS RELATING TO BRAZIL

Economic conditions in Brazil: 36.9% of our assets as December 31, 2016 and 33.2% of our consolidated net sales for the year ended December 31, 2016 corresponded to our operations in Brazil. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the relevant local market, which in turn is dependent on the macroeconomic condition of the country in which the market is located, our financial condition and operating results to a considerable extent are dependent upon political and economic conditions prevailing in Brazil. The Brazilian economy is also affected by international economic and market conditions in general, especially economic and market conditions in the United States. Similarly to other emerging market countries, the Brazilian currency depreciated significantly during 2014, attributed in part to an outflow of capital related to the expectation that the United States Federal Reserve will reduce or end its "quantitative easing" economic stimulus measures. The Brazilian economy is therefore subject to uncertainties and risks related to changes in economic conditions and policy measures in countries such as the United States and China, as well as the European Union and elsewhere.

The Brazilian government's influence over the Brazilian economy: the Brazilian government has intervened in the Brazilian economy and occasionally makes significant changes to monetary, tax and credit policies, among others. The Brazilian government's measures to control inflation, stimulate economic expansion and implement other policies have included, among others, salary and price controls, appreciation or depreciation of the Brazilian real, foreign exchange adjustments, control over remittances abroad and intervention by the Central Bank of Brazil to change the basic interest rates. We cannot foresee or control which measures or policies the Brazilian government may adopt in the future. Our activities, financial and operating results, as well as our estimates may be adversely affected by changes in the policies adopted by the Brazilian government. Any unfavorable policy changes by the Brazilian government could adversely affect us. Uncertainty over whether the Brazilian government will implement changes in policy or laws affecting these and other factors in the future may contribute to economic uncertainty in Brazil. These factors, as well as uncertainties about the policies or regulations to be adopted by the Brazilian government with respect to these factors may adversely affect us, including our activities and financial performance.

Inflation in Brazil: Brazil has historically experienced extremely high rates of inflation. Inflation and several measures taken by the Federal Government in order to control it, combined with speculation about possible government measures, had significant negative effects on the Brazilian economy. Inflationary pressures may result in governmental interventions in the economy, including policies that could adversely affect the general performance of the Brazilian economy, which, in turn, could adversely affect our business operations in Brazil. Inflation may also increase our costs and expenses, and we may be unable to transfer such costs to our customers, reducing our profit margins and net income. In addition, inflation could also affect us indirectly, as our customers may also be affected and have their financial capacity reduced. Any decrease in our net sales or net income, as well as any reduction in our financial performance, may also result in a reduction in our net operating margin. Our customers and suppliers may be affected by high inflation rates and such effects on our customers and suppliers may adversely affect us.

The Brazilian real is subject to depreciation and volatility: the Brazilian currency has fluctuated over the past three decades. We cannot guarantee that the real will not again depreciate or appreciate against the U.S. dollar in the future. In addition, we cannot guarantee that any deprecation or appreciation of the real against the U.S. dollar or other currencies will not have an adverse effect on our business.

Any depreciation of the real against the U.S. dollar could create additional inflationary pressure, which might result in the Brazilian government adopting restrictive policies to combat inflation. This could lead to increases in interest rates, which might negatively affect the Brazilian economy as a whole, as well as our operating results, in addition to restricting our access to international financial markets. It also reduces the U.S. dollar value of our revenues. On the other hand, future appreciation of the real against the U.S. dollar might result in the deterioration of Brazil's current and capital accounts, as well as a weakening of Brazilian GDP growth derived from exports.

RISKS RELATING TO CHILE

Economic conditions in Chile: 40.8% of our assets as of December 31, 2016 and 30.4% of our net sales for the year ended December 31, 2016 corresponded to our operations in Chile. Thus, our financial condition and operating results depend significantly on economic conditions prevailing in Chile.

We cannot assure you that the future development of the Chilean economy will not impair our ability to successfully carry out our business plan or materially adversely affect our business, financial condition or operating results.

Inflation in Chile: high inflation levels could adversely affect the Chilean economy and have a material adverse effect on our financial condition and operating results if we are unable to increase our prices in line with inflation.

Periods of higher inflation may also slow the growth rate of the Chilean economy, which could lead to reduced demand for our products and decreased sales Additionally, an important part of our financial debt is UF-denominated, and therefore the value of the debt reflects any increase of the inflation in Chile..

The Chilean peso is subject to depreciation and volatility: the Chilean government's economic policies and any future changes in the value of the Chilean peso against the U.S. dollar could adversely affect our operations and financial results. The Chilean peso has been subject to large nominal devaluations in the past and may be subject to significant fluctuations in the future.

RISKS RELATING TO PARAGUAY

Economic conditions in Paraguay: 12.6% of our assets as of December 31, 2016 and 7.4% of our net sales for the year ended December 31, 2016 corresponded to our operations in Paraguay. Because demand for soft drinks and beverage products is generally related to the economic conditions prevailing in the local market which, in turn, depend on the macroeconomic and political conditions of the country, our financial situation and our operating results could be adversely affected by changes in these factors over which we have no control.

Economic conditions in Argentina and Brazil: the situation of the Paraguayan economy is strongly influenced by the economic situation in Argentina and Brazil. A deterioration in the economic situation of these countries could adversely affect our financial condition and operating results.

Inflation in Paraguay: an increase in inflation in Paraguay could decrease the purchasing power of our consumers in the country, which could adversely affect our volumes and impact our sales income. We cannot assure you that inflation in Paraguay will not increase significantly, although it has remained stable at around 4% during the last five years.

The Paraguayan guaraní is subject to depreciation and volatility: the exchange rate of Paraguay is free and floating and the Banco Central de Paraguay, or Paraguay Central Bank ("BCP"), actively participates in the exchange market in order to smooth abrupt oscillations. A significant depreciation of the local currency could adversely affect our financial situation and financial results, as approximately 25% of our total costs of raw materials and supplies are in U.S. dollars, as well as impact other expenses such as professional fees and maintenance costs.

RISK FACTORS RELATING TO THE ADRs AND COMMON STOCK

Preemptive rights: according to the Ley de Sociedades Anónimas No. 18.046 and the Reglamento de Sociedades Anónimas (collectively, the "Chilean Companies Law"), whenever we issue new shares for cash, we are required to grant preemptive rights to holders of our shares (including shares represented by ADRs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADRs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares unless a registration statement under the U.S. Securities Act of 1933, as amended, is effective with respect to such rights and shares, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, is available.

Under the procedure established by the Central Bank of Chile, the foreign investment agreement of a Chilean company with an existing ADR program will become subject to an amendment (which will also be deemed to incorporate all laws and regulations applicable to international offerings in effect as of the date of the amendment) that will extend the benefits of such contract to new shares issued pursuant to a preemptive rights offering to existing ADR owners and to other persons residing and domiciled outside of Chile that exercise preemptive rights, upon request to the Central Bank of Chile. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with any such registration statement as well as the indirect benefits to us of enabling United States ADR holders to exercise preemptive rights and any other factors that we consider appropriate at the time, and then make a decision as to whether to file such registration statement.

We cannot assure you that any registration statement would be filed. To the extent ADR holders are unable to exercise such rights because a registration statement has not been filed, the depositary will attempt to sell such holders' preemptive rights and distribute the net proceeds thereof if a secondary market for such rights exists and a premium can be recognized over the cost of any such sale. If such rights cannot be sold, they will expire and ADR holders will not realize any value from the grant of such preemptive rights. In any such case, such holder's equity interest in the Company would be diluted proportionately.

Shareholder's rights definition: under the United States federal securities laws, as a foreign private issuer, we are exempt from certain rules that apply to domestic United States issuers with equity securities registered under the United States Securities Exchange Act of 1934, as amended, including the proxy solicitation rules, the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from certain of the corporate governance requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange, Inc., including the requirements concerning independent directors.

Our corporate affairs are governed by the laws of Chile and our estatutos or bylaws, which function not only as our bylaws but also as our articles of incorporation. Under such laws, our shareholders may have fewer or less well-defined rights than they might have as shareholders of a corporation incorporated in a U.S. jurisdiction.

Pursuant to Law No. 19,705, enacted in December 2000, the controlling shareholders of an open stock corporation can only sell their controlling shares via a tender offer issued to all shareholders in which the bidder would have to buy all the offered shares up to the percentage determined by it, when the price paid is substantially higher than the market price (that is, when the price paid was higher than the average market price of a period starting 90 days before the proposed transaction and ending 30 days before such proposed transaction, plus 10%).

Liquidity and volatility: the Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. The Bolsa de Comercio de Santiago (the "Santiago Stock Exchange"), which is Chile's principal securities exchange, had a market capitalization of approximately US$209,857 million at December 31, 2016 and an average monthly trading volume of approximately US$1,970 million for 2016. The lack of liquidity is explained, in part, to the relatively small size of the Chilean securities markets and may have a material adverse effect on the trading prices of our shares. Because the market for our ADRs depends, in part, on investors' perception of the value of our underlying shares, this lack of liquidity for our shares in Chile may have a significant effect on the trading prices of our ADRs.

Properties and Facilities

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

ARGENTINA	MAIN USE	(SQUARE METERS)	PROPERTY
Embotelladora del Atlántico S.A.			
Bahía Blanca[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	102,708	Own
Bahía Blanca	Comercial Offices	576	Leased
Bariloche	Offices / Distribution Centers / Warehouses	1,870	Leased
Bragado	Comercial Offices	42	Leased
Carlos Paz	Comercial Offices	30	Leased
Carmen de Patagones	Comercial Offices / Warehouses	1,600	Leased
Chacabuco[1]	Offices / Distribution Centers / Warehouses	25,798	Own
Comodoro Rivadavia	Offices / Distribution Centers / Warehouses	7,500	Leased
Concepción del Uruguay	Comercial Offices	118	Leased
Concordia	Offices / Distribution Centers / Warehouses	1,289	Leased
Córdoba[1]	Offices / Production of Soft Drinks and stills / Distribution Center / Warehouses / Land	959,585	Own
Córdoba (San Isidro)[1]	Comercial Offices / Warehouses	8,880	Own
Córdoba (H. Primo)	Offices / Distribution Centers / Warehouses	1,173	Leased
Coronel Suárez	Offices / Distribution Centers / Warehouses	1,000	Leased
General Pico[1]	Offices / Distribution Centers / Warehouses	15,525	Leased
Gualeguaychú	Comercial Offices / Distribution Centers / Warehouses	1,471	Own
Junín (Mendoza)	Comercial Offices	100	Leased
Mendoza[1]	Offices / Distribution Centers / Warehouses	36,452	Leased
Monte Hermoso[1]	Real Estate	300	Own
Neuquén[1]	Offices / Distribution Centers / Warehouses	10,157	Own
Olavarría	Offices / Distribution Centers / Warehouses	1,974	Leased
Paraná	Comercial Offices	318	Leased
Pehuajo	Offices / Distribution Centers / Warehouses	1,060	Leased
Pergamino[1]	Offices / Cross Docking	15,700	Own
Puerto Madryn	Offices	115	Leased
Río Gallegos	Distribution Centers / Warehouses	2,491	Leased
Río Grande	Offices / Distribution Centers / Warehouses	4,518	Leased

1. Properties free of encumbrances

ARGENTINA	MAIN USE	(SQUARE METERS)	PROPERTY
Río IV[1]	Cross Docking	7,482	Own
Río IV	Comercial Offices	93	Leased
Rosario[1]	Offices / Distribution Center / Warehouses / Real Estate	27,814	Own
San Francisco	Comercial Offices	63	Leased
San Juan[1]	Offices / Distribution Centers / Warehouses	48,036	Own
San Luis[1]	Comercial Offices / Distribution Centers / Warehouses	5,205	Propia
San Martín de Los Andes	Offices / Distribution Centers / Warehouses	70	Leased
San Nicolás	Comercial Offices	30	Leased
San Rafael	Comercial Offices	58	Leased
Santa Fe	Comercial Offices	238	Leased
Santo Tomé[1]	Offices / Distribution Centers / Warehouses	88,309	Own
Trelew[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	51,000	Own
Tres Arroyos	Comercial Offices / Cross Docking / Warehouses	1,548	Leased
Ushuaia	Offices / Distribution Centers / Warehouses	1,360	Leased
Ushuaia	Comercial Offices	94	Leased
Venado Tuerto	Comercial Offices / Distribution Centers / Warehouses	2,449	Leased
Villa María	Comercial Offices	125	Leased
Villa Mercedes	Comercial Offices	70	Leased
Bialet Massé[1]	Real Estate	880	Own
Rivadavia (Mendoza)[1]	Warehouses	782	Own
Río IV[1]	Real Estate	1,914	Own
Río IV[1]	Real Estate	5,170	Own
Andina Empaques Argentina S.A.			
Buenos Aires[1]	Production of PET bottles, Preforms and Caps	27,043	Own
Buenos Aires	Warehouses	1,041	Leased

1. Properties free of encumbrances

BRAZIL	MAIN USE	(SQUARE METERS)	PROPERTY
Rio de Janeiro Refrescos Ltda.			
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Center / Warehouses	249,470	Own
Duque de Caxias[1]	Land to build a Plant	2,243,953	Own
Nova Iguaçu[1]	Distribution Centers / Warehouses	82,618	Own
Bangu[1]	Distribution Centers	44,389	Own
Campos[1]	Distribution Centers	42,370	Own
Itambi[1]	Distribution Centers	149,000	Leased
Cabo Frio[1]	Distribution Centers - Desactivated	1,985	Own
Sao Pedro da Aldeia[1]	Distribution Centers	10,139	Own
Itaperuna[1]	Cross Docking	2,500	Leased
Caju 1 [1]	Distribution Centers	4,866	Own
Caju 2[1]	Distribution Centers	8,058	Own
Vitória (Cariacica)[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	93,320	Own
Cachoeiro do Itapemirim[1]	Cross Docking	8,000	Leased
Linhares[1]	Cross Docking	1,500	Leased
Serra[1]	Distribution Centers	28,000	Leased
Ribeirão Preto	Offices / Production of Soft Drinks / Distribution Center / Warehouses	238,096	Own
Ribeirão Preto	Real Estate	279,557	Own
Franca	Distribution Centers	32,500	Own
Mococa[1]	Distribution Centers	40,056	Leased
Araraquara[1]	Distribution Centers	12,698	Leased
Castelo Branco[1]	Distribution Centers	11,110	Leased
Sao Joao da Boa Vista, Araraquara,São Paulo	Real Estate	32,506	Own

1. Properties free of encumbrances

CHILE	MAIN USE	(SQUARE METERS)	PROPERTY
Embotelladora Andina S.A.			
Renca[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	380,833	Own
Carlos Valdovinos[1]	Distribution Centers / Warehouses	106,820	Own
Puente Alto[1]	Distribution Centers / Warehouses	68,682	Own
Maipú[1]	Distribution Centers / Warehouses	45,833	Own
Rancagua[1]	Distribution Centers / Warehouses	25,920	Own
San Antonio[1]	Distribution Centers / Warehouses	19,809	Own
Antofagasta[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	34,729	Own
Calama[1]	Distribution Centers / Warehouses	10,700	Own
Taltal[1]	Distribution Centers / Warehouses	975	Own
Tocopilla[1]	Distribution Centers / Warehouses	562	Own
Coquimbo[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	31,383	Own
Copiapó[1]	Distribution Centers / Warehouses	26,800	Own
Ovalle[1]	Distribution Centers / Warehouses	6,223	Own
Vallenar[1]	Distribution Centers / Warehouses	5,000	Own
Illapel	Distribution Centers / Warehouses	s/d	Leased
Punta Arenas[1]	Offices / Production of Soft Drinks / Distribution Center / Warehouses	109,517	Own
Coyhaique[1]	Distribution Centers / Warehouses	5,093	Own
Puerto Natales	Distribution Centers / Warehouses	850	Leased
Vital Jugos S.A.			
Renca[1]	Offices / Production of Juices	40,000	Own
Vital Aguas S.A.			
Rengo[1]	Offices / Production of Waters	544,600	Own
Envases Central S.A.			
Renca[1]	Offices / Production of Soft Drinks	50,100	Own

PARAGUAY	MAIN USE	(SQUARE METERS)	PROPERTY
Paraguay Refrescos S.A.			
San Lorenzo[1]	Offices / Production of Soft Drinks / Warehouses	275,292	Own
Coronel Oviedo[1]	Offices / Warehouses	32,911	Own
Encarnación[1]	Offices / Warehouses	12,744	Own
Ciudad del Este[1]	Offices / Warehouses	14,620	Own

1. Properties free of encumbrances

Subsidiaries and Equity Investees

> Argentina

Embotelladora del Atlántico S.A.[1]

Address
Ruta Nacional 19, Km 3,7, Córdoba

Argentine Tax Id Nº
30-52913594/3

Telephone
(54-351) 496 8888

Shareholders' Equity (at 31/12/2016)
M$ **3,782,900**

% the investment represents in the Parent Company's assets.
3.42

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly **0.92**
Indirectly 99.07

Corporate Purpose
Manufacture, bottle, distribute and commercialize non-alcoholic beverages.

Commercial Relationship
Coca-Cola bottler in Argentina.

Board of Directors / Management Council
Gonzalo Manuel Soto[3]
Fabián Castelli
Jaime Cohen[4]
Laurence Paul Wiener(A)

General Manager
Fabián Castelli

Andina Empaques Argentina S.A.[1]

Address
Austria 650 - Gral. Pacheco - Partido de Tigre.

Argentine Tax Id Nº
30-71213488-3

Telephone
(54-11) 4715 8000

Shareholders' Equity (at 31/12/2016)
M$ **2,472,553**

% the investment represents in the Parent Company's assets.
0.45

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 99.98

Corporate Purpose
Design, produce and commercialize plastic products, mainly packaging.

Commercial Relationship
Supplier of plastic bottles and preforms.

Board of Directors / Management Council
Gonzalo Manuel Soto[3]
Fabián Castelli
Jaime Cohen[4]
Laurence Paul Wiener(A)

General Manager
Daniel Caridi

> Brazil

Rio de Janeiro Refrescos Ltda.

Address
Rúa André Rocha 2299, Taquara, Jacarepaguá, Rio de Janeiro.

Brazilian Tax Id N°
00.074.569/0001-00

Telephone
(55-21) 2429 1779

Shareholders' Equity (at 31/12/2016)
M$ **119,168,159**

% the investment represents in the Parent Company's assets.
12.09

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 99.99

Corporate Purpose
Manufacture and commercialize beverages in general, powdered juices and other related semi-processed products..

Commercial Relationship
Coca-Cola bottler in Brazil.

Board of Directors / Management Council
Renato Barbosa
Fernando Fragata[5]
Rodrigo Klee[5]
David Parkes[5]
Antonio Rui de Lima Barreto Coelho[5]

General Manager
Renato Barbosa

Kaik Participações Ltda.

Address
Av. Maria Coelho de Aguiar 215, bloco A, 1° Andar, Jardim São Luis, São Paulo.

Brazilian Tax Id N°
40.441.792/0001-54

Telephone
(55-11) 2102 5563

Shareholders' Equity (at 31/12/2016)
M$ **205**

% the investment represents in the Parent Company's assets.
0.06

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 11.32

Corporate Purpose
Invest in other companies with its own resources.

Commercial Relationship
-

Board of Directors / Management Council
Luiz Eduardo Tarquinio
Carlos Eduardo Correa
Ricardo Vontobel
Francisco Miguel Alarcón
Renato Barbosa[5]

General Manager
-

Leão Alimentos e Bebidas Ltda

Address
Rua Rockfeller 1361, Bairro Prado Velho, Curitiba, Paraná.

Brazilian Tax Id N°
72.114.994/0001-88

Telephone
(55-11) 3809 5000

Shareholders' Equity (at 31/12/2016)
M$ **234,710,048**

% the investment represents in the Parent Company's assets.
1.17

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 8.82

Corporate Purpose
Manufacture and commercialize food and beverages in general, and beverage concentrate. Invest in other companies.

Commercial Relationship
Produces sensible products for Coca-Cola bottlers in Brazil.

Board of Directors / Management Council
Sandor Hagen
Flavio Camelier
Emerson Vontobel
Henrique Braun
Alexander Fernandes Delgado
Renato Barbosa[5]
Marcelo Izzo
Ricardo Vontobel
Ian Craig
Ruben Lahyr Schneider Filho
Axel de Meeus D'Argenteuil

General Manager
Axel de Meeus

Sorocaba Refrescos Ltda.

Address
Rod.Raposo Tavares, Km 104, Jardim Jaraguá, Sorocaba, São Paulo.

Brazilian Tax Id N°
45.913.696/0001-85

Telephone
(55-15) 3229 9930

Shareholders' Equity (at 31/12/2016)
M$ **12,022,030**

% the investment represents in the Parent Company's assets.
1.19

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 40

Corporate Purpose
Manufacture and commercialize food and beverages in general, and beverage concentrate. Invest in other companies.

Commercial Relationship
Coca-Cola bottler in Brazil.

Board of Directors / Management Council
Renato Barbosa[5]
Cristiano Biagi
Giordano Biagi
Miguel Ángel Peirano
Cláudio Sergio Rodrigues
Luiz Lacerda Biagi

General Manager
Cristiano Biagi

SRSA Participações Ltda.

Address
Rua Antonio Aparecido Ferraz, 795, Sala 01, Jardim Itanguá, Sorocaba, São Paulo.

Brazilian Tax Id N°
10.359.485/0001-68

Telephone
(55-15) 3229 9906

Shareholders' Equity (at 31/12/2016)
M$ **4,108**

% the investment represents in the Parent Company's assets.
0.01

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]
Directly -
Indirectly 40

Corporate Purpose
Purchase and sale of real estate investments and property management.

Commercial Relationship
Business supporting company .

Board of Directors / Management Council
Renato Barbosa[5]
Cristiano Biagi
Giordano Biagi
Miguel Ángel Peirano
Cláudio Sergio Rodrigues
Luiz Lacerda Biagi

General Manager
Cristiano Biagi

Trop Frutas do Brasil Ltda.

Address
Avenida PRF Samuel Batista Cruz, 9853, 115.591.0060 M2, CEP 29909-900. Linhares. Espirito Santo.

Brazilian Tax Id N°
07.757.005/0001-02

Shareholders' Equity (at 31/12/2016))
M$ **6,510,442**

% the investment represents in the Parent Company's assets.
0.30

% that the Parent Company holds in the capital of the subsidiary or equity investee[7]
7.52%

Corporate Purpose
Manufacture, commercialize and export natural fruit pulp and coconut water

Commercial Relationship
Coca-Cola bottler in Brazil.

Board of Directors / Management Council
Ruben Lahyr Schneider Filho
Axel de Meeus D'Argenteuil Biagi

1. Non trade Corporation
2. There have been no participation variations in the last year
3. External Counsel
4. Embotelladora Andina S.A. officer
5. Rio de Janeiro Refrescos Ltda. officer
6. Embotelladora Andina S.A. director
7. This company was incorporated in 2016

(A) Alternate

Embotelladora Andina Chile S.A.[1]

Address
Av. Miraflores 9153. Renca, Santiago.

Chilean Tax Id N°
76.070.406-7

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 31/12/2016)
M$ 36,569,067

% the investment represents in the Parent Company's assets.
1.43

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]

Directly	99.99995
Indirectly	0.00005

Corporate Purpose
Manufacture, bottle, distribute and commercialize non-alcoholic beverages.

Commercial Relationship
Leasing of productive infrastructure

Board of Directors / Management Council
Miguel Ángel Peirano[3]
Andrés Wainer[3]
Jaime Cohen[3]

General Manager
José Luis Solórzano

Vital Jugos S.A.[1]

Address
Av. Américo Vespucio 1651. Renca, Santiago.

Chilean Tax Id N°
93.899.000-K

Telephone
(56-2) 2620 4100

Shareholders' Equity (at 31/12/2016)
M$ 20,675,167

% the investment represents in the Parent Company's assets.
0.76

% that the Parent Company holds in the capital of the subsidiary or equity investee[4]

Directly	15.00
Indirectly	50.00

Corporate Purpose
Manufacture, distribute and commercialize all kinds of food products, juices and beverages.

Commercial Relationship
Produces juices for Coca-Cola bottlers in Chile.

Board of Directors / Management Council
José Luis Solórzano[3]
Alberto Moreno[3]
Cristián Hohlberg
José María Sánchez[3]
Carlos Gálvez[3] (A)
Jaime Cohen[3] (A)
José Domingo Jaramillo (A)
Andrés Wainer[3] (A)

General Manager
César Vargas

Vital Aguas S.A.[1]

Address
Camino a la Vital 1001. Comuna de Rengo, IV Región.

Chilean Tax Id N°
76.389.720-6

Telephone
(72) 512206 680016

Shareholders' Equity (at 31/12/2016)
M$ 4,331,154

% the investment represents in the Parent Company's assets.
0.18

% that the Parent Company holds in the capital of the subsidiary or equity investee[4]

Directly	66.5
Indirectly	-

Corporate Purpose
Manufacture, distribute and commercialize all kinds of waters and beverages in general.

Commercial Relationship
Produces mineral water for Coca-Cola bottlers in Chile.

Board of Directors / Management Council
José Luis Solórzano[3]
Alberto Moreno[3]
Cristián Holberg
José María Sánchez[3]
Carlos Gálvez[3] (A)
Jaime Cohen[3] (A)
José Domingo Jaramillo (A)
Andrés Wainer[3] (A)

General Manager
César Vargas

Coca-Cola Del Valle New Ventures S.A.

Address
Av. Miraflores 8755, Renca, Santiago

Chilean Tax Id N°
76.572.588-7

Shareholders' Equity (at 31/12/2016)
M$ 15,211,022

% the investment represents in the Parent Company's assets.
0.69

% that the Parent Company holds in the capital of the subsidiary or equity investee[7]

Directly	35%
Indirectly	-

Corporate Purpose
Manufacture, distribute and commercialize all kinds of waters and beverages in general.

Commercial Relationship
Produces water and juices for Coca-Cola bottlers in Chile.

Board of Directors / Management Council
Miguel Ángel Peirano
José Luis Solórzano Hurtado
Sebastián Tagle Pérez
Cristián Hohlberg Recabarren,
José Domingo Jaramillo Jiménez,
John Murphy
Roberta Cabral Valenca
Dino Troni Pena
Gerardo Adolfo Beramendi Rosconi
Roberto Patricio Chavez Teuber
Joao Santos Ramires

General Manager
José Luis Zabala

Transportes Andina Refrescos Ltda.[5]

Address
Av. Miraflores 9153, piso 4, Renca, Santiago.

Chilean Tax Id N°
78.861.790-9

Telephone
(56-2) 2550 9445

Shareholders' Equity (at 31/12/2016)
M$ 12,639,173

% the investment represents in the Parent Company's assets.
0.67

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]

Directly	99.9959
Indirectly	0.0041

Corporate Purpose
Provide administration services and management of domestic and foreign ground transportation.

Commercial Relationship
Provides ground transportation services.

Board of Directors / Management Council
N/A

Transportes Polar S.A.[1]

Address
Av. Miraflores 9153, piso 4. Renca, Santiago.

Chilean Tax Id N°
96.928.520-7

Telephone
(56-2) 2550 9445

Shareholders' Equity (at 31/12/2016)
M$ 1,619,315

% the investment represents in the Parent Company's assets.
0.29

% that the Parent Company holds in the capital of the subsidiary or equity investee[4]

Directly	99.99
Indirectly	–

Corporate Purpose
Freight transportation in general in the beverage industry and other processed goods.

Commercial Relationship
Provides ground transportation services.

Board of Directors / Management Council
José Luis Solórzano[3]
Rodolfo Peña[3]
Alberto Moreno[3]

General Manager
Alejandro Vargas

Servicios Multivending Ltda.[5]

Address
Av. Miraflores 9153, piso 4. Renca, Santiago.

Chilean Tax Id N°
78.536.950-5

Telephone
(56-2) 2677 2700

Shareholders' Equity (at 31/12/2016)
M$ 862,248

% the investment represents in the Parent Company's assets.
0.04

% that the Parent Company holds in the capital of the subsidiary or equity investee[4]

Directly	99.90
Indirectly	0.09

Corporate Purpose
Commercialize products through equipment and vending machines.

Commercial Relationship
Provides product sales through vending machines.

Board of Directors / Management Council
N/A

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1. Non-traded corporation
2. Ownership interest has had variations during the last year. At a Special Shareholders' Meeting held November 20, 2016, Embotelladora Andina Chile S.A., agreed a capital increase, consequently varying the parent company's ownership interest from 99.9998% to 99.99995%. Through a public deed dated November 30, 2016, Transportes Andina Refrescos Ltda., decided a capital increase, varying the parent company's ownership interest from 99.90% to 99.9959%. At a Special Shareholders' Meeting held November 8, 2016 Andina Inversiones Societarias S.A. agreed to decrease its share capital, varying the parent company's ownership interest from 99.99% to 99.9998%. Through a public deed dated November 30, 2016, Red de Transportes Comerciales Ltda., agreed to absorb Transportes Trans-Heca Ltda., varying the parent company's ownership interest from 99.90% to 99.85%
3. Embotelladora Andina S.A. officer
4. There have been no participation variations in the last year
5. They are limited liability companies, so they do not have a board of directors.
6. Director and Member of the Controlling Group of Embotelladora Andina S.A.
7. This company was incorporated in 2016.

(A) Alternate

Subsidiaries and Equity Investees

> Chile

	Envases CMF S.A.[1]	Envases Central S.A.[1]	Andina Bottling Investments S.A.[1]	Andina Bottling Investments Dos S.A.[1]	Andina Inversiones Societarias S.A.[1]	Inversiones Los Andes Ltda.[6]	Red de Transportes Comerciales Ltda.[6]
Address	La Martina 0390. Pudahuel, Santiago.	Av. Miraflores 8755. Renca, Santiago.	Av. Miraflores 9153, piso 7, Renca, Santiago	Av. Miraflores 9153, piso 7, Renca, Santiago	Av. Miraflores 9153, piso 7, Renca, Santiago	Av. Miraflores 9153, piso 7, Renca, Santiago	Av. Miraflores 9153, piso 4 Renca, Santiago
Chilean Tax Id N°	86.881.400-4	96.705.990-0	96.842.970-1	96.972.760-9	96.836.750-1	96.971.280-6	76.276.604-3
Telephone	(56-2) 2544 8222	(56-2) 2599 9300	(56-2) 2338 0520	(56-2) 2338 0520	(56-2) 2338 0520	(56-2) 2338 0520	(56-2) 2550 9500
Shareholders' Equity (at 31/12/16)	M$ **32,981,986**	M$ **7,562,354**	M$ **234,490,447**	M$ **8,513,734**	M$ **30,082,325**	M$ **77,237,135**	M$ **1,828,510**
% the investment represents in the Parent Company's assets.	**0.87**	**0.34**	**17.72**	**6.70**	**1.51**	**12.58**	**0.05**
% that the Parent Company holds in the capital of the subsidiary or equity investee	[2]	[5]	[5]	[5]	[2]	[5]	[2]
Directly	-	**59.27**	**99.90**	**99.90**	**99.9998**	**99.99**	**99.85**
Indirectly	50.00	-	0.10	0.10	0.0001	0.0001	0.15
Corporate Purpose	Manufacture and sale of plastic products and bottling services and beverage containers.	Manufacture and packaging of all kinds of beverages, and commercialize all kinds of packaging.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Carryout exclusively foreign permanent investments or lease all kinds of real estate.	Invest in all types of companies and commercialize food products in general.	Invest in financial instruments for its own account or on behalf of third parties.	Freight transportation in general in the beverage industry and other processed goods.
Commercial Relationship	Supplier of plastic bottles, preforms and caps.	Produces cans and some small formats for Coca-Cola bottlers in Chile.	Investment vehicle	Investment vehicle	Investment vehicle	Investment vehicle	Provides ground transportation services.
Board of Directors / Management Council	Salvador Said[3] Andrés Vicuña Cristián Hohlberg Matías Mackenna Andrés Wainer[4] Tomás Vedoya[4]	Diego González José Luis Solórzano[4] José María Sánchez[4] Alberto Moreno[4] Cristián Hohlberg José Jaramillo Diana Rosas (A) Carlos Gálvez (A) Jaime Cohen[4] (A) Andrés Wainer[4] (A) Matías Mackenna (A) Juan Paulo Valdés (A)	Miguel Ángel Peirano[4] Andrés Wainer[4] Jaime Cohen[4] Tomás Vedoya[4] (A) Gonzalo Muñoz[4] (A)	Miguel Ángel Peirano[4] Andrés Wainer[4] Jaime Cohen[4] Tomás Vedoya[4] (A) Gonzalo Muñoz[4] (A)	Miguel Ángel Peirano[4] Andrés Wainer[4] Jaime Cohen[4] Tomás Vedoya[4] (A) Gonzalo Muñoz[4] (A)	N/A	N/A
General Manager	**Christian Larraín**	**Patricio Delpiano**	**Miguel Ángel Peirano[4]**	**Miguel Ángel Peirano[4]**	**Miguel Ángel Peirano[4]**		

1. Non-traded corporation
2. Ownership interest has had variations during the last year. At a Special Shareholders' Meeting held November 20, 2016, Embotelladora Andina Chile S.A., agreed a capital increase, consequently varying the parent company's ownership interest from 99.9998% to 99.99995%. Through a public deed dated November 30, 2016, Transportes Andina Refrescos Ltda., decided a capital increase, varying the parent company's ownership interest from 99.90% to 99.9959%. At a Special Shareholders' Meeting held November 8, 2016 Andina Inversiones Societarias S.A. agreed to decrease its share capital, varying the parent company's ownership interest from 99.99% to 99.9998%. Through a public deed dated November 30, 2016, Red de Transportes Comerciales Ltda., agreed to absorb Transportes Trans-Heca Ltda., varying the parent company's ownership interest from 99.90% to 99.85%.
3. Director and Member of the Controlling Group of Embotelladora Andina S.A.
4. Embotelladora Andina S.A. officer
5. There have been no participation variations in the last year
6. They are limited liability companies, the management of which corresponds to the partner Embotelladora Andina S.A. through its attorneys in fact or specially designated representatives.

(A) Alternate.

Subsidiaries and Equity Investees

> Paraguay

Paraguay Refrescos S.A.[1]

Address

Acceso Sur, Ruta Ñemby Km 3,5 - Barcequillo - San Lorenzo, Asunción

Paraguayan Tax Id N°

80.003.400-7

Telephone

(595) 21 959 1000

Shareholders' Equity (at 31/12/16)

M$ **9,904,604**

% the investment represents in the Parent Company's assets.

10.93

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]

Directly	**0.076**
Indirectly	97.75

Corporate Purpose

Manufacture, distribute and commercialize carbonated and non-carbonated non-alcoholic beverages.

Commercial Relationship

Coca-Cola bottler in Paraguay.

Board of Directors / Management Council

Andrés Wainer[3]
Francisco Sanfurgo
Jaime Cohen[3]

General Manager

Francisco Sanfurgo

> British Virgin Islands

Abisa Corp.

Address

Vanterpool Plaza, 2°Piso, Wickhams Cay 1, Road Town Tortola, British Virgin Island.

BVI Registration N°

512410 / RUT 59.144.140-K

Telephone

(1-284) 494 5959

Shareholders' Equity (at 31/12/16)

M$ **12,594,313**

% the investment represents in the Parent Company's assets.

14.21

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]

Directly	-
Indirectly	100

Corporate Purpose

Invest in financial instruments, for its own account or on behalf of third parties.

Commercial Relationship

Investment company

Board of Directors / Management Council

Miguel Ángel Peirano[3]
Andrés Wainer[3]
Jaime Cohen[3]
Tomás Vedoya[3]

Aconcagua Investing Ltda.

Address

Vanterpool Plaza, Wickhams Cay 1, P.O. Box 873 Road Town, Tortola, British Virgin Island.

BVI Registration N°

569101

Telephone

(1-284) 494 5959

Shareholders' Equity (at 31/12/16)

M$ **523,599**

% the investment represents in the Parent Company's assets.

0.97

% that the Parent Company holds in the capital of the subsidiary or equity investee[2]

Directly	**0.70**
Indirectly	99.3

Corporate Purpose

Invest in financial instruments, for its own account or on behalf of third parties.

Commercial Relationship

Investment company

Board of Directors / Management Council

Jaime Cohen[3]
Andrés Wainer[3]
Miguel Ángel Peirano[3]

1. Non-traded corporation
2. There have been no participation variations in the last year
3. Embotelladora Andina S.A. officer

Controlling Group

The following group of individuals and corporations controls Embotelladora Andina S.A. ("Andina"):

I

Controlling Group: IInversiones SH Seis Limitada ("SH6"), Inversiones Cabildo SpA ("Cabildo"), Inversiones Chucao Limitada, today known as Inversiones Lleuque Limitada ("Lleuque"), Inversiones Nueva Delta S.A. ("Nueva Delta"), Inversiones Nueva Delta Dos S.A. ("Nueva Delta Dos"), Inversiones Las Gaviotas Dos Limitada ("Las Gaviotas Dos"), Inversiones Playa Negra Dos Limitada, today known as Inversiones Playa Negra SpA ("Playa Negra") Inversiones Don Alfonso Dos Limitada, today known as Don Alfonso Limitada ("Don Alfonso"), Inversiones El Campanario Dos Limitada, today known as Inversiones El Campanario Limitada ("Campanario"), Inversiones Los Robles Dos Limitada, today known as Inversiones Los Robles Limitada ("Los Robles") and Inversiones Las Viñas Dos Limitada, today known as Inversiones Las Niñas Dos SpA ("Las Niñas Dos").

Under the Agreement, SH6 holds 50,001,664 Series A shares of Andina, Cabildo holds 50,001,664 Series A shares of Andina, Lleuque holds 50,001,644 Series A shares of Andina, Nueva Delta holds 46,426,645 Series A shares of Andina, and Nueva Delta Dos holds 3,574,999 Series A shares of Andina. Las Gaviotas Dos holds 13,513,594 Series A shares of Andina, Playa Negra holds 515,939 Series A shares of Andina, and Don Alfonso, Campanario, Los Robles and Las Niñas Dos each hold 9,788,363 Series A shares of Andina.

The persons and representatives for management listed below are the final controllers of the aforementioned corporations.

II

Shareholders or partners of the companies that are part of the Controlling Group:

1. SH6: Inversiones SH Seis Limitada, R.U.T. N° 76.273.760-4. This company's direct and indirect ownership is held by:

(a) Inmobiliaria e Inversiones Punta Larga Limitada, R.U.T. N° 96.580.490-0, holder of 14.2069% of share capital. Jaime Said Handal, C.N.I. N° 4.047.015-8 directly owns 99.92% of this company;

(b) Inversiones Bullish Limitada, R.U.T. N° 76.167.252-5, holder of 14.2069% of share capital. Gonzalo Said Handal, C.N.I. N° 6.555.478-K indirectly owns 97.2873% of this company;

(c) Inversiones Berklee Limitada, R.U.T. N° 77.077.030-0, holder of 14.2069% of share capital. Javier Said Handal, C.N.I. N° 6.384.873-5 directly owns 99% of this company;

(d) Inversiones Harvest Limitada, R.U.T. N° 77.077.250-8, holder of 14.2069% of share capital. Bárbara Said Handal, C.N.I. N° 4.708.824-0 directly owns 69.66% of this company;

(e) Inversiones Oberon Limitada, R.U.T. N° 76.126.745-0, holder of 14.2069% of share capital. Marisol Said Handal, C.N.I. N° 6.384.872-7 indirectly owns 90.0885% of this company;

(f) Inversiones Rinascente Limitada, R.U.T. N° 77.077.070-K, holder of 14.2069% of share capital. Cristina Said Handal; C.N.I. N° 5.522.896-5 directly owns 94.0580% of this company;

(g) Jaime, Gonzalo, Javier, Bárbara, Marisol and Cristina Said Handal, each are holders of 0.00006175% of share capital; and

(h) Inmobiliaria Pro Seis Limitada, R.U.T. N° 76.268.900-6, holder of 14.7581% of share capital. Jaime, Gonzalo, Javier, Bárbara, Marisol and Cristina Said Handal indirectly own this company in equal parts each.

2. Cabildo: Inversiones Cabildo SpA, R.U.T. N° 76.062.133-1. This company's direct and indirect ownership is held by:

(a) Inversiones Delfín Uno S.A., R.U.T. N° 76.005.604-9, holder of 2.13% of share capital. Mrs. Isabel Margarita Somavía Dittborn, C.N.I. N° 3.221.015-5 has a 99% ownership interest in this company;

(b) Inversiones Delfín Dos S.A., R.U.T. N° 76.005.591-3, holder of 2.13% of share capital. Mr. José Said Saffie, C.N.I. N° 2.305.902-9 has a 99% ownership interest in this company;

(c) Inversiones Delfín Tres S.A., R.U.T. N° 76.005.585-9, holder of 38.30% of share capital. Mr. Salvador Said Somavía, C.N.I. N° 6.379.626-3 has a 99% ownership interest in this company;

(d) Inversiones Delfín Cuatro S.A., R.U.T. N° 76.005.582-4, holder of 19.15% of share capital. Mrs. Isabel Said Somavía, C.N.I. N° 6.379.627-1 has a 99% ownership interest in this company;

(e) Inversiones Delfín Cinco S.A., R.U.T. N° 76.005.503-4, holder of 19.15% of share capital. Mrs. Constanza Said Somavía, C.N.I. N° 6.379.628-K has a 99% ownership interest in this company;

(f) Inversiones Delfín Seis S.A., R.U.T. N° 76.005.502-6, holder of 19.15% of share capital. Mrs. Loreto Said Somavía, C.N.I. N° 6.379.629-8 has a 99% ownership interest in this company;

(g) Ledimor Financial Corp., R.U.T. N° 59.038.220-5, holder of 2.21% of share capital. The final controllers of this company are Mr. José Said Saffie and Mrs. Isabel Margarita Somavía Dittborn, each holding 30% of its shares, Mr. Salvador Said Somavía holding 16% of its shares. Isabel Said Somavía, Mrs. Constanza Said Somavía, and Mrs. Loreto Said Somavía, each holding 8% of share capital;

(h) Opirel S.A., R.U.T. N° 59.002.280-2, holder of 0.87% of share capital. The final controllers of this company are Mr. José Said Saffie and Mrs. Isabel Margarita Somavía Dittborn, each holding 30% of its shares, Mr. Salvador Said Somavía holding 16% of its shares. Isabel Said Somavía, Mrs. Constanza Said Somavía, and Mrs. Loreto Said Somavía each holding 8% of share capital, and

(i) Donaler Investment Corp., R.U.T. N° 59.070.760-0, holder of 0.37% of share capital. The final controllers of this company are Mr. José Said Saffie and Mrs. Isabel Margarita Somavía Dittborn, each holding 30% of its shares, Mr. Salvador Said Somavía holding 16% of its shares. Isabel Said Somavía, Mrs. Constanza Said Somavía, and Mrs. Loreto Said Somavía each holding 8% of share capital.

3. Lleuque: Inversiones Chucao Limitada was dissolved through the conveyance of all of its social rights in Inversiones Lleuque Limitada pursuant to the transfer of rights and social dissolution as evidenced by a public deed dated December 20, 2016, granted by the Notary Public of Santiago of Mr. Eduardo Diez Morello, an abstract of which is registered on page 12,282 N° 6.839 of the Public Registry of Commerce of the City of Santiago of the year 2017. The management of this company corresponds to its members acting jointly; and the social rights of Inversiones Lleuque Limitada correspond equally to Mrs. Pamela Hurtado Berger, C.N.I. 7.050.827-3 and Mrs. Madeline Hurtado Berger, C.N.I. 7.050.867-2.

4. Nueva Delta: Inversiones Nueva Delta S.A., R.U.T. N° 76.309.233-K, 99.986% owned by Inversiones Nueva Sofía S.A., R.U.T. N° 76.366.690-5. This company's direct and indirect ownership is held by:

(a) Mr. José Antonio Garcés Silva (senior), C.N.I. N° 3.984.154-1 holds 7.01%, who also maintains political rights through a special series of shares in the parent company;

(b) Mrs. María Teresa Silva Silva, C.N.I. N° 3.717.514-5 holds 1.34%;

(c) Mrs. María Teresa Garcés Silva, C.N.I. N° 7.032.690-6 holds 18.33%;

d) Mrs. María Paz Garcés Silva, C.N.I. N° 7.032.689-2 holds 18.33%;

(e) Mr. José Antonio Garcés Silva (junior), C.N.I. N° 8.745.864-4 holds 18.33%;

(f) Mr. Matías Alberto Garcés Silva, C.N.I. N° 10.825.983-3 holds 18.33%; and

(g) Mr. Andrés Sergio Garcés Silva, C.N.I. N° 10.828.517-6 holds 18.33%.

5. Nueva Delta Dos: Inversiones Nueva Delta Dos S.A., R.U.T. N° 76.309.244-5, 99.95% owned by Inversiones Nueva Sofía S.A. (This company's direct and indirect ownership is the same as the one set forth in the previous paragraph for Nueva Delta).

6. Las Gaviotas Dos: Inversiones Las Gaviotas Dos Limitada, R.U.T. N° 76.273.887-2, 99.3917% owned by Las Gaviotas SpA whose final controller (as representative for management) is Mr. Andrés Herrera Ramírez, and 0.6083% owned by Patricia Claro Marchant.

7. Playa Negra: Inversiones Playa Negra Dos Limitada, today known as Inversiones Playa Negra SpA, R.U.T. N° 76.273.973-9, 100% owned by Patricia Claro Marchant.

8. Don Alfonso: Inversiones Don Alfonso Limitada, R.U.T. N° 76.273.918-6, 73.40437% owned by María de la Luz Chadwick Hurtado and 0,05062% owned by Carlos Eugenio Lavín García-Huidobro, and 26.54501% owned by Inversiones FLF Limitada (99.5% controlled by Francisco José Lavín Chadwick) whose final controller (as representative for management) is Mrs. María de la Luz Chadwick Hurtado.

9. Campanario: Inversiones El Campanario Limitada, R.U.T. N° 76.273.959-3, 86.225418% owned by María Soledad Chadwick Claro, 0.013235% owned by Josefina Dittborn Chadwick, 0.011603% owned by Julio Dittborn Chadwick, 6.888107% owned by Inversiones Melitta Limitada (99% controlled by Josefina Dittborn Chadwick) and 6.886475% owned by Inversiones DV Limitada (99% controlled by Julio Dittborn Chadwick), whose final controller (as representative for management) is Mrs. María Soledad Chadwick Claro.

10. Los Robles: Inversiones Los Robles Limitada, R.U.T. N° 76.273.886-4, 78.740150% owned by María Carolina Chadwick Claro, 1.114596% owned by Inveraray Investments Corp., 0.107735% owned by Felipe Tomás

Cruzat Chadwick, 0.107735% owned by Carolina María Errázuriz Chadwick, 0.107735% owned by Jacinta María Errázuriz Chadwick, 6.6073349411% owned by Inversiones Bocaleón Limitada (99.9902% controlled by Felipe Tomás Cruzat Chadwick), 6.6073349411% owned by Inversiones Las Dalias Limitada (99.993% controlled by Carolina María Errázuriz Chadwick) and 6.607349411% owned by Inversiones Las Hortensias Limitada (99.9903% controlled by Jacinta María Errázuriz Chadwick), whose final controller (as representative for management) is Mrs. María Carolina Chadwick Claro.

11. Las Niñas Dos: Inversiones Las Niñas Dos SpA, R.U.T. N° 76.273.943-7, 100% owned by Inversiones Las Niñas Limitada (96% controlled by María Eugenia, María José, Alejandra María and Magdalena María all Chadwick Braun), whose final controller (as representative for management) is Mr. Eduardo Chadwick Claro.

III

Direct and indirect ownership interest in Andina (including Series A and Series B shares)[1] held by members of the Controlling Group or persons related thereto:

		Series A	Series B
A	Inversiones SH Seis Limitada	52,989,375	37,864,863
B	The estate of Jaime Said Demaría	-	49,600
	Ownership interest by Series:	11.1960%	8.0109%

		Series A	Series B
a	Inversiones Cabildo SpA	52,987,375	49,650,863
b	José Said Saffie	-	49,600
	Ownership interest by Series:	11.1956%	10.5013%

		Series A	Series B
a	Inversiones Lleuque Limitada[2]	50,001,644	-
b	Inversiones HB S.A.[3]	1,569,731	1,898,212
c	Rentas IMA Limitada[4]	-	38,978,263
d	Alberto Hurtado Fuenzalida	-	49,600
	Ownership interest by Series:	10,8964%	8,6473%

		Series A	Series B
a	Inversiones Nueva Delta S.A.	46,426,645	-
b	Inversiones Nueva Delta Dos S.A.	3,574,999	-
c	Inversiones Nueva Sofía Limitada	2,985,731	25,678,583
d	José Antonio Garcés Silva	-	49,600
	Ownership interest by Series:	11.1956%	5.4361%

		Series A	Series B
a	Inversiones Las Gaviotas Dos Limitada	13,513,594	13,513,594
b	Inversiones Playa Negra SpA	515,939	515,939
c	Inversiones El Campanario Limitada	9,788,363	9,788,363
d	Inversiones Los Robles Limitada	9,788,363	9,788,363
e	Inversiones Las Niñas Dos SpA	9,788,363	9,788,363
f	Inversiones Don Alfonso Limitada	9,788,363	9,788,363
	Ownership interest by Series:	11.1960%	11.1960%

1. Excluding Inversiones Freire S.A.'s nominal ownership interest of 23 Series A shares of Andina and Inversiones Freire Dos S.A.'s 4 Series A shares of Andina.
2. Inversiones Lleuque Limitada, RUT 76.427.893-3, legal successor of Inversiones Chucao pursuant to the merger agreement through a public deed dated December 20, 2016 in the Notary Public of Mr. Eduardo Diez Morello in Santiago., .
3. Inversiones HB S.A., Rut 96.842.220-0 is controlled by (100% indirect ownership) by the following people: Alberto Hurtado Fuenzalida, C.N.I. 2.593.323-0; Pamela Hurtado Berger, C.N.I. 7.050.827-3; and Madeline Hurtado Berger, C.N.I. 7.050.867-2.
4. Rentas IMA Limitada, Rut 76.409.659-2, legal successor of Inversiones Mar Adentro Limitada, pursuant to the merger agreement through a public deed dated October 21, 2014 in the Notary Public of Carmona un Santiago, and is controlled (88.33% direct ownership) by Inversiones HB S.A.

IV

The only shareholder, different from the Controlling Group, that exceeds 10% ownership interest in Andina is :

	Series A	Series B
Coca-Cola de Chile S.A.	67,938,179	67,938,179
Ownership interest by Series:	14.3545%	14.3547%

The Controlling Group acts in accordance with a joint action agreement between the parties (the "Agreement").

According to the Agreement, the Controlling Group shall jointly exercise Andina's control to ensure the majority of votes at shareholder meetings and Board sessions. The resolutions of the Controlling Group are approved by at least four of the five parties, except for certain matters that require unanimity.

On the other hand, and subject to the fulfillment of the rules of the Securities Market Law in Chile, the Agreement sets forth sale options of each party with respect to the other at a market price plus a premium of 9.9% and 25%, with 30-days window to exercise in June every year, and in June of 2017 and 2027 respectively; and in the case that all but one of the parties decide to sell, the Agreement regulates a right of first option to purchase for a period of one year.

The Agreement is formalized through a private instrument signed between the parties, and has an indefinite duration.

In connection with The Coca-Cola Company's investment in Andina, The Coca-Cola Company and the Controlling Group entered into a Shareholders' Agreement dated September 5, 1996, providing for certain restrictions on the transfer of Andina's capital stock by the Controlling Group. Specifically, the Controlling Group is restricted from transferring its Series A shares without the prior authorization of The Coca-Cola Company.

The Shareholders' Agreement also provides for certain corporate governance matters, including The Coca-Cola Company´s right to elect two members among our directors so long as The Coca-Cola Company and its subsidiaries collectively own a certain percentage of Series A shares. In addition, in related agreements, the Controlling Group granted The Coca-Cola Company an option, exercisable upon the occurrence of certain changes in the beneficial ownership of the Controlling Group, to acquire 100% of the Series A shares held by them at a price and in accordance with procedures established in such agreements.

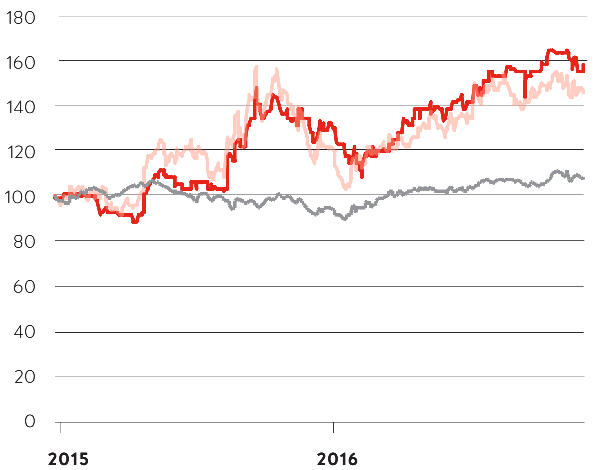
RELEVANT CHANGES IN COMPANY SHARE OWNERSHIP

During the 2016 fiscal year there were no relevant changes in Company share ownership. However, it is stated for the record that on January 9, 2014, Inversiones HB S.A., member of the Controlling Group reported the sale of 7,000,000 Series B shares for a total amount of ThCh$15,891 million.

STOCK MARKET TRADING INFORMATION

> CHILE

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



This chart reflects the daily behavior for the two-year period ending December 31, 2016 of Andina's series A and series B shares compared with the Chilean selective price index, IPSA (Base value = 100)

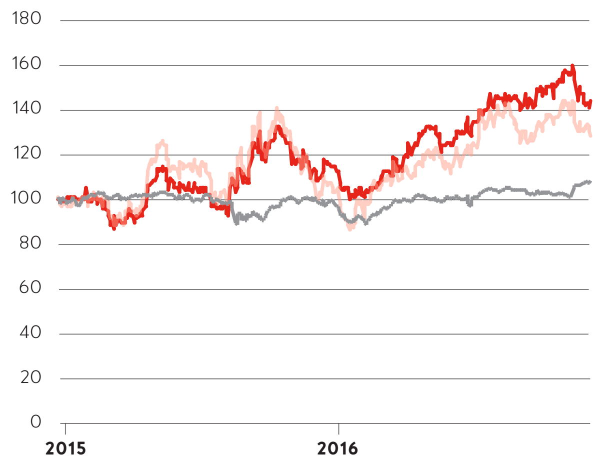
2016		Andina-A Shares Traded (million)	Andina-A Total Traded (M Ch$)	Andina-A Average Price (Ch$)	Andina-B Shares Traded (million)	Andina-B Total Traded (M Ch$)	Andina-B Average Price (Ch$)
Bolsa de Comercio de Santiago	1st Quarter	9.7	17,406	1,783	22.0	44,753	2,026
	2nd Quarter	9.1	18,532	2,049	16.9	73,436	2,258
	3rd Quarter	4.4	17,208	2,266	17.7	38,117	2,502
	4th Quarter	8.0	18,995	2,380	15.9	40,501	2,546
Bolsa Electrónica de Chile	1st Quarter	0.2	389	1,804	2.7	5,329	1,980
	2nd Quarter	1.3	2,605	2,016	2.6	5,758	2,238
	3rd Quarter	0.1	246	2,290	1.5	3,798	2,526
	4th Quarter	0.5	1,154	2,352	1.4	3,672	2,579
Bolsa de Corredores / Bolsa de Valores	1st Quarter		Not Traded			Not Traded	
	2nd Quarter		Not Traded		0.0	0,5	2,289
	3rd Quarter		Not Traded			Not Traded	
	4th Quarter		Not Traded			Not Traded	

Source: Certificates from the respective Stock Exchanges.

STOCK MARKET TRADING INFORMATION

> NEW YORK STOCK EXCHANGE

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



This chart reflects the daily behavior for the two-year period ending December 31, 2016 of Andina's series A and series B ADRs compared with the Dow Jones Industrial index. (Base value = 100)

2016	AKO-A ADRs traded (million)	AKO-A Total Traded[1] (MUS$)	AKO-A Average Price (US$)	AKO-B ADRs traded (million)	AKO-B Total Traded[1] (MUS$)	AKO-B Average Price (US$)
1st Quarter	0.36	5.48	15.31	2.47	42.10	17.20
2nd Quarter	0.44	8.05	18.27	1.24	25.08	19.95
3rd Quarter	0.28	5.74	20.59	1.32	29.81	22.66
4th Quarter	0.52	11.49	21.38	0.96	22.01	22.89

1. Total Traded calculated as the Average Price times Volume of Shares Traded
Source: Bloomberg

As of December 30, 2016, Andina-A and Andina-B shares had a presence of 55.56% and 99.44% respectively.

COMPENSATION BOARD OF DIRECTORS

2016	DIRECTORS' COMPENSATION CH$	EXECUTIVE COMMITTEE CH$	DIRECTORS' AND AUDIT COMMITTEE CH$	TOTAL CH$
Juan Claro González[1]	144,000,000	-	-	144,000,000
Arturo Majlis Albala	72,000,000	72,000,000	24,000,000	168,000,000
Gonzalo Said Handal	72,000,000	72,000,000	-	144,000,000
José Antonio Garcés Silva	72,000,000	72,000,000	-	144,000,000
Salvador Said Somavía	72,000,000	72,000,000	24,000,000	168,000,000
Eduardo Chadwick Claro	72,000,000	72,000,000		144,000,000
Gonzalo Parot Palma[2]	72,000,000	-	24,000,000	96,000,000
Francisco Crespo	72,000,000			72,000,000
Emilio Rodríguez Larraín[3]	18,087,666			22,000,000
José De Gregorio Rebeco	72,000,000			72,000,000
Juan Andrés Fontaine Talavera	72,000,000			72,000,000
Franz Alscher[3]	48,000,000			48,000,000
Ricardo Vontobel[3]	12,000,000			12,000,000
Mariano Rossi	72,000,000			72,000,000
Susana Tonda Mitri[4]	50,000,000			50,000,000
Georges de Bourguignon Arndt[4]	50,000,000			50,000,000
Enrique Rapetti[4]	18,000,000			18,000,000
Totales Brutos	**1,060,087,666**	**360,000,000**	**72,000,000**	**1,492,087,666**

1. Includes an additional Ch$72 million as Chairman of the Board of Directors
2. Independent director of the Company, pursuant to current regulations
3. Left the Board of Directors in 2016
4. Joined the Board of Directors in 2016

2015	DIRECTORS' COMPENSATION CH$	EXECUTIVE COMMITTEE CH$	DIRECTORS' AND AUDIT COMMITTEE CH$	TOTAL CH$
Juan Claro González[1]	144,000,000	-	-	144,000,000
Arturo Majlis Albala	72,000,000	72,000,000	24,000,000	168,000,000
Gonzalo Said Handal	72,000,000	72,000,000	-	144,000,000
José Antonio Garcés Silva	72,000,000	72,000,000	-	144,000,000
Salvador Said Somavía	72,000,000	72,000,000	24,000,000	168,000,000
Eduardo Chadwick Claro	72,000,000	72,000,000		144,000,000
Gonzalo Parot Palma[2]	72,000,000	-	24,000,000	96,000,000
Francisco Crespo	72,000,000			72,000,000
Emilio Rodríguez Larraín	72,000,000			72,000,000
José De Gregorio Rebeco	72,000,000			72,000,000
Juan Andrés Fontaine Talavera	72,000,000			72,000,000
Franz Alscher	72,000,000			72,000,000
Ricardo Vontobel	72,000,000			72,000,000
Mariano Rossi	72,000,000			72,000,000
Totales Brutos	**1,080,000,000**	**360,000,000**	**72,000,000**	**1,512,000,000**

1. Includes an additional Ch$72 million as Chairman of the Board of Directors
2. Independent director of the Company, pursuant to current regulations

COMPENSATION PRINCIPAL OFFICERS

In the case of the principal officers, compensation plans are composed of a fixed remuneration and a performance bonus, that try to adapt to the reality and competitive conditions in each market, and whose amounts vary according to the position or exercised responsibility. Such performance bonuses are payable only to the extent that personal goals of each principal officer and company goals are met, which are previously defined for each case in particular.

For the period ended December 31, 2016 the amount of fixed compensations paid to Coca-Cola Andina's principal officers amounted to Ch$3,962 million (Ch$4,129 million in 2015). Likewise, the amount of compensation paid in performance bonuses amounted to Ch$2,461 million (Ch$2,295 million in 2015).

For the period ended December 31, 2016, severance payments to managers and principal officers of Embotelladora Andina S.A. amounted to Ch$463 million (Ch$193 million in 2015).

The proportion of average base gross salary of female executives regarding male executives is 67.7%, while the proportion of average base gross salary of female workers regarding male workers is 104.7%.

STATEMENT OF RESPONSIBILITY

The Directors of Embotelladora Andina S.A. and the Chief Executive Officer who have signed this statement, are responsible under oath of the accuracy of the information provided in the 2016 Annual Report, in accordance with the provisions of General Rule N° 346 dated May 3, 2013, of the Chilean Superintendence of Securities and Insurance (*Superintendencia de Valores y Seguros*)

Juan Claro González
Chairman of the Board
Entrepreneur
Chilean Tax Id N°: 5.663.828-8

Salvador Said Somavía
Vice Chairman of the Board
Business Administrator
Chilean Tax Id N°: 6.379.626-3

Eduardo Chadwick Claro
Civil Industrial Engineer
Chilean Tax Id N°: 7.011.444-5

Arturo Majlis Albala
Lawyer
Chilean Tax Id N°: 6.998.727-3

Gonzalo Said Handal
Business Administrator
Chilean Tax Id N°: 6.555.478-K

José Antonio Garcés Silva
Business Administrator
Chilean Tax Id N°: 8.745.864-4

Enrique Rapetti
Accountant
Foreign citizen

Francisco Javier Crespo
Industrial Engineer
Foreign citizen

Georges de Bourguignon Arndt
Economist
Chilean Tax Id. N°: 7.269.147-4

Juan Andrés Fontaine Talavera
Business Administrator
Chilean Tax Id N°: 6.068.568-1

José De Gregorio Rebeco
Civil Industrial Engineer
Chilean Tax Id N°: 7.040.498-2

Gonzalo Parot Palma
Civil Industrial Engineer
Chilean Tax Id N°: 6.703.799-5

Mariano Rossi
Business Administrator
Foreign citizen

Susana Tonda Mitri
Business Administrator
Chilean Tax Id. N°: 5.500.244-4

Miguel Ángel Peirano
CEO
Electric Engineer
Chilean Tax Id. N°: 23.836.584-8

Coca-Cola ANDINA

Corporate Finance and Administration Department

Design
www.negro.cl

Photographs
Thomas Wederwille
www.numa.cl
Coca-Cola Andina file

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Annual Report 2016

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Financial Statements
as of December 31, 2016 and 2015

Company Identification
Embotelladora Andina S.A.
Open Stock Corporation
RUT: 91.144.000-8
Address: Miraflores 9153, Comuna de Renca, Santiago

Corporate Office
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Tel. (56 2) 2338 0520
www.koandina.com

Investor Relations
Paula Vicuña
andina.ir@koandina.com
Tel (56 2) 2338 0520

***

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Paraguay
Acceso Sur Km 3,5, San Lorenzo, Asunción
(595 21) 959 1000

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	NOTE	12.31.2016 ThCh$	12.31.2015 ThCh$
Current assets:			
Cash and cash equivalents	**4**	141,263,880	129,160,939
Other financial assets	**5**	60,152,627	87,491,931
Other non-financial assets	**6.1**	8,601,209	8,686,156
Trade and other accounts receivable, net	**7**	190,524,354	176,385,836
Accounts receivable from related companies	**11.1**	5,788,683	4,610,500
Inventory	**8**	144,709,348	133,333,253
Current tax assets	**9.2**	1,702,296	7,741,241
Total Current Assets		**552,742,397**	**547,409,856**
Non-Current Assets:			
Other financial assets	**5**	80,180,880	181,491,527
Other non-financial assets	**6.2**	35,246,823	18,289,901
Trade and other receivables	**7**	3,527,732	5,931,999
Accounts receivable from related parties	**11.1**	147,682	14,732
Investments accounted for under the equity method	**13**	77,197,781	54,190,546
Intangible assets other than goodwill	**14.1**	680,996,062	665,666,655
Goodwill	**14.2**	102,919,505	95,835,936
Property, plant and equipment	**10**	666,150,885	640,529,872
Total Non-Current Assets		**1,646,367,350**	**1,661,951,168**
Total Assets		**2,199,109,747**	**2,209,361,024**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND EQUITY	NOTE	12.31.2016 ThCh$	12.31.2015 ThCh$
LIABILITIES			
Current Liabilities:			
Other financial liabilities	**15**	64,800,570	62,217,688
Trade and other accounts payable	**16**	242,836,356	212,526,368
Accounts payable to related parties	**11.2**	44,120,335	48,652,827
Provisions	**17**	682,778	326,093
Income taxes payable	**9.3**	10,828,593	7,494,832
Employee benefits current provisions	**12**	35,653,431	31,790,759
Other non-financial liabilities	**18**	20,612,791	17,565,643
Total Current Liabilities		**419,534,854**	**380,574,210**
Other financial liabilities	**15**	721,570,587	765,299,344
Trade and other payables	**16**	9,509,827	9,303,224
Provisions	**17**	72,399,115	63,975,724
Deferred income tax liabilities	**9.5**	125,608,802	130,201,701
Post-employment benefit liabilities	**12**	8,157,745	8,230,030
Other non-financial liabilities	**18**	158,790	242,491
Non-Current Liabilities:		**937,404,866**	**977,252,514**
Equity:	**19**		
Issued capital		270,737,574	270,737,574
Retained earnings		295,708,512	274,755,431
Other reserves		254,159,496	284,980,830
Equity attributable to equity holders of the parent		**820,605,582**	**830,473,835**
Non-controlling interests		21,564,445	21,060,465
Total Equity		**842,170,027**	**851,534,300**
Total Liabilities and Equity		**2,199,109,747**	**2,209,361,024**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

Consolidated Statements of Income by Function	NOTE	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 ThCh$
Net sales		1,777,459,320	1,877,394,256
Cost of sales	**23**	(1,033,910,027)	(1,106,706,146)
Gross Profit		**743,549,293**	**770,688,110**
Other income	**24**	1,760,899	471,569
Distribution expenses	**23**	(183,676,895)	(202,490,792)
Administrative expenses	**23**	(346,202,795)	(352,600,846)
Other expenses	**25**	(22,765,167)	(21,983,048)
Other (loss) gains	**27**	(3,387,377)	(6,301,121)
Financial income	**26**	9,661,692	10,118,375
Financial expenses	**26**	(51,374,971)	(55,669,217)
Share of profit of investments accounted for using the equity method	**13.3**	(262,582)	(2,327,829)
Foreign exchange differences		(67,518)	(2,856,370)
Loss from differences in indexed financial assets and liabilities		(6,378,375)	(7,308,343)
Net income before income taxes		**140,856,204**	**129,740,488**
Income tax expense	**9.4**	(48,807,093)	(41,642,562)
Net income		**92,049,111**	**88,097,926**

Net income attributable to			
Equity holders of the parent		90,525,991	87,863,484
Non-controlling interests		1,523,120	234,442
Net income		**92,049,111**	**88,097,926**
Earnings per Share, basic and diluted		**Ch$**	**Ch$**
Earnings per Series A Share	**19.5**	**91,08**	**88,4**
Earnings per Series B Share	**19.5**	**100,19**	**97,24**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statement

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 ThCh$
Net income	**92,049,111**	**88,097,926**
Other Comprehensive Income: Components of other comprehensive income that will be re-measured to net income for the period, before taxes		
Actuarial losses from defined benefit plans	(29,423)	(744,445)
Components of other comprehensive income that will be re-measured to net income for the period, before taxes		
Income tax related to exchange rate translation differences	148,686	(119,212,803)
Income tax related to cash flow hedges	(42,836,575)	31,134,391
Income tax related to components of other comprehensive income that are not re-measured to net income for the period		
Income tax benefit related to defined benefit plans	7,060	148,877
Income tax related to components of other comprehensive income that will be re-measured to net income for the period		
Income tax related to exchange rate translation differences	(2,431,408)	4,604,711
Income tax related to cash flow hedges	13,301,186	(10,172,792)
Total comprehensive income	**60,208,637**	**(6,144,135)**
Total comprehensive income attributable to:		
Equity holders of the parent	59,704,657	(5,894,668)
Non-controlling interests	503,980	(249,467)
Total comprehensive income	**60,208,637**	**(6,144,135)**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED AT DECEMBER 31, 2016 AND 2015

		Other reserves								
	Issued capital ThCh$	Translation reserves ThCh$	Cash flow hedge reserve ThCh$	Actuarial gains or losses in employee benefits ThCh$	Other reserves ThCh$	Total other reserves ThCh$	Retained earnings ThCh$	Controlling Equity ThCh$	Non-Controlling interests ThCh$	Total Equity ThCH$
Opening balance at 01/01/2016	**270,737,574**	**(167,447,157)**	**27,087,214**	**(1,796,285)**	**427,137,058**	**284,980,830**	**274,755,431**	**830,473,835**	**21,060,465**	**851,534,300**
Changes in Equity										
Comprehensive Income										
Net income	-	-	-	-	-	-	90,525,991	90,525,991	1,523,120	92,049,111
Other comprehensive income	-	(1,297,198)	(29,535,389)	11,253	-	(30,821,334)	-	(30,821,334)	(1,019,140)	(31,840,474)
Comprehensive income	-	**(1,297,198)**	**(29,535,389)**	**11,253**	**-**	**(30,821,334)**	**90,525,991**	**59,704,657**	**503,980**	**60,208,637**
Dividends	-	-	-	-	-	-	(69,572,910)	(69,572,910)	-	(69,572,910)
Total changes in equity	**-**	**(1,297,198)**	**(29,535,389)**	**11,253**	**-**	**(30,821,334)**	**20,953,081**	**(9,868,253)**	**503,980**	**(9,364,273)**
Ending balance at 12/31/2016	**270,737,574**	**(168,744,355)**	**(2,448,175)**	**(1,785,032)**	**427,137,058**	**254,159,496**	**295,708,512**	**820,605,582**	**21,564,445**	**842,170,027**

		Other reserves								
	Issued capital ThCh$	Translation reserves ThCh$	Cash flow hedge reserve ThCh$	Actuarial gains or losses in employee benefits ThCh$	Other reserves ThCh$	Total other reserves ThCh$	Retained earnings ThCh$	Controlling Equity ThCh$	Non-Controlling interests ThCh$	Total Equity ThCH$
Opening balance at 01/01/2015	**270,737,574**	**(53,285,698)**	**6,125,615**	**(1,237,993)**	**427,137,058**	**378,738,982**	**247,817,939**	**897,294,495**	**21,703,238**	**918,997,733**
Changes in Equity										
Comprehensive Income										
Net income	-	-	-	-	-	-	87,863,484	87,863,484	234,442	88,097,926
Other comprehensive income	-	(114,161,459)	20,961,599	(558,292)	-	(93,758,152)	-	(93,758,152)	(483,909)	(94,242,061)
Comprehensive income	**-**	**(114,161,459)**	**20,961,599**	**(558,292)**	**-**	**(93,758,152)**	**87,863,484**	**(5,894,668)**	**(249,467)**	**(6,144,135)**
Dividends	-	-	-	-	-	-	(60,925,992)	(60,925,992)	(393,306)	(61,319,298)
Total changes in equity	**-**	**(114,161,459)**	**20,961,599**	**(558,292)**	**-**	**(93,758,152)**	**26,937,492**	**(66,820,660)**	**(642,773)**	**(67,463,433)**
Ending balance at 12/31/2015	**270,737,574**	**(167,447,157)**	**27,087,214**	**(1,796,285)**	**427,137,058**	**284,980,830**	**274,755,431**	**830,473,835**	**21,060,465**	**851,534,300**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flows provided by (used in) Operating Activities Cash flows provided by Operating Activities	NOTE	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 ThCh$
Receipts from customers (including taxes)		2,415,467,366	2,406,656,125
Payments for Operating Activities			
Payments to suppliers for goods and services (including taxes)		(1,624,748,620)	(1,569,343,254)
Payments to employees		(210,545,781)	(213,532,202)
Other payments for operating activities (value-added taxes on purchases, sales and others)		(280,846,689)	(275,697,786)
Dividends received		745,805	1,250,000
Interest payments		(49,931,807)	(57,963,479)
Interest received		8,610,102	7,463,013
Income tax payments		(25,721,727)	(26,322,106)
Other cash movements (tax on bank debits Argentina and others)		(9,582,089)	(7,601,081)
Cash flows provided by Operating Activities		**223,446,560**	**264,909,230**
Cash flows provided by (used in) Investing Activities			
Cash flow used to acquire non-controlling interests (Capital contribution in Leão Alimentos e Bebidas Ltda.)	**13.2**	(17,586,575)	(915,069)
Proceeds from sale of property, plant and equipment		70,431	1,969,878
Purchase of property, plant and equipment		(128,217,485)	(112,399,528)
Proceeds from other long term assets (term deposits over 90 days)		109,824,298	106,609,849
Purchase of other long term assets (term deposits over 90 days)		(77,789,768)	(95,008,674)
Collections from forward, term, option and financial exchange agreements		(217,218)	(3,387,526)
Net cash flows used in Investing Activities		**(113,916,317)**	**(103,131,070)**

Cash Flows generated from (used in) Financing Activities	NOTE	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 ThCh$
Proceeds from short-term loans obtained		22,188,721	89,423,068
Proceeds from loans obtained		**22,188,721**	**89,423,068**
Loan payments		(35,864,121)	(119,814,280)
Financial lease liability payments		(5,533,160)	(3,160,000)
Dividend payments by the reporting entity		(67,591,930)	(54,319,681)
Other inflows (outflows) of cash (Placement and payment of public obligations)		(11,424,035)	(10,689,484)
Net cash flows used in Financing Activities		**(98,224,525)**	**(98,560,377)**
Net increase (decrease) in cash and cash equivalents before exchange differences		**11,305,718**	**63,217,783**
Effects of exchange differences on cash and cash equivalents		797,223	(13,571,278)
Net increase (decrease) in cash and cash equivalents		**12,102,941**	**49,646,505**
Cash and cash equivalents – beginning of year	4	129,160,939	79,514,434
Cash and cash equivalents - end of year	**4**	**141,263,880**	**129,160,939**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - CORPORATE INFORMATION

embotelladora Andina S.A. is registered under No. 00124 of the Securities Registry and is regulated by the Chilean Superintendence of Securities and Insurance (SVS) pursuant to Law 18.046.

The principal activities of Embotelladora Andina S.A. (hereafter "Andina," and together with its subsidiaries, the "Company") are to produce and sell Coca-Cola products and other Coca-Cola beverages. After the merger and recent acquisitions, 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, Nova Iguaçu, part of Sao Paulo and part of Minas Gerais. 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 covers the whole country. The Company has distribution licenses from The Coca-Cola Company in all of its territories: Chile, Brazil, Argentina and Paraguay. Licenses for the territories in Chile expire in 2018 and 2019; in Argentina in 2017 (in the renewal process); in Brazil in 2017 (in the renewal process) and in Paraguay they expire in 2020. The Coca-Cola Company chooses to grant all of these licenses, and they are expected to be renewed under similar conditions on the date of expiration.

As of December 31, 2016, the Freire Group and its related companies hold 55.68% of the outstanding shares with voting rights, corresponding to the Series A shares.

The head office of Embotelladora Andina S.A. is located on Miraflores 9153, municipality of Renca, Santiago, Chile. Its taxpayer identification number is 91.144.000-8.

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

2.1 Periods covered

These Consolidated financial statements encompass the following periods:

Consolidated statement of financial position: At December 31, 2016 and 2015.

Consolidated income statements by function and comprehensive income: For the periods ended December 31, 2016 and 2015.

Consolidated statements of direct cash flows: For the periods ended December 31, 2016 and 2015.

Consolidated statements of changes in equity: For the periods ended December 31, 2016 and 2015.

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2.2 Basis of preparation

On October 17, 2014, the SVS issued Circular Letter No. 856, instructing controlled entities to record against equity during the fiscal year 2014 all deferred tax differences in assets and liabilities resulting from the direct increase in first category tax rate introduced by law No. 20,780. Such accounting treatment differs from the provisions of IAS 12 and, therefore, representing a change in financial information preparation and presentation framework adopted until that date.

Considering that the aforementioned represented a specific and temporary detour of IFRS, beginning 2016 and according to provisions of paragraph 4A of IFRS 1, the Company has decided to apply such rules retroactively (in accordance with the IAS 8 "Accounting policies, changes in accounting estimates and errors") as if it never had left applying them.

Since the indications set forth in the previous paragraph do not amend any accounts set out in the statements of financial position at December 31, 2016 and 2015, neither at December 31, 2015 and 2014 pursuant to paragraph 40A of IAS 1 "Presentation of financial statements", the presentation of the statement of financial position at January 1, 2015 (third column) is not necessary.

The Company's Consolidated Financial Statements for the period ended December 31, were prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (hereinafter "IASB").

The Consolidated Financial Statements have been presented in accordance to the historic cost criteria, although amended by the revaluation of certain financial instruments, derivative financial instruments and investment properties.

These Financial Statements reflect the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries at December 31, 2016 and 2015, and the results of operation, changes in equity and statements of cash flows for the periods between January 1 and December 31, 2016 and 2015, which were approved by the Board of Directors during their meeting held on February 28, 2017.

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 then adapt them to IFRS.

2.3 Basis of consolidation

2.3.1 Subsidiaries

These consolidated financial statements incorporate the financial statements of the Company and the companies controlled by the Company (its subsidiaries). Control is obtained when the Company has power over the investee, when it has exposure or is entitled to variable returns from its involvement in the investee and when it has the ability to use its power to influence the amount of investor returns. They include assets and liabilities as of December 31, 2016 and 2015 and results of operations and cash flows for the periods between January 1 and December 31, 2016 and 2015. Income or losses from subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition through to the effective date of disposal, as applicable.

The acquisition method is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of the subsidiary is the fair value of assets transferred, equity securities issued, liabilities incurred to the former owners of the acquire 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 values at the acquisition date. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Intercompany transactions, balances, income, expenses and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Company, where necessary.

The interest of non-controlling shareholders is presented in "Non-Controlling Interest" in the consolidated income statement and "Earnings attributable to non-controlling interests", in the consolidated statement of changes in equity.

The consolidated financial statements include all assets, liabilities, income, expenses, and cash flows after eliminating intercompany balances and transactions.

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

		Holding control (percentage)					
		12-31-2016			12-31-2015		
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.	99.98	0.01	99.99	99.98	0.01	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.	0.92	99.07	99.99	0.92	99.07	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
76.276.604-3	Red de Transportes Comerciales Ltda.	99.90	0.09	99.99	99.90	0.09	99.99
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
78.775.460-0	Sociedad de Transportes Trans-Heca Limitada	-	-	-	-	99.99	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.	66.50	-	66.50	66.50	-	66.50
93.899.000-k	Vital Jugos S.A.	15.00	50.00	65.00	15.00	50.00	65.00

2.3.2 Investments accounted for under the equity method

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 of accounting.

The Company's share in profit or loss in associates subsequent to the acquisition date is recognized in the income statement.

Unrealized gains in transactions between the Company and its associates are eliminated to the extent of the Company´s interests in those associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment on the asset transferred. Accounting policies of the associates are changed, where necessary, to ensure conformity with the policies adopted by the Company.

2.4 Financial reporting by operating segment

IFRS 8 requires that entities disclose information on the results of operating segments. In general, this is information that Management and the Board of Directors use internally to assess performance of segments and 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 presentation currency

Items included in the financial statements of each of the entities in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Chilean pesos, which is the parent company's functional currency and the Company´s presentation currency.

2.5.2 Balances and transactions

Foreign currency transactions are translated into the functional currency using the foreign exchange rates prevailing on the dates of the transactions. Losses and gains in foreign currency resulting from the liquidation of these transactions and the translation at the closing exchange rate of monetary assets and liabilities denominated in foreign currency are recognized in the income statements under foreign exchange rate differences, except when they correspond to cash flow hedges; in which case they are presented in the statement of comprehensive income.

The exchange rates at the close of each of the periods presented were as follows:

	Exchange rate to the Chilean peso					
Date	US$ dollar	R$ Brazilian Real	A$ Argentine Peso	UF Unidad de Fomento	Paraguayan Guaraní	€ Euro
12.31.2016	669.47	205.42	42.13	26,347,98	0.116	705.60
12.31.2015	710.16	181.87	54.46	25,629,09	0.1217	774.61

2.5.3 Translation of foreign subsidiaries

The financial position and results of all entities in the Company (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for the statement of financial position are translated at the closing exchange rate as of the reporting date;

(ii) Income and expenses of the income statement are translated at average exchange rates for the period; and

(iii) All resulting translation differences are recognized in other comprehensive income.

The companies that have a functional currency different from the presentation currency of the parent company are:

Company	Functional currency
Rio de Janeiro Refrescos Ltda.	R$ Brazilian Real
Embotelladora del Atlántico S.A.	A$ Argentine Peso
Andina Empaques Argentina S.A.	A$ Argentine Peso
Paraguay Refrescos S.A.	G$ Paraguayan Guaraní

In consolidation, translation differences arising from the translation of net investments in foreign entities are recognized in other comprehensive income. Exchange differences from accounts receivable, which are considered part of an equity investment, are recognized as comprehensive income net of deferred taxes, if applicable. On disposal of the investment, such translation differences are recognized in the income statement as part of the gain or loss on the disposal of the investment.

2.6 Property, plant, and equipment

Assets included in property, plant and equipment are recognized at their historical cost or fair value on the IFRS transition date, less depreciation and cumulative impairment losses.

Historical cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the items less government subsidies resulting from the difference between market interest rates and the government´s preferential credit rates. Historical cost also includes revaluations and price-level restatements of opening balances (attributable cost) at January 1, 2009, in accordance with the exemptions in IFRS 1.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the items of property, plant and equipment will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the income statement in the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

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
Software licenses, furniture and supplies	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 reviewed and adjusted at the end of each financial statement-reporting period, if appropriate.

When the value of an asset is greater than its estimated recoverable amount, the value is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant, and equipment are calculated by comparing the proceeds to the carrying amount and are charged to other expenses by function.

If there are items available for sale, and comply with the conditions of IFRS 5 "Non-current assets held for sale and discontinued operations" are separated from property, plant and equipment and are presented within current assets at the lower value between the book value and its fair value less selling costs.

2.7 Intangible assets and Goodwill

2.7.1 Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the net fair value of the net identifiable assets of the subsidiary and the fair value of the non-controlling interest in the subsidiary on the acquisition date. Goodwill is recognized separately and tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment losses.

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

Goodwill is assigned to each cash generating unit (CGU) or group of cash-generating units, from where it is expected to benefit from the synergies arising from the business combination. Such CGUs or groups of CGUs represent the lowest level in the organization at which goodwill is monitored for internal management purposes

2.7.2 Distribution rights

Distribution rights are contractual rights to produce and distribute products under the Coca-Cola brand in certain territories in Argentina, Brazil, Chile and Paraguay that were acquired during Business Combination. Distribution rights are born from the process of valuation at fair value of the assets and liabilities of companies acquired in business combinations. Distribution rights have an indefinite useful life and are not amortized, as the Company believes that the agreements will be renewed indefinitely by the Coca-Cola Company with similar terms and conditions. They are subject to impairment tests on an annual basis.

2.7.3 Software

Carrying amounts correspond to internal and external software development costs, which are capitalized once the recognition criteria in IAS 38, Intangible Assets, have been met. Software is amortized in administrative expenses in the consolidated income statement over a period of four years.

2.8 Impairments of non-financial assets

Assets that have an indefinite useful life, such as intangibles related to distribution rights and goodwill, are not amortized and are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Assets that are subject to amortization are tested for impairment whenever there is an event or change in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to sell or its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

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 receivables, financial assets held to maturity, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

At each reporting date, the Company assesses if there is evidence of impairment for any asset or group of financial assets.

2.9.1 Financial assets at fair value through profit or loss

Fair value financial assets with changes in results are financial assets available for sale in the short term. A financial asset is classified under this category if it is acquired mainly for selling it in the short term. Assets in this category are classified as current assets.

Derivatives are also categorized as held for trading unless they are designated as hedges.

Gains or losses from changes in fair value of financial assets at fair value through profit and loss are recognized in the income statement under financial income or expense during the year in which they incur.

2.9.2 Loans and receivables

Loans and accounts receivable are financial assets with fixed and determinable payments that are not quoted in an active market period. Loans and receivables are not quoted in an active market. They are included 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 receivables are included in trade and other receivables in the consolidated statement of financial position and they are recorded at their amortized cost less a provision for impairment.

An impairment is recorded on trade accounts receivable when there is objective evidence that the Company may not be able to collect the full amount according to the original terms of the receivable, based either on individual or on global aging analyses. The loss is recognized in consolidated administrative expenses.

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 carried at cost, which approximates their fair value considering their short-term nature.

Accrued interest is recognized in the consolidated income statement under financial income.

2.10 Derivatives financial instruments and hedging activities

The Company uses derivative financial instruments to mitigate risks relating to changes in foreign currency and exchange rates associated with raw materials, and loan obligations.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

2.10.1 Derivative financial instruments designated as cash flow hedges

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement within "other gains (losses)".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when foreign currency denominated financial liabilities are translated into their functional currencies). The gain or loss relating to the effective portion of cross currency swaps hedging the effects of changes in foreign exchange rates are recognized in the consolidated income statement within "foreign exchange differences". When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated income statement.

2.10.2 Derivative financial instruments not designated for hedging

The fair value of derivative financial instruments that do not qualify for hedge accounting pursuant to IFRS are immediately recognized in the consolidated income statement under "Other income and losses". The fair value of these derivatives are recorded under "other current financial assets" or "other current financial liabilities" in the statement of financial position."

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

The Company also evaluates the existence of derivatives implicitly in financial instrument contracts to determine whether their characteristics and risks are closely related to the master agreement, as stipulated by IAS 39.

Fair value hierarchy

The Company records assets and liabilities as of December 31, 2016 and 2015 based on its derivative foreign exchange contracts, which are classified within other financial assets (current assets and non-current) and other current financial liabilities (current and non-current financial liabilities), respectively. These contracts are carried at fair value in the statement of financial position. The Company uses the following hierarchy for determining and disclosing financial instruments at fair value by valuation method:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data information.

During the reporting period there were no transfers of items between fair value measurement categories. All of which were valued during the period using Level 2.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and 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. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Estimates are also made for obsolescence of raw materials and finished products based on turnover and age of the related goods.

2.12 Trade receivables

Trade accounts receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, given their short-term nature. A provision for impairment is made when there is objective evidence that the Company may not be able to collect the full amount according to the original terms of the receivable, based either on individual or on global aging analyses. The carrying amount of the asset is reduced by the provision amount and the loss is recognized in administrative expenses in the consolidated income statement.

2.13 Cash and cash equivalents

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

2.14 Other financial liabilities

Resources obtained from financial institutions as well as the issuance of debt securities are initially recognized at fair value, net of costs incurred during the transaction. Then, liabilities are valued by accruing interests in order to equal the current value with the future value of liabilities payable, using the effective interest rate method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualified assets, considered as those that require a substantial period of time in order to get ready for their forecasted use or sale, are added to the cost of those assets until the period in which the assets are substantially ready to be used or sold. No borrowing costs have been capitalized for the reporting period.

2.15 Government subsidies

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

Subsidies for operating costs are deferred and recognized on the income statement in the period that the operating costs are incurred.

Subsidies for purchases of property, plant and equipment are deducted from the costs of the related asset in property, plant and equipment and depreciation is recognized on the income statement, on a straight-line basis during the estimated useful life of the related asset.

2.16 Income tax

The Company and its subsidiaries in Chile account for income tax according to the net taxable income calculated based on the rules in the Income Tax Law. Subsidiaries in other countries account for income taxes according to the tax regulations of the country in which they operate.

Deferred income taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, using the tax rates that have been enacted or substantively enacted on the balance sheet date and are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.The Company does not recognize deferred income taxes for temporary differences from investments in subsidiaries in which the Company can control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the near future.

2.17 Employee benefits

The Company has a provision to cover indemnities for years of service that will be paid to employees in accordance with individual and collective agreements subscribed with employees, which is recorded at actuarial value in accordance with IAS 19.

Results from updated of actuarial variables are recorded within other comprehensive income in accordance with IAS 19.

Additionally the Company has retention plans for some officers, which have a provision pursuant to the guidelines of each plan. These plans grant the right to certain officers to receive a cash payment on a certain date once they have fulfilled with the required years of service.

The Company and its subsidiaries have recorded a provision to account for the cost of vacations and other employee benefits on an accrual basis. These liabilities are recorded under employee benefits current 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 event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.19 Leases

a) Operating leases

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

b) Finance leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges.The interest element is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.20 Deposits for returnable containers

This liability comprises of cash collateral, or deposit, received from customers for bottles and other returnable containers made available to them.

This liability pertains to the deposit amount that is reimbursed when the customer or distributor returns the bottles and containers in good condition, together with the original invoice. The liability is estimated based on the number of bottles given to clients and distributors, the estimated amount of bottles in circulation, and a historical average weighted value per bottle or containers.

Deposits for returnable containers are presented as a current liability in other financial liabilities because the Company does not have legal rights 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

Revenues from regular activities include fair value of the consideration received or to be received for goods sold during the regular course of the Company's activities. This revenue is presented net of VAT, reimbursements, deductions and discounts.

The Company recognizes revenue when 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 customers.

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 licenses. The contributions 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 items of property, plant and equipment. In such situations, payments received pursuant to these agreements are recorded as a reduction of the cost of the related assets.

2.23 Dividend payments

Dividend distribution to Company shareholders is recorded as a liability in the Company's consolidated financial statements, considering the 30% minimum dividend of the period's earnings established by Chilean Corporate Law.

2.24 Critical accounting estimates and judgments

The Company makes estimates and judgments concerning 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 with indefinite useful lives

The Company test annually whether goodwill and intangible assets with indefinite useful life (such as distribution rights) have suffered any impairment. The recoverable amounts of cash generating units are generating units are determined based on value in use calculations. The key variables used in the calculations include sales volumes and prices, discount rates, marketing expenses and other economic factors including inflation. The estimation of these variables requires a use of estimates and judgments as they are subject to inherent uncertainties; however, the assumptions are consistent with the Company´s internal planning end past results. Therefore, management evaluates and updates estimates according to the conditions affecting the variables. If these assets are considered to have been impaired, they will be written off at their estimated fair value or future recovery value according to the discounted cash flows analysis. Discounted cash flows in the Company's cash generating units in Chile, Brazil, Argentina and Paraguay generated a higher value than the carrying values of the respective net assets, including goodwill.

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 price that would be received for selling an asset or paid to transfer a liability in a transaction ordered between market participants at the date of measurement.

The basis for measuring assets and liabilities at fair value are their current prices in an active market. For those that are not traded in an active market, the Company determines fair value based on the best information available by using valuation techniques.

In the case of the valuation of intangibles recognized as a result of acquisitions from business combinations, the Company estimates the fair value based on the "multi-period excess earning method", which involves the estimation of future cash flows generated by the intangible assets, adjusted by cash flows that do not come from these, but from other assets. The Company also applies estimations over the period during which the intangible assets will generate cash flows, cash flows from other assets, and a discount rate.

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

2.24.3 Allowances for doubtful accounts

The Company evaluates the collectability of trade receivables 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 to be able to collect. In addition to specific provisions, allowances for doubtful accounts are also determined based on historical collection history and a general assessment of trade receivables, both outstanding and past due, among other factors.

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 usage of manufacturing equipment, dispensers, transportation equipment and computer software could make the useful lives of assets shorter. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of any of those assets may not be recovered. The estimate of future cash flows is based, among other factors, on certain assumptions about the expected operating profits in the future. The Company's estimation of discounted cash flows may differ from actual cash flows because of, among other reasons, technological changes, economic conditions, changes in the business model, or changes in operating profit. If the sum of the projected discounted cash flows (excluding interest) is less than the carrying amount of the asset, the asset shall be written-off to its estimated recoverable value.

2.24.5 Liabilities for deposits of returnable container

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

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

a) First time mandatory adoption of standards, interpretations and amendments for the financial periods beginning January 1, 2016:

Standards and interpretations

IFRS 14 “Regulatory Deferral Accounts” – Issued in January 2014. Provisional standard on accounting certain balances on rate regulated activities (“regulatory deferral accounts”). This standard applies only to entities applying IFRS 1 as first time adopters of IFRS.

Amendments and improvements

Amendment to IFRS 11 “Joint arrangements”, on the acquisition of an interest in a joint operation – Issued in May 2014. This amendment incorporates guidance to the standard regarding how to account for the acquisition of an interest in a joint operation that represents a business, specifying the appropriate accounting treatment for said acquisitions.

Amendment to IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”, on depreciation and amortization – Issued in May 2014. Clarifies that revenue in general is an inappropriate basis to measure the consumption of economic benefits that are incorporated in the intangible asset or in an element of property, plant and equipment and, therefore, there is a rebuttable assumption that the depreciation or amortization method based on revenue, is not appropriate.

Amendment to IAS 16 “Property, plant and equipment” and IAS 41 “Agricultures”, on bearer plants – Issued in June 2014. This amendment modifies financial information regarding “bearer plants” (such as grape vines, fruit trees, etc.) The amendment defines the concept “bearer plant” and states that they should be accounted for under property, plant and equipment since they operate as manufacturers. Consequently, they are included within the scope of IAS 16 instead of IAS 41. The products growing on bearer plants will remain within the scope of IAS 41.

Amendment to IAS 27 “Separate financial statements”, on equity method. Issued in August 2014. This amendment allows entities to use the equity method when recognizing investments in subsidiaries, joint ventures and associates in separate financial statements.

Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investment in associates and joint ventures.” - Issued in September 2014. This amendment addresses a conflict between IFRS 10 and IAS 28 requirements on the treatment of the sale or contribution of goods between an investor and its associate or joint venture. The main consequence of these amendments is that a full gain or loss is recognized when the transaction involves a business (whether the business is housed in a subsidiary or not) and a partial gain or loss when the transaction involves assets that do not belong to a business, even when these assets are housed in a subsidiary.

Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investment in associates and joint ventures.” - Issued in December 2014. This amendment clarifies the application of the consolidation exception for investment entities and its subsidiaries. Amendment to IFRS 10 clarifies the consolidation exception available for entities in group structures that include investment entities. Amendment to IAS 28 allows an entity that is not an investment entity but has an interest in an associate or joint venture of an investment entity, the option of accounting policy when applying the equity method. The entity may opt to keep the fair value measurement applied by the associate or joint venture, which is an investment entity, or instead, consolidate at the investment entity (associate or joint venture) level.Amendment to IAS 1 "Presentation of financial statements". Published in December 2014. The amendment clarifies the application guide of IAS 1 on materiality and aggregation, presentation of subtotals, structure of the financial statements and disclosure of accounting policies. Modifications are part of IASB’s Disclosure Initiative.

Improvements to International Financial Reporting Standards (2014)
Amendments issued in September 2014.

IFRS 5, “Non-current assets held for sale and interrupted operations” The amendment clarifies that, when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute an amendment to a sale or distribution plan, and does not have to be accounted for as such. This means that the asset (or disposal group) need not be reinstalled in the financial statements as if it had never been classified as "held for sale" or "held for distribution ', simply because the disposal conditions have changed. The amendment also corrects an omission in the standard explaining that guidelines on changes of a sales plan should be applied to an asset (or disposal group) that is no longer held for distribution, but that is not reclassified as "held for sale".

IFRS 7 "Financial Instruments: Disclosures". There are two amendments to IFRS 7. (1) Service contracts: If an entity transfers a financial asset to a third party under conditions that allow the assignor to dispose the asset, IFRS 7 requires disclosure of any type of continued involvement the entity may still have in the transferred asset. IFRS 7 provides guidance on what continued involvement means in this context. The amendment is prospective with the option of retroactive application. This also affects IFRS 1 to give the same choice to those who apply IFRS for first time. (2) Interim financial statements: the amendment clarifies that the additional disclosure required by the amendments of IFRS 7, "Compensation of financial assets and liabilities" is not specifically required for all interim periods, unless required by IAS 34. The amendment is retroactive.

IAS 19, "Employee benefits"-the amendment clarifies that, to determine the discount rate for post-employment benefits obligations, what is important is the currency in which liabilities are denominated and not the country where they are generated. The assessment of whether there is a market for high-quality corporate bonds is based on corporate bonds in that currency, not in corporate bonds in a country in particular. Similarly, where there is a market for high quality corporate bonds in that currency, Government bonds should be used in the corresponding currency. The amendment is retroactive but limited to the beginning of the first period presented.

IAS 34, "Interim financial reports" - the amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report". The new amendment modifies IAS 34 to require a cross-reference of the interim financial statements to the location of that information. The amendment is retroactive.

The adoption of standards, amendments and interpretations have no significant impact on the consolidated financial statements of the Company.

b) Standards, interpretations and amendments issued, whose application is not mandatory, for which no early adoption has been adopted:

Standards and interpretations	Mandatory for the years beginning
IFRS 9 "Financial Instruments" – Published in July 2014. IASB has published the complete version of IFRS 9 that replaces the application guide for IAS 39. This final version includes requirements relating to classification and measurement of financial assets and liabilities and a model of expected credit losses that replaces the incurred loss impairment model. Regarding hedge accounting that forms part of this final version of IFRS 9, it had already been published in November 2013. Early adoption is allowed.	01/01/2018
IFRS 15 "Revenues from contracts with customers" – Published in May 2014. It sets the principles that should be applied by an entity for the presentation of useful information to financial statements users regarding the nature, amount, opportunity and uncertainty of revenues and cash flows from contracts with customers. The base principal is that an entity will recognize revenues that represent the transfer of goods or services committed to customers in an amount that reflects the consideration to which the entity expects to have a right to in exchange for those goods or services. Its application replaces IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue - Barter Transactions Involving Advertising Services. Early application is allowed.	01/01/2018
IFRS 16 "Leases"-issued in January 2016 establishes the principle for the recognition, measurement, presentation and disclosure of leases. IFRS 16 replaces the current IAS 17 and introduces a unique lessee accounting model and requires a tenant to recognize assets and liabilities of all leases with a term of more than 12 months, unless the underlying asset is of low value. The goal is to ensure that lessees and lessors provide relevant information that faithfully represents the transactions. IFRS 16 is effective for annual periods beginning on or after the January 1, 2019, early application is permitted for entities that apply IFRS 15 or before the date of the initial application of IFRS 16.	01/01/2019
IFRIC 22 "Foreign Currency Transactions and Advance Consideration". Issued December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or a non-financial liability arising from the prepayment or recovery in advance of the recognition of the related asset, expense or income (or the corresponding part). The interpretation provides guidance regarding the date of a transaction (payment/collection), and also for multiple transactions. The purpose of this interpretation is that of reducing diversity in practice.	01/01/2018

Amendments and improvements	Mandatory for the years beginning from
Amendment to IAS 7 "Cash Flow Statement". Issued in February 2016. The amendment introduces additional disclosure that allows users of the financial statements to assess changes in liabilities coming from financial activities.	1/01/2017
Amendment to IAS 12 "Income taxes". Issued in February 2016. The amendment clarifies how to account for assets of deferred taxes regarding debt instruments valued a fair value.	01/01/2017
Amendment to IFRS 2 "Share-based payment". Issued in June 2016. The amendment clarifies the measurement of share-based payments settled in cash and accounting for changes in premium charges. In addition, it introduces an exception to IFRS 2 principles that will require treatment of the premiums as if it were all liquidation as an equity instrument, when the employer is required to withhold the tax related to share-based payments.	01/01/2018
Amendment to IFRS 15 "Revenue from Contracts with Customers". Issued in April 2016. The amendment clarifies guidance on identifying performance obligations in contracts with customers, licensing and assessing principal versus agent considerations (gross versus net presentation of income). It includes new and amended illustrative examples as guidance, as well as practical examples regarding the transition to the new standard on income.	01/01/2018
Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards", regarding deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19 and IFRS 10. Issued December 2016.	01/01/2018
Amendment to IFRS 12 " Disclosure of Interests in Other Entities". Issued December 2016. The amendment clarifies the scope of this standard. These amendments should apply retroactively for annual periods beginning on or after 1 January 2017.	01/01/2018
Amendment to IAS 28 "Investment in Associates and Joint Ventures" regarding the measurement at fair value of the associate or joint venture. Issued December 2016.	01/01/2018

Company management is analyzing the effects of the adoption of standards, interpretations and amendments previously described, on the Company's consolidated financial statements in the period of its first application.

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 and services, and geographic areas.

The Company's Board of Directors and Management measures and assesses performance of operating segments based on the operating income of each of the countries where there are Coca-Cola franchises.

The operating segments are determined based on the presentation of internal reports to the Company´s chief operating decision-maker. The chief operating decision-maker has been identified as the Company´s Board of Directors who makes the Company's strategic decisions.

The following operating segments have been determined for strategic decision making based on geographic location:

- Operation in Chile
- Operation in Brazil
- Operation in Argentina
- Operation in Paraguay

The four operating segments conduct their businesses through the production and sale of soft drinks and other beverages, as well as packaging materials.

Net expenses related to corporate management, have been assigned to the Chilean soft drinks segment, since Chile is the country that manages and pays corporate expenses, which would also be substantially incurred, independent to the existence of foreign subsidiaries.

Total revenues by segment include sales to unrelated customers and inter-segments, as indicated in the consolidated statement of income.

A summary of the Company's operating segments in accordance to IFRS is as follows:.

For the period ended December 31, 2016	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Paraguay Operation ThCh$	Intercompany Eliminations ThCh$	Consolidated Total ThCh$
Net sales	540,427,418	517,059,016	590,145,573	132,005,503	(2,178,190)	1,777,459,320
Cost of sales	(319,213,825)	(279,308,400)	(359,156,149)	(78,409,843)	2,178,190	(1,033,910,027)
Distribution expenses	(52,540,986)	(80,066,734)	(44,107,337)	(6,961,838)	-	(183,676,895)
Administrative expenses	(117,615,991)	(97,788,860)	(109,345,331)	(21,452,613)	-	(346,202,795)
Finance income	2,426,279	1,095,411	5,800,712	339,290	-	9,661,692
Finance expense	(16,262,215)	(587,216)	(34,504,760)	(20,780)	-	(51,374,971)
Interest expense, net*	**(13,835,936)**	**508,195**	**(28,704,048)**	**318,510**	**-**	**(41,713,279)**
Share of the entity in income of associates accounted for using the equity method, total	717,947	-	(980,529)	-	-	(262,582)
Income tax expense	(19,763,700)	(17,427,278)	(8,911,762)	(2,704,353)	-	(48,807,093)
Other income (loss)	(13,481,333)	(8,284,072)	(9,322,611)	250,478	-	(30,837,538)
Net income of the segment reported	**4,693,594**	**34,691,867**	**29,617,806**	**23,045,844**	**-**	**92,049,111**
Depreciation and amortization	43,619,318	16,445,143	25,666,094	11,603,897	-	97,334,452
Current assets	251,357,854	115,280,140	150,820,924	35,283,479	-	552,742,397
Non-current assets	644,817,201	98,810,807	659,123,444	243,615,898	-	1,646,367,350
Segment assets, total	**896,175,055**	**214,090,947**	**809,944,368**	**278,899,377**	**-**	**2,199,109,747**
Carrying amount in associates and joint ventures accounted for using the equity method, total	23,854,602	-	53,343,179	-	-	77,197,781
Capital expenditures and other	47,755,389	37,029,524	51,779,625	9,239,522	-	145,804,060
Current liabilities	137,438,744	134,624,014	130,279,607	17,192,489	-	419,534,854
Non-current liabilities	509,625,208	(1,981,066)	413,749,384	16,011,340	-	937,404,866
Segment liabilities, total	**647,063,952**	**132,642,948**	**544,028,991**	**33,203,829**	**-**	**1,356,939,720**
Cash flows provided by in Operating Activities	71,077,982	54,162,992	67,963,682	30,241,904	-	223,446,560
Cash flows (used in) provided by Investing Activities	(15,781,118)	(37,017,204)	(51,873,047)	(9,244,948)	-	(113,916,317)
Cash flows (used in) provided by Financing Activities	(23,591,062)	(17,777,191)	(36,806,173)	(20,050,099)	-	(98,224,525)

(*) Financial expenses associated with external financing for the purchase of companies, including capital contributions are presented in this item.

For the period ended December 31, 2015	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Paraguay Operation ThCh$	Intercompany Eliminations ThCh$	Consolidated Total ThCh$
Net sales	514,732,596	627,258,138	607,047,782	130,039,400	(1,683,660)	1,877,394,256
Cost of sales	(309,387,177)	(351,139,902)	(369,212,113)	(78,650,614)	1,683,660	(1,106,706,146)
Distribution expenses	(51,642,087)	(97,485,454)	(46,571,390)	(6,791,861)	-	(202,490,792)
Administrative expenses	(105,959,018)	(115,611,438)	(109,802,964)	(21,227,426)	-	(352,600,846)
Finance income	1,859,795	1,669,559	6,239,526	349,495	-	10,118,375
Finance expense	(16,699,299)	(3,916,370)	(35,021,529)	(32,019)	-	(55,669,217)
Interest expense, net*	**(14,839,504)**	**(2,246,811)**	**(28,782,003)**	**317,476**	**-**	**(45,550,842)**
Share of the entity in income of associates accounted for using the equity method, total	777,620	-	(3,105,449)	-	-	(2,327,829)
Income tax expense	(14,949,823)	(16,740,817)	(6,887,666)	(3,064,256)	-	(41,642,562)
Other income (loss)	(15,363,727)	(9,902,996)	(10,809,496)	(1,901,094)		(37,977,313)
Net income of the segment reported	**3,368,880**	**34,130,720**	**31,876,701**	**18,721,625**	**-**	**88,097,926**
Depreciation and amortization	40,083,270	21,171,806	26,572,048	12,805,208	-	100,632,332
Current assets	256,380,151	111,228,338	145,809,121	33,992,246	-	547,409,856
Non-current assets	668,605,326	102,027,611	631,923,188	259,395,043	-	1,661,951,168
Segment assets, total	**924,985,477**	**213,255,949**	**777,732,309**	**293,387,289**	**-**	**2,209,361,024**
Carrying amount in associates and joint ventures accounted for using the equity method, total	17,793,784	-	36,396,762	-	-	54,190,546
Capital expenditures and other	50,042,740	30,056,170	25,745,746	7,469,941	-	113,314,597
Current liabilities	81,766,688	113,185,338	164,173,404	21,448,780	-	380,574,210
Non-current liabilities	571,635,493	6,708,979	381,506,922	17,401,120	-	977,252,514
Segment liabilities, total	**653,402,181**	**119,894,317**	**545,680,326**	**38,849,900**	**-**	**1,357,826,724**
Cash flows provided by in Operating Activities	105,897,100	83,290,552	66,272,643	9,448,935	-	264,909,230
Cash flows (used in) provided by Investing Activities	(40,431,754)	(28,732,653)	(29,150,493)	(4,816,170)	-	(103,131,070)
Cash flows (used in) provided by Financing Activities	(50,804,304)	(15,529,951)	(31,576,973)	(649,149)	-	(98,560,377)

(*) Financial expenses associated with external financing for the purchase of companies, including capital contributions are presented in this item.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	12.31.2016	12.31.2015
By item	**ThCh$**	**ThCh$**
Cash	361,797	633,010
Bank balances	27,536,924	28,208,845
Time deposits	1,879	11,621,566
Mutual funds	113,363,280	88,697,518
Total cash and cash equivalents	**141,263,880**	**129,160,939**
By currency	**ThCh$**	**ThCh$**
Dollar	53,073,628	13,598,302
Euro	4,926	1,859
Argentine Peso	5,105,633	27,168,042
Chilean Peso	48,891,546	35,545,272
Paraguayan Guaraní	8,115,946	9,631,669
Brazilian Real	26,072,201	43,215,795
Total cash and cash equivalents	**141,263,880**	**129,160,939**

4.1 Time deposits

Time deposits defined as cash and cash equivalents are detailed as follows:

Placement	Institution	Currency	Principal ThCh$	Annual rate %	12.31.2016 ThCh$
12-07-2016	Plazo Fijo Banco Galicia	Argentine pesos	1,853	17,00%	1,879
Total					**1,879**

Placement	Institution	Currency	Principal ThCh$	Annual rate %	12.31.2015 ThCh$
11-11-2015	Banco HSBC	Chilean pesos	6,900,000	0.37%	6,941,975
12-31-2015	Banco Regional S.A.E.C.A.	Paraguayan guaraníes	2,952,717	4.00%	2,952,717
12-31-2015	Banco Galicia	US$ Dollars	1,420,320	2.80%	1,420,425
12-03-2015	Banco Santander Rio	Argentine pesos	136,150	25.75%	138,852
12-14-2015	Banco Santander Rio	Argentine pesos	92,582	26.32%	93,748
12-11-2015	Banco Industrial	Argentine pesos	70,798	27.00%	71,865
12-09-2015	Banco Galicia	Argentine pesos	1,943	0.37%	1,984
Total					**11,621,566**

4.2 Money Market

Money market mutual fund´s shares are valued using the share values at the close of each reporting period. Below is a description for the end of each period:

Institution	12.31.2016 ThCh$	12.31.2015 ThCh$
Mutual fund Corporativo Banchile - Chile	6,305,390	15,629,654
Mutual fund Banco Estado - Chile	14,375,037	-
Wester Asset Institutional Cash Reserves - USA	46,207,447	7,454,378
Mutual fund Itaú - Brasil	9,097,387	-
Mutual fund Bradesco - Brasil	6,299,734	10,686,106
Mutual fund Santander - Brasil	6,287,332	11,457,193
Mutual fund Banco Santander - Chile	8,242,619	-
Mutual fund Banco Security - Chile	5,214,179	-
Mutual fund Banco Bice - Chile	4,616,379	-
Fund Fima Ahorro Pesos C - Argentina	-	12,572,400
Fund Fima Premium B - Argentina	3,717,158	435,894
Fund Fima Ahorro Plus C - Argentina	-	12,561,861
Mutual fund Soberano Banco Itaú - Brasil	-	17,719,483
Mutual fund Itaú - Chile	1,500,306	-
Mutual fund Scotiabank - Chile	1,500,312	-
Mutual fund Wells Fargo - USA	-	180,549
Total mutual fund	**113,363,280**	**88,697,518**

NOTE 5 – OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

below are the financial instruments held by the Company other than cash and cash equivalents. They consist of time deposits with short-term maturities (more than 90 days), restricted mutual funds and derivative contracts. Financial instruments are detailed as follows:

a) Current portion 2016

a.1 Time deposits

Placement	Maturity	Institution	Currency	Principal ThCh$	Annual rate %	12-31-2016 ThCh$
01-15-2016	01-04-2017	Banco HSBC - Chile	Unidad de fomento	5,000,000	1.35%	5,207,907
02-25-2016	01-09-2017	Banco HSBC - Chile	Unidad de fomento	6,000,000	1.09%	6,209,086
04-22-2016	02-13-2017	Banco HSBC - Chile	Unidad de fomento	5,000,000	1.25%	5,135,282
06-24-2016	01-09-2017	Banco HSBC - Chile	Unidad de fomento	5,000,000	1.11%	5,088,450
08-31-2016	01-09-2017	Banco HSBC - Chile	Unidad de fomento	7,000,000	1.50%	7,072,864
08-31-2016	01-09-2017	Banco HSBC - Chile	Unidad de fomento	3,000,000	1.24%	3,028,570
10-19-2016	02-24-2017	Banco HSBC - Chile	Unidad de fomento	2,000,000	2.30%	2,017,503
11-09-2016	02-13-2017	Banco HSBC - Chile	Unidad de fomento	5,000,000	3.48%	5,038,755
11-24-2016	05-08-2017	Banco HSBC - Chile	Unidad de fomento	10,000,000	2.85%	10,046,439
11-24-2016	05-08-2017	Banco HSBC - Chile	Unidad de fomento	5,000,000	2.85%	5,023,219
03-15-2016	03-15-2017	Banco Votoratim - Brasil	Brazilean real	19,926	8.82%	21,632
						53,889,707

a.2 Rights in Forward Contracts	12.31.2016 ThCh$
Rights in Forward Contracts (see details in Note 20)	4,678,343

a.3 Funds in Guaranty	12.31.2016 ThCh$
Funds in guaranty for Rofez derivative operations – Argentina (1)	1,584,577
Total other Financial Assets, current	**60,152,627**

(1) Corresponds to funds that should remain restricted according to the partial results for derivative operations in Argentina.

b) Non-current portion 2016

Derivative futures contracts	12.31.2016 ThCh$
Derivative futures contracts (see note 20)	80,180,880
Total other non-current financial assets	**80,180,880**

c) Current portion 2015

Depósitos a Plazo						
Placement	Maturity	Institution	Currency	Principal ThCh$	Annual Rate %	12.31.2015 ThCh$
05-15-2015	02-11-2016	Banco BTG Pactual- Chile	Unidad de Fomento	4,000,000	1.15%	4,159,405
05-15-2015	02-11-2016	Banco Itaú - Chile	Unidad de Fomento	3,500,000	0.94%	3,634,643
05-15-2015	02-11-2016	Banco de Chile - Chile	Unidad de Fomento	3,500,000	0.85%	3,632,554
06-03-2015	01-15-2016	Banco Itaú - Chile	Unidad de Fomento	5,000,000	0.91%	5,169,872
06-03-2015	01-15-2016	Banco Santander - Chile	Unidad de Fomento	5,000,000	0.91%	5,169,872
06-03-2015	05-27-2016	Banco Santander - Chile	Unidad de Fomento	5,000,000	1.00%	5,172,585
06-03-2015	05-09-2016	Banco de Chile - Chile	Unidad de Fomento	7,500,000	1.00%	7,758,877
06-03-2015	05-09-2016	Banco de Chile - Chile	Unidad de Fomento	7,500,000	1.00%	7,758,877
09-01-2015	05-09-2016	Banco Santander - Chile	Unidad de Fomento	3,000,000	0.01%	3,051,493
09-01-2015	08-09-2016	Banco Santander- Chile	Unidad de Fomento	4,000,000	0.26%	4,072,077
09-01-2015	08-09-2016	Banco Santander- Chile	Unidad de Fomento	6,000,000	0.26%	6,108,115
09-30-2015	08-31-2016	Banco BTG Pactual- Chile	Unidad de Fomento	2,000,000	0.65%	2,025,626
11-11-2015	09-09-2016	Banco de Chile - Chile	Unidad de Fomento	2,750,000	1.61%	2,766,439
11-11-2015	10-07-2016	Banco Itaú - Chile	Unidad de Fomento	5,500,000	1.83%	5,534,564
06-03-2015	08-09-2016	Banco BTG Pactual- Chile	Unidad de Fomento	4,350,000	1.30%	4,508,016
06-22-2015	08-09-2016	Banco Santander - Chile	Unidad de Fomento	3,000,000	1.06%	3,096,637
06-30-2015	08-09-2016	Banco Santander - Chile	Unidad de Fomento	2,800,000	1.02%	2,887,391
07-20-2015	08-09-2016	Banco Estado - Chile	Unidad de Fomento	3,400,000	0.36%	3,485,387
09-30-2015	10-07-2016	Banco BTG Pactual- Chile	Unidad de Fomento	3,700,000	0.89%	3,749,703
09-30-2015	10-07-2016	Banco Santander - Chile	Unidad de Fomento	3,700,000	0.85%	3,749,320
Subtotal						**87,491,453**

Bonds	12.31.2015 ThCh$
Bonds Provincia Buenos Aires - Argentina	478
Total other current financial assets	**87,491,931**

d) Non-current portion 2015

Time Deposits						
Placement	Maturity	Institution	Currency	Principal ThCh$	Annual Rate %	12.31.2015 ThCh$
03-16-2015	03-16-2017	Banco Votoratim	Brazilian Real	15,358	8.82%	17,221
Sub total						**17,221**

Derivative futures contracts	
Derivative futures contracts (see note 20)	181,474,306
Total other non-current financial assets	**181,491,527**

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

Note 6.1 Other current non-financial assets

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Prepaid expenses	5,689,560	7,311,951
Fiscal credits	-	468,574
Guarantee deposit (Argentine)	11,226	47,023
Disbursements of property, plant & equipment on behalf of Coca-Cola del Valle New Ventures S.A. (1)	1,991,167	-
Other assets	909,256	858,608
Total	**8,601,209**	**8,686,156**

Note 6.2 Other non-current, non-financial assets

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Judicial deposits (see note 21.2)	19,112,974	11,127,988
Prepaid expenses	1,613,989	3,408,763
Fiscal credits	2,975,706	3,060,733
Advance payment to suppliers of property, plant & equipment (2)	11,173,966	-
Others	370,188	692,417
Total	**35,246,823**	**18,289,901**

(1) Corresponds to disbursments of property, plant & equipment performed by subsidiaries of the Andina Group in property, plant & equipment that subsequently will be transferred to the equity investee Coca-Cola del Valle New Ventures S.A.

(2) Corresponds to advance payments made for the construction of the new “Duque de Caixas” bottling plant in Brazil. .

NOTE 7 – TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is detailed as follows:

Trade and other receivables	12.31.2016 Assets before provisions ThCh$	12.31.2016 Allowance for doubtful accounts ThCh$	12.31.2016 Commercial debtors net assets ThCh$	12.31.2015 Assets before provisions ThCh$	12.31.2015 Allowance for doubtful accounts ThCh$	12.31.2015 Commercial debtors net assets ThCh$
Current commercial debtors						
Trade debtors	155,792,966	(3,090,160)	152,702,806	147,949,551	(4,276,100)	143,673,451
Other current debtors	30,923,474	(2,827,678)	28,095,796	24,881,812	(939,201)	23,942,611
Current commercial debtors	**186,716,440**	**(5,917,838)**	**180,798,602**	**172,831,363**	**(5,215,301)**	**167,616,062**
Prepayments suppliers	8,776,211	-	8,776,211	6,777,567	-	6,777,567
Other current accounts receivable	1,728,859	(779,318)	949,541	2,042,131	(49,924)	1,992,207
Commercial debtors and other current accounts receivable	**197,221,510**	**(6,697,156)**	**190,524,354**	**181,651,061**	**(5,265,225)**	**176,385,836**
Non-current accounts receivable						
Trade debtors	83,881	-	83,881	95,413	-	95,413
Other non-current debtors	3,443,851	-	3,443,851	5,836,586	-	5,836,586
Non-current accounts receivable	**3,527,732**	-	**3,527,732**	**5,931,999**	-	**5,931,999**
Trade and other receivable	**200,749,242**	**(6,697,156)**	**194,052,086**	**187,583,060**	**(5,265,225)**	**182,317,835**

Aging of debtor portfolio	12.31.2016 ThCh$	12.31.2015 ThCh$
Up to date non-securitized portfolio until 30 days	148,694,299	143,497,948
31 and 60 days	1,463,935	1,760,954
61 and 90 days	567,318	675,559
91 and 120 days	909,985	147,289
121 and 150 days	410,944	180,617
151 and 180 days	155,596	172,041
181 and 210 days	245,947	297,653
211 and 250 days	107,679	91,308
More than 250 days	3,321,144	1,221,595
Total	**155,876,847**	**148,044,964**

The Company has an approximate number of 259,000 clients, which may have balances in the different sections of the stratification. The number of clients is distributed geographically with 63,000 in Chile, 79,000 in Brazil, 64,000 in Argentina and 53,000 in Paraguay.

	12.31.2016 ThCh$	12.31.2015 ThCh$
Current commercial debtors	155,792,966	147,949,551
Non-current commercial debtors	83,881	95,413
Total	**155,876,847**	**148,044,964**

The movement in the allowance for doubtful accounts is presented below:

	12.31.2016 ThCh$	12.31.2015 ThCh$
Opening balance	**5,265,225**	**7,086,578**
Bad debt expense	4,381,803	5,762,634
Provision application	(2,650,520)	(6,992,793)
Change due to foreign exchange differences	(299,352)	(591,194)
Movement	**1,431,931**	**(1,821,353)**
Ending balance	**6,697,156**	**5,265,225**

NOTE 8 – INVENTORIES

The composition of inventories is detailed as follows:

Details	12.31.2016 ThCh$	12.31.2015 ThCh$
Raw materials (1)	81,841,400	80,466,928
Finished goods	34,304,162	26,378,890
Spare parts and supplies	24,137,074	26,082,728
Work in progress	670,849	761,923
Other inventories	6,668,977	1,438,231
Obsolescence provision (2)	(2,913,114)	(1,795,447)
Total	**144,709,348**	**133,333,253**

The cost of inventory recognized as cost of sales is ThCh$1,033,910,027 and ThCh$1,106,706,146, respectively .

(1) Approximately 80% is composed of concentrate and sweeteners used in the preparation of beverages, as well as caps and PET supplies used in the packaging of the product.

(2) The obsolescence provision is related mainly with the obsolescence of spare parts classified as inventories and to a lesser extent to finished products and raw materials. The general standard is to provision all those multi-function al spare parts without utility in rotation in the last four years prior to the technical analysis technical to adjust the provision- In the case of raw materials and finished products, the obsolescence provision is determined according to maturity.

NOTE 9 – CURRENT AND DEFERRED INCOME TAXES

9.1 Tax Reform

On September 29, 2014, the Official Daily Newspaper published Law N°20,780 that amends the Chilean tax regime, with the main following changes:

• It establishes a new system of semi-integrated taxation, which can be used as an alternative to the integrated regime of attributed income. Taxpayers may opt freely to any of the two to pay their taxes. In the case of Embotelladora Andina S.A. by a general rule established by law the semi-integrated taxation system applies, which should be subsequently ratified by a future Shareholders Meeting.

• The semi-integrated system establishes the gradual increase in the first category tax rate for the business years 2014, 2015, 2016, 2017 and 2018 onwards, increasing to 21%, 22.5%, 24%, 25.5% and 27% respectively.

9.2 Current tax assets

Current tax assets correspond to the following items:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Monthly provisional payments	1,330,379	7,506,564
Tax credits (1)	371,917	234,677
Total	**1,702,296**	**7,741,241**

(1) Tax credits correspond to income tax credits on training expenses, purchase of property, plant and equipment, and donations..

9.3 Current tax liabilities

Current tax payables correspond to the following items:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Income tax expense	10,828,593	7,494,832
Total	**10,828,593**	**7,494,832**

9.4 Income tax expense

The current and deferred income tax expenses are detailed as follows:

Item	12.31.2016 ThCh$	12.31.2015 ThCh$
Current income tax expense	35,902,002	33,322,550
Adjustment to current income tax from the previous fiscal year	534,392	(117,316)
Withholding tax expense foreign subsidiaries	7,645,218	7,027,661
Other deferred tax expense (income)	92,008	1,212,398
Current income tax expense	**44,173,620**	**41,445,293**
Income (expense) for the creation and reversal of current tax difference	4,633,473	197,269
Expense (income) for deferred taxes	**4,633,473**	**197,269**
Total income tax expense	**48,807,093**	**41,642,562**

9.5 Deferred income taxes

The net cumulative balances of temporary differences that give rise to deferred tax assets and liabilities are shown below:

Temporary differences	12.31.2016		12.31.2015	
	Assets ThCh$	Liabilities ThCh$	Assets ThCh$	Liabilities ThCh$
Property, plant and equipment	2,127,336	48,561,147	1,811,306	46,043,942
Obsolescence provision	1,541,553	-	1,722,802	-
Employee benefits	4,383,007	-	3,327,490	-
Post-employment benefits	49,900	1,010,779	102,742	1,207,337
Tax loss carried-forwards (1)	9,928,940	-	10,313,066	-
Tax Goodwill Brazil	31,926,760	-	34,538,542	-
Contingency provision	36,969,451	-	29,778,445	-
Foreign exchange differences (2)	-	2,124,435	-	9,600,022
Allowance for doubtful accounts	1,031,375	-	437,113	-
Coca-Cola incentives (Argentina)	2,408,651	-	1,882,260	-
Assets and liabilities for placement of bonds	-	669,856	-	806,980
Lease liabilities	1,767,944	-	2,021,092	-
Inventories	1,604,538	806,529	2,512,725	-
Distribution rights	-	168,511,436	-	161,331,490
Others	2,689,002	353,077	637,737	297,250
Subtotal	**96,428,457**	**222,037,259**	**89,085,320**	**219,287,021**
Total liabilities net	**-**	**125,608,802**	**-**	**130,201,701**

(1) Tax losses mainly associated with the subsidiary Embotelladora Andina Chile S.A. In Chile tax losses have no expiration date

(2) Corresponds to differed taxes for exchange rate differences generated on the translation of debt expressed in foreign currency that are taxed differently to their accrual.

9.6 Deferred tax liability movement

The movement in deferred income tax accounts is as follows:

Item	12.31.2016 ThCh$	12.31.2015 ThCh$
Opening Balance	**130,201,701**	**126,126,147**
Increase (decrease) in deferred tax	(6,409,481)	9,474,186
Increase (decrease) due to foreign currency translation	1,816,582	(5,398,632)
Movements	**(4,592,899)**	**4,075,554**
Ending balance	**125,608,802**	**130,201,701**

9.7 Distribution of domestic and foreign tax expense

The composition of domestic and foreign tax expense are detailed as follows:

Income tax	12.31.2016 ThCh$	12.31.2015 ThCh$
Current income taxes		
Foreign	(24,752,106)	(36,438,137)
Domestic	(19,421,514)	(5,007,156)
Current income tax expense	**(44,173,620)**	**(41,445,293)**
Deferred income taxes		
Foreign	(4,291,287)	9,745,398
Domestic	(342,186)	(9,942,667)
Deferred income tax expense	**(4,633,473)**	**(197,269)**
Income tax expense	**(48,807,093)**	**(41,642,562)**

9.8 Reconciliation of effective rate

Below is the reconciliation between the effective tax rate and the statutory rate::

Reconciliation of effective rate	12.31.2016 ThCh$	12.31.2015 ThCh$
Net income before taxes	**140,856,204**	**129,740,488**
Tax expense at legal rate (24.0%)	**(33,805,489)**	**-**
Tax expense at legal rate (22.5%)	**-**	**(29,191,610)**
Effect of a different tax rate in other jurisdictions	**(9,214,270)**	**(8,161,392)**
Permanent differences:		
Non-taxable revenues	6,068,410	11,778,290
Non-deductible expenses	(419,761)	(5,557,758)
Tax effect of tax provided in excess of prior period	86,731	117,316
Tax price level restatement effect Chilean companies	(1,875,343)	(2,387,349)
Foreign subsidiaries tax withholding expense and other legal tax debits and credits	(9,647,371)	(8,240,059)
Adjustments to tax expense	**(5,787,334)**	**(4,289,560)**
Tax expense at effective rate	**(48,807,093)**	**(41,642,562)**
Effective rate	**34.7%**	**32.1%**

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

Country	Rate	
	2016	2015
Chile	24.0%	22.5%
Brazil	34%	34%
Argentina	35%	35%
Paraguay	10%	10%

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

10.1 Balances

Property, plant and equipment are detailed below at the end of each period:

Item	Property, plant and equipment, gross		Cumulative depreciation and impairment		Property, plant and equipment, net	
	12.31.2016 ThCh$	12.31.2015 ThCh$	12.31.2016 ThCh$	12.31.2015 ThCh$	12.31.2016 ThCh$	12.31.2015 ThCh$
Construction in progress	49,986,111	34,625,004	-	-	49,986,111	34,625,004
Land	91,961,876	86,898,529	-	-	91,961,876	86,898,529
Buildings	230,355,844	209,625,725	(57,282,683)	(50,150,795)	173,073,161	159,474,930
Plant and equipment	453,359,655	432,853,976	(262,957,030)	(229,474,042)	190,402,625	203,379,934
Information technology	19,683,777	17,189,199	(13,560,865)	(12,868,543)	6,122,912	4,320,656
Fixed facilities and accessories	32,616,284	32,882,106	(12,150,171)	(10,575,347)	20,466,113	22,306,759
Vehicles	44,629,827	33,857,560	(20,733,402)	(15,750,855)	23,896,425	18,106,705
Leasehold improvements	734,100	650,815	(543,577)	(375,870)	190,523	274,945
Other property, plant and equipment (1)	397,539,405	376,360,341	(287,488,266)	(265,217,931)	110,051,139	111,142,410
Total	**1,320,866,879**	**1,224,943,255**	**(654,715,994)**	**(584,413,383)**	**666,150,885**	**640,529,872**

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

The net balance of each of these categories is detailed as follows:

Other property, plant and equipment	12.31.2016 ThCh$	12.31.2015 ThCh$
Bottles	64,020,146	67,110,520
Marketing and promotional assets	38,834,104	38,061,595
Other property, plant and equipment	7,196,889	5,970,295
Total	**110,051,139**	**111,142,410**

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 and Punta Arenas.

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

Brazil : Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo, Vitoria parts Sao Paulo and Minas Gerais.

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

10.2 Movements

Movements in property, plant and equipment are detailed as follows:

	Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	IT Equipment, net ThCh$	Fixed facilities and accessories, net ThCh$	Vehicles, net ThCh$	Leasehold improvements, net ThCh$	Other, net ThCh$	Property, plant and equipment, net ThCh$
Opening balance at January 1, 2016	**34,625,004**	**86,898,529**	**159,474,930**	**203,379,934**	**4,320,656**	**22,306,759**	**18,106,705**	**274,945**	**111,142,410**	**640,529,872**
Additions	70,421,863	1,248,433	1,201,903	9,833,490	2,666,593	161,395	338,986	-	38,923,620	124,796,283
Disposals	-	-	(4,598)	(601,444)	-	-	(3,473)	-	(54,861)	(664,376)
Transfers between items of property, plant and equipment	(53,824,861)	1,643,038	15,471,645	16,202,982	1,062,653	1,709,635	9,015,390	-	8,719,518	-
Depreciation expense	-	-	(5,335,475)	(35,568,436)	(1,910,731)	(2,456,511)	(4,622,348)	(112,805)	(44,120,837)	(94,127,143)
Increase (decrease) due to foreign currency translation differences	(1,235,895)	2,171,876	2,792,916	(1,266,728)	29,148	(1,254,915)	1,783,041	28,383	(3,322,005)	(274,179)
Other increase (decrease) (1)	-	-	(528,160)	1,577,173)	45,407)	(250)	(721,876)	-	(1,236,706)	(4,109,572)
Total movements	**15,361,107**	**5,063,347**	**13,598,231**	**(12,977,309)**	**1,802,256**	**(1,840,646)**	**5,789,720**	**(84,422)**	**(1,091,271)**	**25,621,013**
Ending balance at December 31, 2016	**49,986,111**	**91,961,876**	**173,073,161**	**190,402,625**	**6,122,912**	**20,466,113**	**23,896,425**	**190,523**	**110,051,139**	**666,150,885**

	Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	IT Equipment, net ThCh$	Fixed facilities and accessories, net ThCh$	Vehicles, net ThCh$	Leasehold improvements, net ThCh$	Other, net ThCh$	Property, plant and equipment, net ThCh$
Opening balance at January 1, 2015	**25,522,059**	**76,957,848**	**172,058,447**	**253,238,833**	**4,821,856**	**25,055,547**	**16,169,783**	**446,120**	**138,804,792**	**713,075,285**
Additions	59,639,751	17,987,524	104,132	9,184,539	285,838	-	105,804	-	23,668,047	110,975,635
Disposals	-	-	(16,277)	(228,309)	(245)	-	(4,917)	-	(84,020)	(333,768)
Transfers between items of property, plant and equipment	(46,527,488)	-	10,132,100	9,853,256	1,583,502	1,371,016	8,868,154	5,993	14,713,467	-
Depreciation expense	-	-	(5,069,161)	(35,294,090)	(1,879,341)	(2,512,958)	(3,967,423)	(87,523)	(49,139,913)	(97,950,409)
Increase (decrease) due to foreign currency translation differences	(4,009,318)	(8,046,843)	(17,496,868)	(29,405,268)	(469,797)	(1,606,846)	(2,918,202)	(89,645)	(16,283,975)	(80,326,762)
Other increase (decrease) (1)	-	-	(237,443)	(3,969,027)	(21,157)	-	(146,494)	-	(535,988)	(4,910,109)
Total movements	**9,102,945**	**9,940,681**	**(12,583,517)**	**(49,858,899)**	**(501,200)**	**(2,748,788)**	**1,936,922**	**(171,175)**	**(27,662,382)**	**(72,545,413)**
Ending balance at December 31, 2015	**34,625,004**	**86,898,529**	**159,474,930**	**203,379,934**	**4,320,656**	**22,306,759**	**18,106,705**	**274,945**	**111,142,410**	**640,529,872**

(1) Mainly correspond to property, plant & equipment write-offs.

NOTE 11 – RELATED PARTY DISCLOSURES

Balances and main transactions with related parties are detailed as follows:

11.1 Accounts receivable:

11.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2016 ThCh$	12.31.2015 ThCh$
96.891.720-K	Embonor S.A.	Related to Shareholder	Chile	Chilean pesos	5,283,410	4,417,016
96.517.210-2	Embotelladora Iquique S.A.	Related to Shareholder	Chile	Chilean pesos	307,848	177,329
76.572.588-7	Coca Cola del Valle New Ventures S.A.	Associate	Chile	Chilean pesos	180,000	-
96.919.980-7	Cervecería Austral S.A.	Related to director	Chile	Dollars	13,827	14,873
77.755.610-K	Comercial Patagona Ltda.	Related to director	Chile	Chilean pesos	3,598	1,282
Total					**5,788,683**	**4,610,500**

11.1.2 Non current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2016 ThCh$	12.31.2015 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	147,682	14,732
Total					**147,682**	**14,732**

11.2 Accounts payable:

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2016 ThCh$	12.31.2015 ThCh$
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Brazilian real	17,345,806	13,394,625
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Argentine pesos	10,275,931	6,824,553
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	7,284,499	12,765,952
Foreign	Leao Alimentos e Bebidas Ltda.	Associate	Brazil	Brazilian real	3,571,514	7,614,888
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean pesos	5,338,180	5,534,367
Foreign	Coca-Cola Perú	Related to Shareholder	Perú	Dollars	-	2,194,644
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Chilean pesos	304,405	323,798
Total					**44,120,335**	**48,652,827**

11.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2016 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of concentrates	Chilean pesos	129,660,611
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	7,154,023
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Lease of water fountain	Chilean pesos	3,740,351
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of services and others	Chilean pesos	2,299,634
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	34,144,348
76.572.588.7	Coca-Cola del Valle New Ventures S.A.	Associate	Chile	Administrative and commercial services	Chilean pesos	180,000
96.891.720-K	Embonor S.A.	Associate	Chile	Sale of packaging materials	Chilean pesos	44,310,169
96.517.310-2	Embotelladora Iquique S.A.	Related to Shareholder	Chile	Sale of finished products	Chilean pesos	2,749,506
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazill	Sale of finished products	Chilean pesos	115,706,386
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazill	Purchase of concentrates	Brazilian real	25,675,184
Foreign	Leao Alimentos e Bebidas Ltda.	Related to Shareholder	Brazill	Advertising participation payment	Brazilian real	11,658,142
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Associate	Argentina	Purchase of concentrates	Brazilian real	114,427,713
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Purchase of concentrates	Argentine pesos	14,680,603
89.996.200-1	Envases del Pacífico S.A.	Shareholder	Chile	Advertising participation payment	Argentine pesos	1,751,011
Foreign	Coca-Cola Perú	Related to director	Perú	Purchase of raw materials	Chilean pesos	4,188,812

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2015 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of concentrates	Chilean pesos	131,381,786
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	4,510,007
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Lease of water fountain	Chilean pesos	3,065,143
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of services and others	Chilean pesos	2,938,754
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	38,203,461
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of packaging materials	Chilean pesos	1,946,094
96.891.720-K	Embonor S.A.	Related to Shareholder	Chile	Sale of finished products	Chilean pesos	42,147,579
96.517.310-2	Embotelladora Iquique S.A.	Related to Shareholder	Chile	Sale of finished products	Chilean pesos	2,888,054
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Purchase of concentrates	Brazilian real	106,510,167
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Advertising participation payment	Brazilian real	19,953,118
Foreign	Leao Alimentos e Bebidas Ltda.	Associate	Brazil	Purchase of concentrates	Brazilian real	16,963,602
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Purchase of concentrates	Argentine pesos	145,188,901
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Advertising participation payment	Argentine pesos	20,555,307
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Purchase of raw materials	Chilean pesos	1,662,803
Foreign	Coca-Cola Perú	Related to director	Perú	Sale of finished products	Chilean pesos	3,399,427
Foreign	Sorocaba Refrescos S. A.	Related to Shareholder	Brazil	Purchase of concentrates and advertising participation	Brazilian real	2,986,650

11.4 Key management compensation

Salaries and benefits paid to the Company's key management personnel including directors and managers are detailed as follows:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Executive wages, salaries and benefits	6,255,806	6,412,238
Director allowances	1,492,088	1,512,000
Contract termination benefits	79,027	192,920
Accrued benefit in the past five years and paid during the fiscal year	314,288	257,683
Total	**8,141,209**	**8,374,841**

NOTE 12 – CURRENT AND NON-CURRENT EMPLOYEE BENEFITS

Composition of employee benefits is the following:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Accrued vacations	19,828,622	18,025,589
Employee remuneration payable	15,824,809	13,765,170
Indemnities for years of service	8,157,745	8,230,030
Total	**43,811,176**	**40,020,789**
	ThCh$	**ThCh$**
Current	35,653,431	31,790,759
Non-current	8,157,745	8,230,030
Total	**43,811,176**	**40,020,789**

12.1 Indemnities for years of service

The movements of post-employment benefits that are determined as stated in Note 2 are detailed as follows:

Movements	12.31.2016 ThCh$	12.31.2015 ThCh$
Opening balance	**8,230,030**	**8,125,107**
Service costs	2,059,799	2,022,010
Interest costs	182,328	192,145
Net actuarial losses	536,105	901,171
Benefits paid	(2,850,517)	(3,010,403)
Total	**8,157,745**	**8,230,030**

12.1.1 Assumptions

The actuarial assumptions used were:

Assumptions	12.31.2016	12.31.2015
Discount rate	2.7%	2.7%
Expected salary increase rate	2.0%	2.0%
Turnover rate	5.4%	5.4%
Mortality rate (1)	RV-2009	RV-2009
Retirement age of women	60 years	60 years
Retirement age of men	65 years	65 years

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

12.2 Personnel expenses

Personnel expenses included in the consolidated statement of income statement are as follows:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Wages and salaries	218,944,639	230,854,998
Employee benefits	50,174,153	48,977,105
Severance and post-employment benefits	8,252,502	6,217,204
Other personnel expenses	10,921,843	10,561,935
Total	**288,293,137**	**296,611,242**

12.3 Number of Employees

	12.31.2016	12.31.2015
Number of employees	16,296	16,525
Number of average employees	16,009	15,504

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

13.1 Balances

Investments in associates using equity method of accounting are detailed as follows:

Taxpayer ID	Name	Country	Functional Currency	Carrying Value		Percentage interest	
				12.31.2016 ThCh$	12.31.2015 ThCh$	12.31.2016 %	12.31.2015 %
86.881.400-4	Envases CMF S.A. (1)	Chile	Chilean peso	18,693,851	17,793,783	50.00%	50.00%
Foreign	Leao Alimentos e Bebidas Ltda. (2)	Brazil	Brazilian real	19,559,114	12,393,777	8.82%	8.82%
Foreign	Kaik Participacoes Ltda. (2)	Brazil	Brazilian real	1,364,444	1,106,733	11.32%	11.32%
Foreign	SRSA Participacoes Ltda.	Brazil	Brazilian real	258,928	231,183	40.00%	40.00%
Foreign	Sorocaba Refrescos S.A.	Brazil	Brazilian real	26,091,690	22,665,070	40.00%	40.00%
Foreign	Trop Frutas do Brasil Ltda. (2)	Brazil	Brazilian real	6,069,003	-	7.50%	-
76.572.588.7	Coca Cola del Valle New Ventures S.A. (3)	Chile	Chilean peso	5,160,751	-	35.00%	-
Total				**77,197,781**	**54,190,546**		

(1) In these company, regardless of the percentage of ownership interest, it 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 strate gic business decisions.

(2) In these companies, regardless of the percentage of ownership interest held, the Company has significant influence, given that it has a representative on each entity's Board of Directors.

(3) On January 28, 2016, Embotelladora Andina S.A along with Coca-Cola de Chile S.A. and Coca-Cola Embonor S.A., formed the company Coca-Cola del Valle New Ventures S.A., whose main purpose will be the development and production of juices, waters and non-carbonated beverages under trade names of The Coca-Cola Company, that Andina and Coca-Cola Embonor S.A. are authorized to market and distribute in their respective franchise territories.

13.2 Movement

The movement of investments in associates accounted for using the equity method is shown below:

Details	12.31.2016 ThCh$	12.31.2015 ThCh$
Opening Balance	**54,190,546**	**66,050,213**
Dividends received	(750,806)	(1,250,000)
Variation of minimum dividends from equity investees	-	(217,750)
Share in operating income	396,764	(1,613,839)
Unrealized income	85,266	85,266
Other investment increases in associates (Capital Contribution Leão Alimentos e Bebidas Ltda.).	17,586,575	915,069
Increase (Decrease) due to foreign currency translation differences	5,689,436	(9,778,413)
Ending Balance	**77,197,781**	**54,190,546**

The main movements for the periods ended 2016 and 2015:

- During the 2016 and 2015 periods Envases CMF S.A. distributed dividends in the amounts of ThCh$750,806 and ThCh$1,250,000 respectively.
- During 2016 and 2015, Sorocaba Refrescos S.A. has not distributed dividends.
- During the 2016 and 2015 periods, Leão Alimentos e Bebidas Ltda. carried out a capital increase. Rio de Janeiro Refrescos Ltda. participated in this capital increase regarding its ownership interest for an amount of ThCh$6,105,732 and ThCh$915,069 respectively
- During 2016, as a result of company restructuring, the Brazilian company Trop Frutas do Brasil Ltda., became part of bottler group of the Coca-Cola system in Brazil. As a result , Rio de Janeiro Refrescos Ltda. have a 7.5% direct ownership interest in that company through a capital contribution of ThCh$ 6,157,150.
- During 2016, Embotelladora Andina S.A. has made capital contributions to Coca-Cola del Valle New Ventures S.A. for ThCh$ 5,323,693.

13.3 Reconciliation of share of profit in investments in associates:

Details	12.31.2016 ThCh$	12.31.2015 ThCh$
Share of profit of investment accounted for using the equity method	**396,764**	**(1,613,839)**
Unrealized 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)	(744,612)	(799,256)
Amortization of Fair Value in CMF S.A.	85,266	85,266
Income (expense) Statement Balance	**(262,582)**	**(2,327,829)**

13.4 Summary financial information of associates:

The attached table presents summarized information regarding the Company´s equity investees as of December 31, 2016:

	Envases CMF S.A. ThCh$	Sorocaba Refrescos S.A. ThCh$	Kaik Participacoes Ltda. ThCh$	SRSA Participacoes Ltda. ThCh$	Leao Alimentos e Bebidas Ltda. ThCh$	Trop Frutas do Brasil Ltda. ThCh$	Coca Cola del Valle New Ventures S.A. ThCh$
Total assets	70,340,930	122,090,133	12,053,702	647,320	320,380,393	83,866,143	15,236,646
Total liabilities	32,185,830	57,032,988	38	-	97,369,905	2,460,972	490,762
Total revenue	47,627,790	54,790,144	927,449	643,211	1,425,870,207	6,303,863	-
Net income (loss) of associate	3,080,181	(1,318,822)	927,449	643,211	(14,435,787)	(1,487,559)	(465,138)
Reporting date	12/31/2016	11/30/2016	11/30/2016	11/30/2016	11/30/2016	10/31/2016	12/31/2016

NOTE 14 – INTANGIBLE ASSETS AND GOODWILL

14.1 Intangible assets other than goodwill

Intangible assets other than goodwill as of the end of each reporting period are detailed as follows:

Detail	December 31, 2016			December 31, 2015		
	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$
Distribution rights (1)	674,920,063	-	674,920,063	658,625,624	-	658,625,624
Software	24,954,998	(19,349,917)	5,605,081	22,378,687	(15,814,299)	6,564,388
Water rights	522,748	(51,830)	470,918	536,940	(60,297)	476,643
Total	**700,397,809**	**(19,401,747)**	**680,996,062**	**681,541,251**	**(15,874,596)**	**665,666,655**

(1) Correspond to the contractual rights to produce and distribute Coca-Cola products in certain parts of Argentina, Brazil, Chile and Paraguay. Distribution rights result from the valuation process at fair value of the assets and liabilities of the companies acquired in business combinations. Production and distribution contracts are renewable for periods of 5 years with Coca-Cola. The nature of the business and renewals that Coca-Cola has permanently done on these rights, allow qualifying them as permanent contracts. These production and distribution rights, and in conjunction with the assets that are part of the cash-generating units, are annually subjected to the impairment test. Such distribution rights are composed in the following manner and are not subject to amortization:

Distribution rights	12.31.2016 ThCh$	12.31.2015 ThCh$
Chile (excluding Metropolitan Region, Rancagua and San Antonio)	300,305,728	300,305,727
Brazil (Rio de Janeiro, Espirito Santo, Riberao Preto and the investments in Sorocaba and Leão Alimentos e Bebidas Ltda.)	207,469,759	183,687,154
Paraguay	165,295,516	173,304,596
Argentina (North and South)	1,027,483	1,328,147
Monster distribution rights	821,577	-
Total	**674,920,063**	**658,625,624**

The movement and balances of identifiable intangible assets are detailed as follows:

Details	From January 1 through December 31, 2016			
	Distribution Rights ThCh$	Rights ThCh$	Software ThCh$	Total ThCh$
Opening balance	658,625,624	476,643	6,564,388	665,666,655
Additions	821,577 (1)	975	2,842,314	3,664,866
Amortization	-	(4,575)	(3,207,309)	(3,211,884)
Other increases (decreases)(2)	15,472,862	(2,125)	(594,312)	14,876,425
Total	**674,920,063**	**470,918**	**5,605,081**	**680,996,062**

Details	From January 1 through December 31, 2015			
	Distribution Rights ThCh$	Rights ThCh$	Software ThCh$	Total ThCh$
Opening balance	719,385,108	447,037	8,349,134	728,181,279
Additions	-	-	1,191,200	1,191,200
Amortization	-	(6,394)	(2,681,923)	(2,688,317)
Other increases (decreases)(2)	(60,759,484)	36,000	(294,023)	(61,017,507)
Total	**658,625,624**	**476,643**	**6,564,388**	**665,666,655**

(1) During the second quarter of 2016 Embotelladora Andina S.A. began distributing of Monster products

(2) Mainly corresponds to the foreign currency effect of converting foreign subsidiaries' distribution rights into the presentation currency.

14.2 Goodwill

Goodwill is considered as the excess acquisition cost over fair value of the group´s ownership interest in identifiable net assets of the acquired subsidiary at the acquisition date.

14.2.1 Measurement of recoverable goodwill value.

Goodwill is annually reviewed but its recoverable value is checked during anticipated periods, if there are facts indicating a possible impairment. These signs may include new legal dispositions, changes in the economic environment affecting business operating performance indicators, movements in the competition, or the sale of a significant part of the cash-generating unit (CGU).

Management reviews business performance based on geographic segments. Goodwill is monitored by operating segment that includes different cash generating units of the operations in Chile, Brazil, Argentina and Paraguay. Impairment of distribution rights is geographically monitored at the CGU or group of cash generating units that correspond to specific territories for which Coca-Cola distribution rights have been acquired. These cash generating units or groups of cash generating units are composed by:

- Regions in Chile (excluding Metropolitan Region, province of Rancagua and province of San Antonio)
- Argentina North
- Argentina South
- Brazil (state of Rio de Janeiro and Espirito Santo)
- Brazil (Ipiranga territories)
- Brazil: the investment in the associate Sorocaba
- Brazil: the investment in the associate Leão Alimentos S.A.
- Paraguay

In order to check if goodwill has suffered an impairment loss, the company compares its book value with its recoverable value, and an impairment loss is recognized for the excess of the book value amount of the asset over its recoverable amount. To determine the recoverable values of the CGU, management considers the discounted cash flow method as the most appropriate method.

14.2.2 Main assumptions used in the annual test:

a. Discount rate:

The real discount rate applied in the annual test carried out in December 2016 was estimated with the Capital Asset Pricing Model that allows estimating a discount rate according to the risk level of the CGU in the country where it operates. A nominal discount rate before taxes is used according to the following table:

	Discount Rate	
	2015	2016
Argentina	34.1%	20.5%
Chile	7.7%	7.9%
Brazil	11.6%	11.9%
Paraguay	11.5%	10.7%

Management carried out the annual goodwill impairment test as of December 31, 2016 for each CGU.

b. Other assumptions

Financial projections to determine the net value of future cash flows are modelled considering the main variables of the historical flows of the CGU, and approved budgets. In this sense, a conservative growth rate is used, which reach 3% for the soft drinks category and up to 7% for the less developed categories such as juices and water. Perpetuity growth rates between 2% and 2.5% depending on the level of per capita consumption of our products at each operation are set beyond the fifth year of projection. In this sense, the variables of greater sensitivity in these projections correspond to discount rates applied in order to determine the net present value of projected flows.

For the purpose of the impairment test, sensitivities were conducted in these critical variables according to the following:

- EBITDA Margin: corresponds to an increase or decrease of up to 15 bps of the EBITDA margin of the operations.
- Discount rate: corresponds to an increase or decrease of 150 bps in the discount rate of future cash flows

14.2.3 Conclusions

As a result of the annual test, no impairments have been identified in any of the CGUs assuming conservative EBITDA margin projections and in line with the markets' history.

Despite the deterioration of the macroeconomic conditions experienced by the economies of the countries where the cash generating units develop their operations, recovery values from the impairment test were higher than the book values of assets.

14.2.4 Goodwill byw business segment and country

Movement in goodwill is detailed as follows:

Operating segment	01.01.2016 ThCh$	Additions ThCh$	Disposals or impairments ThCh$	Foreign currency translation differences where functional currency is different from presentation currency ThCh$	12.31.2016 ThCh$
Chilean operation	8,503,023	-	-	-	8,503,023
Brazilian operation	71,960,960	-	-	9,184,874	81,145,834
Argentine operation	7,720,202	-	-	(1,747,687)	5,972,515
Paraguayan operation	7,651,751	-	-	(353,618)	7,298,133
Total	**95,835,936**	**-**	**-**	**7,083,569**	**102,919,505**

Operating segment	01.01.2015 ThCh$	Additions ThCh$	Disposals or impairments ThCh$	Foreign currency translation differences where functional currency is different from presentation currency ThCh$	12.31.2015 ThCh$
Chilean operation	8,503,023	-	-	-	8,503,023
Brazilian operation	90,122,057	-	-	(18,161,097)	71,960,960
Argentine operation	10,058,725	-	-	(2,338,523)	7,720,202
Paraguayan operation	8,240,394	-	-	(588,643)	7,651,751
Total	**116,924,199**	-	-	**(21,088,263)**	**95,835,936**

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

Current	12.31.2016 ThCh$	12.31.2015 ThCh$
Bank loans	20,609,887	23,990,783
Bonds payable	26,729,828	19,236,780
Deposits in guarantee	13,446,077	16,247,026
Derivative contract obligations (see note 20)	1,229,354	107,428
Leasing agreements	2,785,424	2,635,671
Total	**64,800,570**	**62,217,688**
Non-current	**12.31.2016 ThCh$**	**12.31.2015 ThCh$**
Bank loans	17,736,697	30,237,950
Bonds payable	685,684,184	718,004,190
Leasing agreements	18,149,706	17,057,204
Total	**721,570,587**	**765,299,344**

The fair value of the aforementioned assets and liabilities is presented below:

Current	Book Value 12.31.2016 ThCh$	Fair Value 12.31.2016 ThCh$	Book Value 12.31.2015 ThCh$	Fair Value 12.31.2015 ThCh$
Cash and cash equivalents (3)	141,263,880	141,263,880	129,160,939	129,160,939
Other financial assets (3)	60,152,627	60,152,627	87,491,931	87,491,931
Trade and other accounts receivable (3)	190,524,354	190,524,354	176,385,386	176,385,386
Accounts receivable from related companies (3)	5,788,683	5,788,683	4,610,500	4,610,500
Bank loans (1)	20,609,887	20,932,073	23,990,783	23,928,084
Bonds payable (2)	26,729,828	29,338,170	19,236,780	20,732,412
Deposits in guarantee (3)	13,446,077	13,446,077	16,247,026	16,247,026
Derivative contract obligations (see note 20)	1,229,354	1,229,354	107,428	107,428
Leasing agreements (3)	2,785,424	2,785,424	2,635,671	2,635,671

Non-current	Book Value 12.31.2016 ThCh$	Fair Value 12.31.2016 ThCh$	Book Value 12.31.2015 ThCh$	Fair Value 12.31.2015 ThCh$
Other financial assets (3)	80,180,880	80,180,880	181,491,527	181,491,527
Trade and other payable (3)	3,527,732	3,527,732	5,931,999	5,931,999
Accounts payable to related parties (3)	147,682	147,682	14,732	14,732
Bank loans (1)	17,736,697	14,365,502	30,237,950	24,678,828
Bonds payable (2)	685,684,184	752,078,561	718,004,190	765,111,961
Leasing agreements (3)	18,149,706	18,149,706	17,057,204	17,057,204

1) The fair values are based on discounted cash flows using market-based discount rates as of year-end and are Level 2 fair value measurements.

2) The fair value of corporate bonds are classified as a Level 1 fair value measurements based on quoted prices for the Company's obligations.

3) The fair value approximates book value considering the nature and term of the obligations.

15.1.1 Bank obligations, current

Indebted Entity			Creditor Entity							Maturity		Total	
Tax ID	Name	Country	Tax ID	Name	Country	Currency	Type Amortization	Effective Rate	Nominal Rate	Up to 90 days ThCh$	90 days To 1 year ThCh$	at 12.31.2016 ThCh$	at 12.31.2015 ThCh$
96.705.990-0	Envases Central S.A.	Chile	97.080.000-K	Banco BICE	Chile	Unidad de Fomento	Semiannually	4.29%	4.29%	-	-	-	214,927
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	Unidad de Fomento	Semiannually	3.43%	3.43%	-	655,752	655,752	275,268
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de la Nación Argentina (1)	Argentina	Argentine pesos	Monthly	14.80%	9.90%	-	-	-	447,296
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de la Nación Argentina	Argentina	Argentine pesos	Monthly	9.90%	9.90%	-	-	-	115,800
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia y Bs. As.	Argentina	Argentine pesos	Quarterly	15.25%	15.25%	340	-	340	772,594
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia y Bs. As.	Argentina	Argentine pesos	Monthly	15.25%	15.25%	-	-	-	242,450
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Comercial Bank of China	Argentina	Argentine pesos	Quarterly	15.25%	15.25%	-	-	-	247,221
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Bank HSBC Argentina S.A	Argentina	Argentine pesos	Quarterly	15.25%	15.25%	-	-	-	247,221
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Macro Bansud	Argentina	Argentine pesos	Monthly	15.25%	15.25%	39,942	-	39,942	174,888
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	BBVA Banco Francés	Argentina	Argentine pesos	Monthly	15.25%	15.25%	34,861	-	34,861	164,565
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Santander Río	Argentina	Argentine pesos	Monthly	15.25%	15.25%	-	-	-	122,127
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Nuevo Banco de Santa Fe	Argentina	Argentine pesos	Quarterly	15.25%	15.25%	-	-	-	137,373
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de la Ciudad de Bs.As.	Argentina	Argentine pesos	Quarterly	15.25%	15.25%	-	-	-	259,727
Foreign	Andina Empaques Argentina S.A.	Argentina	Foreign	Banco Galicia y Bs.As.	Argentina	Argentine pesos	Monthly	15.25%	15.25%	335,722	-	335,722	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	ITAÚ - Finame	Brazil	Dollars	Monthly	2.99%	2.99%	-	12,017,942	12,017,942	12,817,824
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	7.15%	7.15%	148,033	806,523	954,556	997,300
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Quarterly	4.50%	4.50%	733,176	2,106,537	2,839,713	2,523,766
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	6.63%	6.63%	380,848	3,350,211	3,731,059	3,876,520
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Bradesco	Brazil	Brazilian real	Quarterly	3.86%	3.86%	-	-	-	353,916
Total												**20,609,887**	**23,990,783**

(1) The Bicentennial credit granted by Banco de la Nación Argentina to Embotelladora del Atlántico S.A. at a preferential rate is a benefit of the Argentine Government to promote investment projects. Embotelladora del Atlántico S.A. registered investment projects and received the bicentennial credit at a preferential rate of 9.9% a year, the financial expense is recognized according to the market rate, and the financial expense differential between market and nominal rate was allocated as a lower cost of the fixed asset.

15.1.2 Bank obligations, non-current December 31, 2016

Indebted Entity			Creditor Entity							Maturity					
Tax ID	Name	Country	Tax ID	Name	Country	Currency	Type Amortization	Effective Rate	Nominal Rate	1 year up to 2 years ThCh$	More than 2 years Up to 3 years ThCh$	More than 3 years Up to 4 years ThCh$	More than 4 years Up to 5 years ThCh$	More than 5 Years ThCh$	at 12.31.2016 ThCh$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	6.63%	6.63%	1,485,327	547,219	431,726	-	-	2,464,272
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	7.15%	7.15%	1,985,981	3,042,278	2,832,515	158,490	-	8,019,264
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Quarterly	4.50%	4.50%	4,213,075	2,106,537	-	-	-	6,319,612
96.705.990-0	Envases Central S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean pesos	Semiannually	3.43%	3.43%	933,549	-	-	-	-	933,549
Total															**17,736,697**

Bank obligations, non-current December 31, 2015

Indebted Entity			Creditor Entity							Maturity					
Tax ID	Name	Country	Tax ID	Name	Country	Currency	Type Amortization	Effective Rate	Nominal Rate	1 year up to 2 years ThCh$	More than 2 years Up to 3 years ThCh$	More than 3 years Up to 4 years ThCh$	More than 4 years Up to 5 years ThCh$	More than 5 Years ThCh$	at 12.31.2015 ThCh$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	6.63%	6.63%	3,323,725	1,258,291	466,032	413,519	-	5,461,567
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	7.15%	7.15%	776,263	672,484	493,743	431,272	-	2,373,762
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Semiannually	2.99%	2.99%	12,681,431	-	-	-	-	12,681,431
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	4.50%	4.50%	2,020,483	2,020,483	2,020,483	2,020,480	-	8,081,929
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Francés	Argentina	Argentine pesos	Monthly	15.25%	15.25%	44,560	-	-	-	-	44,560
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Macro Bansud	Argentina	Argentine pesos	Monthly	15.25%	15.25%	50,970	-	-	-	-	50,970
96.705.990-0	Envases Central S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean pesos	Semiannually	4.29%	4.29%	1,543,731	-	-	-	-	1,543,731
Total															**30,237,950**

15.1.3 Restrictions

In general, the Company's bank obligations are not subject to the fulfilment of covenants, with the exception of debt kept by the subsidiary Rio de Janeiro Refrescos Ltda. with Banco Itaú with maturity in 2017 at a 2.992% annual rate, which is primarily recorded under other current liabilities. The covenant associated with this debt is that: the gross debt deducting available cash must not exceed 2.5 times EBITDA at the annual closing date. As of December 31, 2016 the debt of Rio de Janeiro Refrescos Ltda reaches 2.35 times EBITDA according to the following details:

Items included in the indicator to the date of the last annual closing are:	ThR$
Borrowings with various third the Andina group	1,396,699
Cash and cash equivalents	127,029
EBITDA	540,227

15.2.1 Bonds payable

Composition of bonds payable	Current		Non-current		Total	
	12.31.2016 ThCh$	12.31.2015 ThCh$	12.31.2016 ThCh$	12.31.2015 ThCh$	12.31.2016 ThCh$	12.31.2015 ThCh$
Bonds (face value	27,112,986	20,172,356	690,150,930	723,191,154	717,263,916	743,363,510
Expenses of bond issuance and discounts on placement	(383,158)	(935,576)	(4,466,746)	(5,186,964)	(4,849,904)	(6,122,540)
Net balance presented in statement of financial position	**26,729,828**	**19,236,780**	**685,684,184**	**718,004,190**	**712,414,012**	**737,240,970**

15.2.2 Current and non-current balances

Obligations with the public correspond to bonds in UF issued by the parent company on the Chilean market and bonds in US dollars issued by the parent company on the international market:

Bonds, current portion	Series	Current face Amount	Unit of Adjustment	Interest rate	final Maturity	Interest Payment	Date Amortization of capital	12.31.2016 ThCh$	12.31.2015 ThCh$
SVS Registration N°640 SVS 08.23.2010	A	250,000	UF	3.0%	08-15-2017	Semiannually	02-15-2017	6,660,552	6,550,372
SVS Registration N°254 SVS 06.13.2001	B	2,534,835	UF	6.5%	06-01-2026	Semiannually	06-01-2016	5,656,992	5,213,755
SVS Registration N°641 08.23.2010	C	1,500,000	UF	4.0%	08-15-2031	Semiannually	02-15-2021	587,020	571,003
SVS Registration N°759 08.20.2013	C	1,000,000	UF	3.5%	08-16-2020	Semiannually	02-16-2017	6,929,828	333,479
SVS Registration N°760 08.20.2013	D	4,000,000	UF	3.8%	08-16-2034	Semiannually	02-16-2032	1,487,844	1,447,249
SVS Registration N°760 04.02.2014	E	3,000,000	UF	3.75%	03-01-2035	Semiannually	09-01-2032	978,933	952,223
Bonds USA	-	575,000,000	US$	5.0%	10-01-2023	Semiannually	10-01-2023	4,811,817	5,104,275
Total current portion								**27,112,986**	**20,172,356**

Bonds non-current portion	Series	Current face Amount	Unit of Adjustment	Interest rate	final Maturity	Interest Payment	Date Amortization of capital	12.31.2016 ThCh$	12.31.2015 ThCh$
SVS Registration N°640 SVS 08.23.2010	A	250,000	UF	3.0%	08-15-2017	Semiannually	02-15-2017	-	6,407,273
SVS Registration N°254 SVS 06.13.2001	B	2,534,835	UF	6.5%	06-01-2026	Semiannually	06-01-2016	61,486,857	64,965,518
SVS Registration N°641 08.23.2010	C	1,500,000	UF	4.0%	08-15-2031	Semiannually	02-15-2021	39,521,970	38,443,635
SVS Registration N°759 08.20.2013	C	1,000,000	UF	3.5%	08-16-2020	Semiannually	08-16-2017	19,760,985	25,629,090
SVS Registration N°760 08.20.2013	D	4,000,000	UF	3.8%	08-16-2034	Semiannually	02-16-2032	105,391,920	102,516,360
SVS Registration N°760 04.02.2014	E	3,000,000	UF	3.75%	03-01-2035	Semiannually	09-01-2032	79,043,948	76,887,278
Bonds USA	-	575,000,000	US$	5.0%	10-01-2023	Semiannually	10-01-2023	384,945,250	408,342,000
Bonds non-current portion								**690,150,930**	**723,191,154**

Accrued interest included in the current portion of bonds totaled ThCh$8,646,270 and ThCh$8,923,499 at December 31, 2016 and 2015, respectively.

15.2.3 Non-current maturities

	Series	Year of maturity 2017 ThCh$	2018 ThCh$	2019 ThCh$	After ThCh$	Total non- current 12-31-2016 ThCh$
SVS Registration N°254 06.13.2001	B	5,645,493	6,012,442	6,403,253	43,425,669	61,486,857
SVS Registration N°641 08.23.2010	C	-	-	-	39,521,970	39,521,970
SVS Registration N°759 08.20.2013	C	6,586,995	6,586,995	3,293,498	3,293,497	19,760,985
SVS Registration N°760 08.20.2013	D	-	-	-	105,391,920	105,391,920
SVS Registration N°760 04.02.2014	E	-	-	-	79,043,949	79,043,949
Bonds USA	-	-	-	-	384,945,249	384,945,249
Total		**12,232,488**	**12,599,437**	**9,696,751**	**655,622,254**	**690,150,930**

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating at December 31, 2016:

AA : ICR Compañía Clasificadora de Riesgo Ltda. rating

AA : Fitch Chile Clasificadora de Riesgo Limitada rating

The rating of bonds issued on the international market as of December 31, 2016 is the following:

BBB : Standard&Poors rating

BBB+ : Fitch Chile Clasificadora de Riesgo Limitada rating.

15.2.5 Restrictions

15.2.5.1 Restrictions regarding bonds placed abroad.

On September 26, 2013, Andina issued a bond in the U.S. Market (Bonds USA) for US$575 million at a coupon rate of 5.000% maturing on October 1, 2023. These bonds do not have financial restrictions.

15.2.5.2 Restrictions regarding bonds placed in the local market.

For purposes of the calculation of the covenants, the amount of EBITDA that was agreed on each bond issue is included.

Restrictions regarding the issuance of bonds for a fixed amount registered under number 254.

During 2001, Andina placed local bonds in the Chilean market. The issuance was structured into two series, one of which matured during 2008.

The outstanding series as of December 31, 2016 is Series B for a nominal amount of up to UF 4 million, of which amount UF 3.7 million in bonds were placed with final maturity in the year 2026 at a 6.50% annual interest rate. The balance of outstanding capital as of December 31, 2016 is UF2,535 million.

Series B was issued with charge to the Bonds Line registered with the Securities Registered under number 254 dated June 13, 2001.

Regarding Series B, the Issuer is subject to the following restrictions:

•Maintain an indebtedness level where Consolidated Financial Liabilities to Consolidated Equity does not exceed 1.20 times. For these purposes Consolidated Financial Liabilities shall be regarded as Liabilities Receivables accruing interest, namely: (i) other current financial liabilities, plus (ii) other non-current financial liabilities, less (iii) asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Financial Statements. Consolidated Equity will be regarded as total equity including non-controlling interest.

As of December 31, 2016, Indebtedness Level is 0.83 times of Consolidated Equity.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows (in thousand Chilean pesos):

As of December 31, 2016, the values of items included in this indicator are the following:	ThCh$
Other current financial liabilities	64,800,570
Other non-current financial liabilities	721,570,587
(-) Other non-current financial assets (hedge derivatives)	(84,859,223)
Consolidated Equity	842,170,027

• Maintain, and in no manner lose, sell, assign or transfer to a third party, the geographical area currently denominated as the "Metropolitan Region" (Región Metropolitana) as a territory in Chile in which we have been authorized by The Coca-Cola Company for the development, production, sale and distribution of products and brands of the licensor, in accordance to the respective bottler or license agreement, renewable from time to time.

•Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of this date is franchised by TCCC to the Company for the development, production, sale and distribution of products and brands of such licensor, as long as any of these territories account for more than 40% of the Issuer's Adjusted Consolidated Operating Cash Flow.

•Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.30 times of the issuer's unsecured consolidated liabilities.

Unsecured Consolidated Liabilities Payable shall be regarded as the total liabilities, obligations and debts of the issuer that are not secured by real guarantees on goods and assets of the latter, voluntarily and conventionally constituted by the issuer less the asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

The following will be considered in determining Consolidated Assets: assets free of any pledge, mortgage or other lien, as well as those assets having a pledge, mortgage or real encumbrances that operate solely by law, less asset balances of derivative financial instruments, taken to hedge exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position. Therefore, Consolidated Assets free of any pledge, mortgage or other lien will only be regarded as those assets free of any pledge, mortgage or other real lien voluntarily and conventionally constituted by the issuer less asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities and under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

As of December 31, 2016, this index is 1.56 times.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this restriction are the following:	ThCh$
Consolidated assets free of collateral, mortgages or other liens	2,075,314,621
(-)Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**1,990,455,398**
Consolidated liabilities payable not guaranteed	1,356,939,720
(-) Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Unsecured Consolidated Liabilities Payable (adjusted)	**1,272,080,497**

Restrictions regarding bond lines registered in the Securities Registered under numbers 640 and 641.

As a consequence of our merger with Coca-Cola Polar S.A., Andina became a debtor of the following two bonds placed in the Chilean market in 2010:

•UF 1.0 million of Series A bonds due 2017, bearing an annual interest of 3.00%. As of December 31, 2016, the balance of outstanding capital is UF 0.250 million.

•UF 1.5 million of Series C bonds due 2031, bearing an annual interest rate of 4.00%. As of December 31, 2016, the balance of outstanding capital is UF 1.5 million.

Series A and Series C were issued with charge to the Bond Lines registered with the Securities Registrar, under numbers 640 and 641, respectively, both on August 23, 2010.

Regarding Series A and Series C, the Issuer is subject to the following restrictions:

•Maintain a level of "Net Financial Debt" within its quarterly financial statements that may not exceed 1.5 times, measured over figures included in its consolidated statement of financial position. To this end, net financial debt shall be defined as the ratio between net financial debt and total equity of the issuer (equity attributable to controlling owners plus non-controlling interest). On its part, net financial debt will be the difference between the Issuer's financial debt and cash.

As of December 31, 2016, Net Financial Debt was 0.60 times.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this restriction are the following:	ThCh$
Other current financial liabilities	64,800,570
Other non-current financial liabilities	721,570,587
(-) Cash and cash equivalent	(141,263,880)
(-) Other current financial assets	(60,152,627)
(-) Other non-current financial assets (hedge derivatives)	(80,180,880)
Consolidated Equity	842,170,027

•Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.30 times of the issuer's unsecured consolidated liabilities.

Unencumbered assets refer to the assets that meet the following conditions: are the property of the issuer; classified under Total Assets of the Issuer's Financial Statements; and that are free of any pledge, mortgage or other liens constituted in favor of third parties, less "Other Current Financial Assets" and "Other Non-Current Financial Assets" of the Issuer's Financial Statements (to the extent they correspond to asset balances of derivative financial instruments, taken to hedge exchange rate and interest rate risk of the financial liabilities).

Unsecured total liabilities refers to: liabilities from Total Current Liabilities and Total Non-Current Liabilities of Issuer's Financial Statement which do not benefit from preferences or privileges, less "Other Current Financial Assets" and "Other Non-Current Financial Assets" of the Issuer's Financial Statements (to the extent they correspond to asset balances of derivative financial instruments, taken to hedge exchange rate and interest rate risk of the financial liabilities).

As of December 31, 2016, this index is 1.56 times.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this restriction are the following:	ThCh$
Consolidated assets free of collateral, mortgages or other liens	2,075,314,621
(-)Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**1,990,455,398**
Consolidated liabilities payable not guaranteed	1,356,939,720
(-) Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Unsecured Consolidated Liabilities Payable (adjusted	**1,272,080,497**

•Maintain a level of "Financial net coverage" in its quarterly financial statements of more than 3 times. Net financial coverage means the ratio between the Issuer's Ebitda for the past 12 months and net financial expenses (financial income less financial expenses) of the issuer for the past 12 months. However, this restriction will be considered breached when the mentioned net financial coverage level is lower than the level previously indicated during two consecutive quarters.

As of December 31, 2016 Net Financial Coverage level is 6.91 times.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this indicator are the following:	ThCh$
(1) Consolidated Ebitda between January 1 and December 31, 2016	288,238,888
Consolidated Financial income between January 1 and December 31, 2016	9,661,692
Consolidated Financial expenses between January 1 and December 31, 2016	51,374,971

(1) For the purpose of calculating the covenant, EBITDA was calculated as agreed in the bond issue.

Restrictions regarding bond lines registered in the Securities Registrar under numbers 759 and 760.

During 2013 and 2014, Andina placed local bonds in the Chilean market. The issuance was structured into three series.

•Series C outstanding as of December 31, 2016, for a nominal value of up to UF 3 million, of which bonds were placed for a nominal amount of UF1.0 million with final maturity during year 2020 at an annual interest rate of 3.50% issued against line number 759. Outstanding capital as of December 31, 2016 is UF 1.0 million.

•Series D and E outstanding at December 31, 2016 for a total nominal value of UF 8 million, of which UF 4 million were placed in bonds during August, 2013 (series D) and UF 3 million during April, 2014 (series E), with final maturity in 2034 and 2035, respectively, issued with charge against line number 760. The annual interest rates are 3.8% for Series D and 3.75% for Series E. The outstanding capital balance at December 31, 2016 of both series amounts to UF 7.0 million.

Regarding Series C, D and E, the Issuer is subject to the following restrictions:

•Maintain an indebtedness level where Consolidated Financial Liabilities to Consolidated Equity does not exceed 1.20 times. For these purposes Consolidated Financial Liabilities shall be regarded as Liabilities Receivables accruing interest, namely: (i) other current financial liabilities, plus (ii) other non-current financial liabilities, less (iii) cash and cash equivalent and (iv) other current financial assets, and (v) other non-current financial assets (to the extent they are asset balances of derivative financial instruments, taken to hedge exchange rate or interest rate risks on financial liabilities). Consolidated Equity will be regarded as total equity including non-controlling interest.

As of December 31, 2016, Indebtedness Level is 0.60 times of Consolidated Equity.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this restriction are the following:	ThCh$
Other current financial liabilities	64,800,570
Other non-current financial liabilities	721,570,587
(-) Cash and cash equivalent	(141,263,880)
(-) Other current financial assets	(60,152,627)
(-) Other non-current financial assets (hedge derivatives)	(80,180,880)
Consolidated Equity	842,170,027

•Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.30 times of the issuer's unsecured consolidated liabilities payable.

Unsecured Consolidated Liabilities Payable shall be regarded as the total liabilities, obligations and debts of the issuer that are not secured by real guarantees on goods and assets of the latter, voluntarily and conventionally constituted by the issuer less the asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

The following will be considered in determining Consolidated Assets: assets free of any pledge, mortgage or other lien, as well as those assets having a pledge, mortgage or real encumbrances that operate solely by law, less asset balances of derivative financial instruments, taken to hedge exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Financial Statements. Therefore, Consolidated Assets free of any pledge, mortgage or other lien will only be regarded as those assets free of any pledge, mortgage or other real lien voluntarily and conventionally constituted by the issuer less asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities and under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

As of December 31, 2016, this index is 1.56 times.

The breakdown of accounts with the respective amounts used for the previous calculation is summarized as follows:

As of December 31, 2016, the values of items included in this restriction are the following	ThCh$
Consolidated assets free of collateral, mortgages or other liens	2,075,314,621
(-)Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**1,990,455,398**
Consolidated liabilities payable not guaranteed	1,356,939,720
(-) Other current and non-current financial assets (hedge derivatives)	(84,859,223)
Unsecured Consolidated Liabilities Payable (adjusted)	**1,272,080,497**

•Maintain, and in no manner lose, sell, assign or transfer to a third party, the geographical area currently denominated as the "Metropolitan Region" as a territory franchised to the Issuer in Chile by The Coca-Cola Company, hereinafter also referred to as "TCCC" or the "Licensor" for the development, production, sale and distribution of products and brands of said licensor, in accordance to the respective bottler or license agreement, renewable from time to time. Losing said territory, means the non-renewal, early termination or cancellation of this license agreement by TCCC, for the geographical area today called "Metropolitan Region". This reason shall not apply if, as a result of the loss, sale, transfer or disposition, of that licensed territory is purchased or acquired by a subsidiary or an entity that consolidates in terms of accounting with the Issuer.

•Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of the issuance date of these instruments is franchised by TCCC to the Issuer for the development, production, sale and distribution of products and brands of such licensor, as long as any of these territories account for more than 40% of the Issuer's Adjusted Consolidated Operating Cash Flow of the audited period immediately before the moment of loss, sale, assignment or transfer. For these purposes, the term "Adjusted Consolidated Operating Cash Flow" shall mean the addition of the following accounting accounts of the Issuer's Consolidated Statement of Financial Position: (i) "Gross Profit" which includes regular activities and cost of sales; less (ii) "Distribution Costs"; less (iii) "Administrative Expenses"; plus (iv) "Participation in profits (losses) of associates and joint ventures that are accounted for using the equity method"; plus (v) "Depreciation"; plus (vi) "Intangibles Amortization".

As of December 31, 2016 and 2015, the Company complies with all financial collaterals.

15.2.6 Repurchased bonds

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

Through its subsidiaries, Abisa Corp S.A. (formerly Pacific Sterling), Embotelladora Andina S.A. repurchased its Bonds USA 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 at December 31, 2013. On December 15, 2014, Embotelladora Andina S.A. rescued US$200 million in outstanding bonds from its subsidiary Abisa Corp S.A., thus since legally debtor and creditor are joined in a single entity, the mentioned bond liability becomes extinguished.

The subsidiary Rio de Janeiro Refrescos Ltda. maintains a liability corresponding to a bond issuance for US $75 million due in December 2020 and semi-annual interest payments. At December 31, 2016 these issues are held by Andina. On January 1, 2013, Abisa Corp S.A. transferred the totality of this asset to Embotelladora are Andina S.A., the latter becoming the creditor of the above-mentioned Brazilian subsidiary. Consequently, the assets and liabilities related to the transaction have been eliminated from these consolidated financial statements. In addition, the transaction has been treated as a net investment of the group in the Brazilian subsidiary; consequently, the effects of exchange rate differences between the dollar and the functional currency of each one have been recorded in other comprehensive income.

15.3.1 Derivative contract obligations

Please see details in Note 20.

15.4.1 Current liabilities for leasing agreements

Indebted Entity		Creditor Entity							Maturity		Total	
Name	Country	Tax ID	Name	Country	Currency	Amortization Type	Effective Rate	Nominal Rate	Up to 90 days ThCh$	91 days to 1 year ThCh$	at 12.31.2016 ThCh$	at 12.31.2015 ThCh$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	9.65%	9.47%	223,697	793,008	1,016,705	1,044,284
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Citibank	Brazil	Brazilian real	Monthly	8.54%	8.52%	148,366	723,881	872,247	780,248
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeracao Light Esco	Brazil	Brazilian real	Monthly	13.00%	12.28%	153,523	520,604	674,127	412,292
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	10.21%	10.22%	20,840	89,892	110,732	198,443
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Bradesco	Brazil	Brazilian real	Monthly	9.39%	9.38%	8,057	242	8,299	103,144
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	24,684	78,630	103,314	97,260
Total											**2,785,424**	**2,635,671**

15.4.2 Bank obligations, non-current December 31, 2016

Indebted Entity		Creditor Entity							Maturity					
Name	Country	Tax ID	Name	Country	Currency	Amortization Type	Effective Rate	Nominal Rate	1 year to 2 years ThCh$	2 years to 3 years ThCh$	3 years to 4 years ThCh$	4 years to 5 years ThCh$	More 5 years ThCh$	at 12.31.2016 ThCh$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeracao Light Esco	Brazil	Brazilian real	Monthly	13.00%	12.28%	2,476,445	2,234,004	2,138,183	2,138,183	7,535,257	16,522,072
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	9.65%	9.47%	591,576	-	-	-	-	591,576
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	10.21%	10.22%	54,327	-	-	-	-	54,327
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Citibank	Brazil	Brazilian real	Monthly	8.54%	8.52%	624,937	-	-	-	-	624,937
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	356,794	-	-	-	-	356,794
Total														**18,149,706**

15.4.3 Current liabilities for leasing agreements December 31, 2015

Indebted Entity		Creditor Entity								Maturity					
Name	Country	Tax ID	Name	Country	Currency	Amortization Type		Effective Rate	Nominal Rate	1 year to 2 years ThCh$	2 years to 3 years ThCh$	3 years to 4 years ThCh$	4 years to 5 years ThCh$	More 5 years ThCh$	at 12.31.2015 ThCh$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeracao Ligth Esco	Brazil	Brazilian real	Monthly		13.00%	12.28%	1,940,324	2,799,686	2,799,686	2,799,686	4,858,265	15,197,647
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly		9.65%	9.47%	437,913	84,568	-	-	-	522,481
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly		10.21%	10.22%	327,205	-	-	-	-	327,205
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Citibank	Brazil	Brazilian real	Monthly		8.54%	8.52%	269,316	245,255	-	-	-	514,571
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Bradesco	Brazil	Brazilian real	Monthly		9.39%	9.38%	7,226	-	-	-	-	7,226
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly		12.00%	12.00%	488,074	-	-	-	-	488,074
Total															**17,057,204**

NOTE 16 – TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Trade and other current accounts payable are detailed as follows:

Item	12.31.2016 ThCh$	12.31.2015 ThCh$
Trade accounts payable	179,246,672	167,492,719
Withholdings tax	45,504,119	35,009,855
Accounts payable Inamar Ltda. (1)	8,312,403	7,784,836
Others	19,282,989	11,542,182
Total	**252,346,183**	**221,829,592**
Current	242,836,356	212,526,368
Non-current	9,509,827	9,303,224
Total	**252,346,183**	**221,829,592**

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 renewal options. No restrictions exist with respect to the lessee by virtue of these lease agreements.

Accruable liabilities pursuant to the Company's operating leasing agreements are as follows:

	Liabilities to Accrue ThCh$
Maturity within one year	5,685,460
Maturity long-term	1,229,766
Total	**6,915,226**

Total expenses related to operating leases maintained by the Company as of December 31, 2016 and 2015 amounted to ThCh$5,725,325 and ThCh$6,604,204 respectively.

(1) On December 3, 2015 a land was purchased from Industrias Metalurgicas Inamar Ltda. for an amount of ThCh$ 17,292,040 equivalent to 675,000 UFs, of which there is a balance payable of ThCh$8,312,403 equivalent to 303.750 UFs. Such balance payable will be paid in one installment maturing in 18 more months regarding the closing date. To guarantee the payment of this obligation the land has been mortgaged to in favor of Industrias Metalurgicas Inamar Ltda.

NOTE 17 – CURRENT AND NON-CURRENT PROVISIONS

17.1 Balances

The composition of this account is the following:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Litigation (1)	73,081,893	64,301,817
Total	**73,081,893**	**64,301,817**

(1) Corresponds to the provision for probable fiscal, labor and trade contingency losses based on the opinion of our legal advisors, according to the following breakdown:

Detail (see note 21.1)	12.31.2016 ThCh$	12.31.2015 ThCh$
Tax Contingencies	63,543,782	54,208,233
Labor Contingencies	7,940,428	5,774,453
Civil Contingencies	1,597,683	4,319,131
Total	**73,081,893**	**64,301,817**

17.2 Movements

Movement of provisions is detailed as follows:

	12.31.2016			12.31.2015		
Description	Litigation ThCh$	Others ThCh$	Total ThCh$	Litigation ThCh$	Others ThCh$	Total ThCh$
Opening Balance at January	**64,301,817**	**-**	**64,301,817**	**77,812,345**	**-**	**77,812,345**
Additional provisions	1,047,308	-	1,047,308	243,330	-	243,330
Increase (decrease) in existing provisions	(1,519,800)	-	(1,519,800)	1,893,402	-	1,893,402
Payments	4,276,851	-	4,276,851	343,359	-	343,359
Reverse unused provision(*)	(2,774,703)	-	(2,774,703)	(182,670)	-	(182,670)
Increase (decrease) due to foreign exchange differences	7,750,420	-	7,750,420	(15,807,949)	-	(15,807,949)
Total	**73,081,893**	**-**	**73,081,893**	**64,301,817**	**-**	**64,301,817**

(*)Corresponds to reversal of provisions for fines requested from the Brazilian Tax authorities on the use of fiscal credits IPI in the free zone of Manaus, since during September 2016 there was favorable ruling on the subject for Rio de Janeiro Refrescos Ltda. from Brazil's Superior Chamber of Fiscal Resources (CSFR)

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

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

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Dividend payable	19,358,263	17,093,596
Other	1,413,318	714,538
Total	**20,771,581**	**17,808,134**
Current	20,612,791	17,565,643
Non-current	158,790	242,491
Total	**20,771,581**	**17,808,134**

NOTE 19 – EQUITY

19.1 Number of shares:

Series	Number of shares subscribed		Number of shares paid in		Number of voting shares	
	2016	2015	2016	2015	2016	2015
A	473,289,301	473,289,301	473,289,301	473,289,301	473,289,301	473,289,301
B	473,281,303	473,281,303	473,281,303	473,281,303	473,281,303	473,281,303

19.1.1 Equity:

Series	Subscribed Capital		Paid-in capital	
	2016 ThCh$	2015 ThCh$	2016 ThCh$	2015 ThCh$
A	135,379,504	135,379,504	135,379,504	135,379,504
B	135,358,070	135,358,070	135,358,070	135,358,070
Total	**270,737,574**	**270,737,574**	**270,737,574**	**270,737,574**

19.1.2 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.

19.2 Dividend policy

According to Chilean law, cash dividends must be paid equal to at least 30% of annual net profit, 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 ordinary Shareholders' Meeting held in April 2016, the shareholders agreed to pay out of the 2015 earnings are final dividend to complete the 30% required by the Law 18,046 which was paid in May 2016, and an additional dividend was paid in August 2016.

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 from 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$ 8,367,144 have been realized at December 31, 2016 and are available for distribution as dividends in accordance with the following:

Description	Event when amount is realized	Amount of accumulated earnings at 01.01.2009 ThCh$	Realized at 12.31.2016 ThCh$	Amount of accumulated earnings at 12.31.2016 ThCh$
Revaluation of assets parent Company	Sale or impairment	14,800,384	(11,836,739)	2,963,645
Foreign currency translation differences of investments in related companies and subsidiaries	Sale or impairment	4,653,301	2,962,009	7,615,310
Full absorption cost accounting parent Company	Sale of products	305,175	(305,175)	-
Post-employment benefits actuarial calculation parent Company	Termination of employees	946,803	(632,199)	314,604
Deferred taxes complementary accounts parent Company	Amortization	(1,444,960)	1,444,960	-
Total		**19,260,703**	**(8,367,144)**	**10,893,559**

The dividends declared and paid are presented below:

Dividend payment date		Dividend type	Profits imputable to dividends	Ch$ per Series A Share	Ch$ per Series B Share
2015	January	Interim	2014	9.00	9.90
2015	May	Final	2014	15.00	16.50
2015	August	Additional	Retained Earnings	15.00	16.50
2015	October	Interim	2015	15.00	16.50
2016	January	Interim	2015	17.00	18.70
2016	May	Final	2015	17.00	18.70
2016	August	Additional	Retained Earnings	17.00	18.70
2016	October	Interim	2016	17.00	18.70
2016	December(*)	Interim	2016	19.00	20.90

(*) As of December 31, 2016, this dividend was pending of payment, and pursuant to the agreements of the Board of Directors' meeting held in December, it will become available to shareholders beginning January 26, 2017.

19.3 Reserves

The balance of other reserves include the following:

Description	12.31.2016 ThCh$	12.31.2015 ThCh$
Polar acquisition	421,701,520	421,701,520
Foreign currency translation reserves	(168,744,355)	(167,447,157)
Cash flow hedge reserve	(2,448,175)	27,087,214
Reserve for employee benefit actuarial gains or losses	(1,785,032)	(1,796,285)
Legal and statutory reserves	5,435,538	5,435,538
Total	**254,159,496**	**284,980,830**

19.3.1 Polar acquisition

This amount corresponds to 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 Cash flow hedge reserve

They arise from the fair value of the existing derivative contracts that have been qualified for hedge accounting at the end of each financial period. When contracts are expired, these reserves are adjusted and recognized in the income statement in the corresponding period (see Note 20).

19.3.3 Reserve for employee benefit actuarial gains or losses

Corresponds to the restatement effect of employee benefits actuarial losses that according to IAS 19 amendments must be carried to other comprehensive income.

19.3.4 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 is 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

19.3.5 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. Additionally exchange differences between accounts receivable kept by the companies in Chile with foreign subsidiaries are presented in this account, which have been treated as investment equivalents accounted for using the equity method. A breakdown of translation reserves is presented below:

Details	12.31.2016 ThCh$	12.31.2015 ThCh$
Brazil	(58,306,230)	(88,444,294)
Argentina	(108,386,213)	(84,913,998)
Paraguay	10,545,453	21,728,456
Exchange rate differences in related companies	(12,597,365)	(15,817,321)
Total	**(168,744,355)**	**(167,447,157)**

The movement of this reserve for the fiscal years ended December 31, 2016 and 2015 is detailed as follows:

Details	12.31.2016 ThCh$	12.31.2015 ThCh$
Brazil	30,138,065	(57,582,790)
Argentina	(23,472,215)	(28,640,580)
Paraguay	(11,183,004)	(19,929,293)
Exchange rate differences in related companies	3,219,956	(8,008,796)
Total	**(1,297,198)**	**(114,161,459)**

19.4 Non-controlling interests

This is the recognition of the portion of equity and income from subsidiaries that are owned by third parties, Details of this account at December 31, 2016 and 2015 is the following:

	Non-controlling Interests					
	Percentaje %		Shareholders' Equity		Income	
Details	2016 %	2015 %	2016 ThCh$	2015 ThCh$	2016 ThCh$	2015 ThCh$
Embotelladora del Atlántico S.A.	0.0171	0.0171	12,209	14,484	5,502	5,262
Andina Empaques Argentina S.A.	0.0209	0.0209	2,062	2,220	785	798
Paraguay Refrescos S.A.	2.1697	2.1697	5,337,687	5,522,797	504,806	406,211
Vital S.A.	35.0000	35.0000	9,054,947	8,891,548	319,858	(4,556)
Vital Aguas S.A.	33.5000	33.5000	2,027,879	1,967,652	23,744	50,933
Envases Central S.A.	40.7300	40.7300	5,129,661	4,661,764	668,425	(224,206)
Total			**21,564,445**	**21,060,465**	**1,523,120**	**234,442**

19.5 Earnings per share

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

Earnings per share used to calculate basic and diluted earnings per share is detailed as follows:

	12.31.2016		
Earnings per share	**SERIES A**	**SERIES B**	**TOTAL**
Earnings attributable to shareholders (ThCh$)	43,107,979	47,418,012	90,525,991
Average weighted number of shares	473,289,301	473,281,303	946,570,604
Earnings per basic and diluted share (in Chilean pesos)	**91.08**	**100.19**	**95.64**
	12.31.2015		
Earnings per share	**SERIES A**	**SERIES B**	**TOTAL**
Earnings attributable to shareholders (ThCh$)	41,840,108	46,023,376	87,863,484
Average weighted number of shares	473,289,301	473,281,303	946,570,604
Earnings per basic and diluted share (in Chilean pesos)	**88.40**	**97.24**	**92.82**

NOTE 20 – DERIVATIVE ASSETS AND LIABILITIES

Embotelladora Andina currently maintains "Cross Currency Swaps" and "Currency Forward" agreements as Derivative Financial Assets

Cross Currency Swaps, also known as interest rate and currency swaps, are valued by the method of discounted future cash flows at a rate corresponding to the risk of the operation. The basis of the information used in the calculations is obtained in the market by using the Bloomberg terminal. Currently Embotelladora Andina maintains Cross Currency Swap for UF/USD and BRL/USD, for which it is necessary to discount future cash flows in UFs, in Brazilian Reais and in U.S. Dollars. For this calculation, the Company uses as discount curves, the UF Zero-Coupon, the Brazilian Real Zero-Coupon and the U.S. Dollar Zero-Coupon.

On the other hand, the fair value of forward currency contracts is calculated in reference to current forward exchange rates for contracts with similar maturity profiles. To perform the above calculation, the Company uses market information available on the Bloomberg terminal.

As of the closing date, the Company held the following derivative instruments at December 31, 2016 and 2015:

20.1 Derivatives accounted for as cash flow hedges:

a) Cross Currency Swap Crédito Itaú

As of December 31, 2016, the Company maintained derivative contracts to ensure U.S. dollar denominated bank liabilities in Brazil amounting to ThUS$17,951, to convert them to liabilities in Brazilian Real. The valuation of these contracts was performed at their fair values, yielding a receivable value of ThCh$ 4,678,343 at December 31, 2016, which is presented in other financial assets non-current. These swap contracts have the same terms of the underlying bond obligation and expire in 2017. In addition, fair value exceeding the hedged items of ThCh$ 138,039 (ThCh$ 959,012 in December 31, 2015) has been recognized within other equity reserves as of December 31, 2016. The amount of exchange differences recognized in the statement of income related to financial liabilities in U.S. dollars that were absorbed by the amounts recognized under Comprehensive Income amounted to ThCh$ 2,645,178 as of December 31, 2016.

b) Cross Currency Swaps associated with US Bonds

At December 31, 2016, the Company entered into cross currency swap derivative contracts to convert US Dollar public bond obligations of US$570 million into UF and Real liabilities to hedge the Company's exposure to variations in foreign exchange rates. Said contracts are valued at their value and the net value to be received as of December 31, 2016 amounted to ThCh$80,180,880. These swap contracts have the same terms of the underlying bond obligation and expire in 2023. Additionally, the fair value of these derivatives which is lower than the hedged items amounted to ThCh$1,759,742 and has been recognized within other equity reserves as of December 31, 2016. The ineffective portion amount of ThCh$3,378,484 in losses associated with this hedge was recorded in other gains and losses at December 31, 2016.

The amount of exchange differences recognized in the statement of income related to financial liabilities in U.S. dollars and the identified effective portion that was absorbed by the amounts recognized under comprehensive income amounted to ThCh$ 43,947,726 at December 31, 2016.

20.2 Forward currency transactions expected to be very likely:

During 2016, the Company entered into foreign currency forward contracts to hedge its exposure to expected future raw materials purchases in US Dollars during the year 2016 and 2017. The total amount of outstanding forward contracts were US$61.1 million at December 31, 2016 (US$0.15 million at December 31, 2015). These agreements were recorded at fair value, resulting in a net loss due to hedge recycling of ThCh$5,202,703 for the period ended December 31, 2016, and a hedge liability of ThCh$1,229,354 at December 31, 2016 (liability of ThCh$107,428 at December 31, 2015). The agreements that ensure future flows of foreign currency have been designated as hedge, at December 31, 2016, there is a balance of ThCh$826,474 to be recycled to income statement.

Futures contracts that ensure prices of future raw materials have not been designated as hedge agreements, since they do not fulfill IFRS documentation requirements, whereby its effects on variations in fair value are accounted for directly under statements of income in the "other gains and losses" account.

Fair value hierarchy

The Company had total assets related to its foreign exchange derivative contracts of ThCh$84,859,223 and liabilities to ThCh$1,229,354 at December 31, 2016 (assets for ThCh$181,474,306 and liabilities for ThCh$107,428 at December 31, 2015). Those contracts covering existing items have been classified in the same category of hedged, the net amount of derivative contracts by concepts covering forecasted items have been classified in financial assets and financial liabilities, All the derivative contracts are carried at fair value in the consolidated 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: Inputs other than quoted prices included in level 1 that are observable for the assets and liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market data.

During the reporting period, there were no transfers of items between fair value measurement categories; all of which were valued during the period using level 2.

	Fair Value Measurements at December 31, 2016			
	Quoted prices in active markets for identical assets or liabilities (Level 1) ThCh$	Observable market data (Level 2) ThCh$	Unobservable market data (Level 3) ThCh$	Total ThCh$
Assets				
Current assets				
Other current financial assets	-	4,678,343	-	4,678,343
Other non-current financial assets		80,180,880	-	80,180,880
Total assets	**-**	**84,859,223**	**-**	**84,859,223**
Liabilities				
Current liabilities				
Other current financial liabilities	-	1,229,354	-	1,229,354
Total liabilities	**-**	**1,229,354**	**-**	**1,229,354**

	Fair Value Measurements at December 31, 2015			
	Quoted prices in active markets for identical assets or liabilities (Level 1) ThCh$	Observable market data (Level 2) ThCh$	Unobservable market data (Level 3) ThCh$	Total ThCh$
Assets				
Current assets				
Other current financial assets	-	-	-	-
Other non-current financial assets	-	181,474,306	-	181,474,306
Total assets	**-**	**181,474,306**	**-**	**181,474,306**
Liabilities				
Current liabilities				
Other current financial liabilities	-	107,428	-	107,428
Total liabilities	**-**	**107,428**	**-**	**107,428**

NOTE 21 – CONTINGENCIES AND COMMITMENTS

21.1 Lawsuits and other legal actions:

In the opinion of the Company's legal counsel, the Parent Company and its subsidiaries do not face judicial or extra-judicial contingencies that might result in material or significant losses or gains, except for the following:

1) Embotelladora del Atlántico S.A. faces labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$1,283,274. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and equity, based on the opinion of its legal counsel. Additionally Embotelladora del Atlántico S.A. maintains time deposits for an amount of ThCh$974,785 to guaranty judicial liabilities.

2) Rio de Janeiro Refrescos Ltda. faces labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$71,115,841. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and equity, based on the opinion of its legal counsel. As it is customary in Brazil, Rio de Janeiro Refrescos Ltda. maintains judicial deposits and assets given in pledge to secure the compliance of certain processes, irrespective of whether these have been classified as a possible, probable or remote. The amounts deposited or pledged as a legal guarantees as of December 31, 2016 and 2015 amounted to ThCh$103,351,097 and ThCh$86,364,210 respectively.

Part of the assets given as warranty by Rio de Janeiro Refrescos Ltda. as of December 31, 2014, are in the process of being released and others have been released with the exchange of Warranty Insurance and Bail Letters entered into amounting to R$561,593,627 with different financial institutions and insurance companies in Brazil, through which these entities after a 0.6% commission, become responsible of fulfilling obligations with the Brazilian tax authorities should any trial result against Rio de Janeiro Refrescos Ltda. Additionally, if the warranty and bail letters are executed, Rio de Janeiro Refrescos Ltda. promises to reimburse to the financial institutions and Insurance Companies any amounts disbursed by them to the Brazilian government.

Main contingencies faced by Rio de Janeiro Refrescos are as follows:

a) Tax contingencies resulting from credits on tax on industrialized products (IPI).

Rio de Janeiro Refrescos is a party to a series of proceedings under way, in which the Brazilian federal tax authorities demand payment of value-added tax on industrialized products (Imposto sobre Produtos Industrializados, or IPI) allegedly owed by ex-Companhia de Bebidas Ipiranga. The initial amount demanded reached R$1,330,473,161 (historical amount without adjustments), corresponding to different trials related to the same cause. In June 2014, one of these trials for R$598,745,218, was resolved in favor of the Company, however, there are new lawsuits arising after the purchase of ex-Companhia de Bebidas Ipiranga (October 2013) that amount to R$307,375,039.

The Company rejects the position of the Brazilian tax authority in these procedures, and considers that Companhia de Bebidas Ipiranga was entitled to claim IPI tax credits in connection with purchases of certain exempt raw materials from suppliers located in the Manaus free trade zone.

Based on the opinion of its advisers, and judicial outcomes to date, Management estimates that these procedures do not represent probable losses, and has not recorded a provision on these matters.

Notwithstanding the above, the IFRS related to business combination in terms of distribution of the purchase price establish that contingencies must be measured one by one according to their probability of occurrence and discounted at fair value from the date on which it is deemed the loss can be generated. According to this criteria, from a total of identified contingencies amounting R$1,211,152,520 (including readjustments of current lawsuits), the Company recorded a provision R$196,930,959 equivalent to ThCh$40,452,692.

b) Tax contingencies on ICMS and IPI causes.

They refer mainly to tax settlements issued by advance appropriation of ICMS credits on fixed assets, payment of the replacement of ICMS tax to the operations, untimely IPI credits calculated on bonuses, among other claims.

The Company does not consider that these judgments will result in significant losses, given that their loss is considered unlikely. However, the accounting standards of financial information related to business combination in terms of distribution of the purchase price, establish contingencies must be valued one by one according to their probability of occurrence and discounted to fair value from the date on which it is deemed that the loss can be generated. According to this criteria, an initial provision has been made in the business combination accounting for an amount of R$ 78.2 million equivalent to ThCh$ 16,054,458.

3) Embotelladora Andina S.A. and its Chilean subsidiaries face labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$622,993. Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.

On December 27, 2016, Andina confirmed to the Coca-Cola Company its decision to participate in the “AdeS” business and market such products in all of its franchise territories. The total amount that Andina pledged to invest amounts to approximately US$ 42 million, and the operation is expected to be materialized within the first quarter of 2017.

On December 27, 2016, Embotelladora Andina S.A. signed a promissory purchase agreement for property located in the Region of Antofagasta amounting to 136,476 UFs. The purchase transaction should take place during the first quarter of 2017, in the event of a breach by any of the parties, compensation will result in damages amounting to 27,000 UFs.

4) Paraguay Refrescos S.A. faces tax, trade, labor and other lawsuits. Accounting provisions have been made for the contingency of any loss because of these lawsuits amounting to ThCh$ 59,785. Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.

21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets are detailed as follows:

Guarantees that compromise assets including in the financial statements:

	Provided by		Committed assets		Balance pending payment on the closing date of the financial statements	
Guarantee in favor of	Name	Relationship	Guarantee	Type	12.31.2016 ThCh$	12.31.2015 ThCh$
Industria Metalúrgica Inamar Ltda.	Embotelladora Andina S.A.	Parent Company	Land	Property, plant and equipment	17,777,078	17,292,040
Gas licuado Lipigas S.A.	Embotelladora Andina S.A.	Parent Company	Cash and cash equivalents	Trade and other receivables	1,140	1,140
Nazira Tala	Embotelladora Andina S.A.	Parent Company	Cash and cash equivalents	Trade and other receivables	3,416	3,416
Nazira Tala	Embotelladora Andina S.A.	Parent Company	Cash and cash equivalents	Trade and other receivables	3,508	3,508
Inmob. e Invers. Supetar Ltda.	Transportes Polar S.A.	Subsidiary	Cash and cash equivalents	Trade and other receivables	4,579	4,579
María Lobos Jamet	Transportes Polar S.A.	Subsidiary	Cash and cash equivalents	Trade and other receivables	2,565	2,565
Hospital Militar	Servicios Multivending Ltda.	Subsidiary	Cash and cash equivalents	Trade and other receivables	4,648	-
Reclamaciones Trabajadores	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	3,833,788	2,499,232
Reclamaciones civiles y tributarias	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	14,304,401	7,929,131
Instituciones gubernamentales	Rio de Janeiro Refrescos Ltda.	Subsidiary	Property, plant and equipment	Property, plant and equipment	85,212,908	75,935,847
Distribuidora Baraldo S.H.	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	843	1,089
Acuña Gomez	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	1,264	1,634
Municipalidad San Martin Mza	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	15,167	19,606
Nicanor López	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	904	1,168
Labarda	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	15	-
Municipalidad Bariloche	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	230,599	96,045
Municipalidad San Antonio Oeste	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	93,005	2,316
Municipalidad Carlos Casares	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	3,761	4,862
Municipalidad Chivilcoy	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	581,668	538,968
Otros	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	179	-
Granada Maximiliano	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	7,584	9,803
CICSA	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	23,468	30,335
Locadores varios	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	47,397	11,297
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	11,226	47,023
Municipalidad de Junin	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	7,356	9,508
Almada Jorge	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	11,315	14,626
Municipalidad de Picun Leufu	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	163	-
Fondo Fima Ahorro Plus C	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, financial assets	588,485	-
Fondo Fima Ahorro Pesos C	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, financial assets	588,299	-
Fondo Fima Premium B	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, financial assets	407,792	-
Farías Matías Luis	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	20,367	-
Gomez Alejandra Raquel	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	79	-
Lopes Gustavo Gerardo /Inti Saic y otro	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	516	-
Marcus A.Peña	Paraguay Refrescos	Subsidiary	Property, plant and equipment	Property, plant and equipment	4,017	-
Mauricio J Cordero C	Paraguay Refrescos	Subsidiary	Property, plant and equipment	Property, plant and equipment	871	-
Jorge Routi Maltese	Paraguay Refrescos	Subsidiary	Property, plant and equipment	Property, plant and equipment	755	-
Total					**123,795,126**	**104,459,738**

Guarantees provided without obligation of assets included in the financial statements:

Guarantee in favor of	Provided by Name	Relationship	Committed assets Guarantee	Committed assets Type	Amounts involved 12-31-2016	Amounts involved 12-31-2015
Linde Gas Chile	Embotelladora Andina S.A.	Parent Company	Guarantee insurance	Guarantee insurance	-	639,144
Echeverría, Izquierdo Ingeniería y Construcción.	Embotelladora Andina S.A.	Parent Company	Guarantee insurance	Guarantee insurance	-	536,315
Importadora Casa y Regalos	Trans-Heca S.A.	Subsidiary	Guarantee insurance	Compliance with lease	2,050	-
Inmobiliaria e Inversiones Gestion Activa Ltda	Red de Transportes Comerciales Ltda.	Subsidiary	Guarantee insurance	Compliance with lease	4,585	-
Inmobiliaria Portofino	Red de Transportes Comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee insurance	900	-
Teléfonica Chile S.A.	Red de Transportes Comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee insurance	1,000	-
Inmobiliaria San Martin Logista S.A	Red de Transportes Comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee insurance	3,461	-
Worker Processes	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	1,236,439	575,583
Administrative Processes	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	4,885,075	2,370,025
Gobierno Federal	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	87,773,855	74,198,243
Gobierno Estadual	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	14,674,244	10,450,612
HSBC	Sorocaba Refescos S.A.	Associate	Loan	co-signers	4,108,312	3,637,369
Others	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	2,682,170	3,234,566
Aduana de Ezeiza	Andina Empaques S.A.	Subsidiary	Guarantee insurance	Faithful fulfillment of contract	369,963	235,981
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Faithful fulfillment of contract	1,142,642	-

NOTE 22 – FINANCIAL RISK MANAGEMENT

The Company's businesses are exposed to a variety of financial and market risks (including foreign exchange risk, interest rate risk and price risk). The Company's global risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the performance 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

At December 31, 2016, the Company maintains all of its debt liabilities at a fixed rate as to avoid fluctuations in financial expenses resulting from tax rate increases.

The Company's greatest indebtedness corresponds to own issued Chilean local bonds at a fixed rate in the amount of UF12.3 million denominated in UF ("UF"), a currency indexed to inflation in Chile (the Company's sales are correlated with the UF variation).

There is also the Company's indebtedness on the international market through a 144A/RegS Bond at a fixed rate for US$575 million, denominated in dollars, and practically 100% of which has been re-denominated to UF and BRL through Cross Currency Swaps.

Credit risk

The credit risk to which the Company is exposed comes mainly from trade accounts receivable maintained with retailers, wholesalers and supermarket chains in domestic markets; and the financial investments held with banks and financial institutions, such as time deposits, mutual funds and derivative financial instruments.

a. Trade accounts receivable and other current accounts receivable

El Credit risk related to trade accounts receivable is managed and monitored by the area of Finance and Administration of each business unit. The Company has a wide base of more than 100 thousand clients implying a high level of atomization of accounts receivable, which are subject to policies, procedures and controls established by the Company. In accordance with such policies, credits must be based objectively, non-discretionary and uniformly granted to all clients of a same segment and channel, provided these will allow generating economic benefits to the Company. The credit limit is checked periodically considering payment behavior. Trade accounts receivable pending of payment are monitored on a monthly basis.

i. Sale Interruption:

In accordance with Corporate Credit Policy, the interruption of sale must be within the following framework: when a customer has outstanding debts for an amount greater than US$ 250,000, and over 60 days expired, sale is suspended. The General Manager in conjunction with the Finance and Administration Manager authorize exceptions to this rule, and if the outstanding debt should exceed US$1,000,000, and in order to continue operating with that client, the authorization of the Chief Financial Officer is required. Notwithstanding the foregoing, each operation can define an amount lower than US$250,000 according to the country's reality.

ii. Impairment

The impairment recognition policy establishes the following criteria for provisions: 30% is provisioned for 31 to 60 days overdue, 60%between 60 and 91 days, 90%between 91 and 120 days overdue and 100% for more than 120 days. Exemption of the calculation of global impairment is given to credits whose delays in the payment correspond to accounts disputed with the customer whose nature is known and where all necessary documentation for collection is available, therefore, there is no uncertainty on recovering them. However, these accounts also have an impairment provision as follows: 40% for 91 to 120 days overdue, 80% between 120 and 170, and 100% for more than 170 days.

iii. Prepayment to suppliers

The Policy establishes that US$25,000 prepayments can only be granted to suppliers if its value is properly and fully provisioned. The Treasurer of each subsidiary must approve supplier warranties that the Company receives for prepayments before signing the respective service contract. In the case of domestic suppliers, a warranty ballot (or the instrument existing in the country) shall be required, in favor of Andina executable in the respective country, non-endorsable, payable on demand or upon presentation and its validity will depend on the term of the contract. In the case of foreign suppliers, a stand-by credit letter will be required which shall be issued by a first line bank; in the event that this document is not issued in the country where the transaction is done, a direct bank warranty will be required. Subsidiaries can define the best way of safeguarding the Company's assets for prepayments under US$25,000.

iv. Guarantees

In the case of Chile, we have insurance with Compañia de Seguros de Crédito Continental S.A. (AA rating -according to Fitch Chile and Humphreys rating agencies) covering the credit risk regarding trade debtors in Chile for 87% both for the existing as well as the expired debt, total amount of the trade debtors in Chile reached ThCh$63,683,603 A provision of ThCh$963,239 has been made for the portion of past due outstanding debt portfolio not covered by the insurance.

The rest of the operations do not have credit insurance, instead mortgage guarantees are required for volume operations of wholesalers and distributors in the case of trade accounts receivables. In the case of other debtors, different types of guarantees are required according to the nature of the credit granted.

Historically, uncollectible trade accounts have been lower than 0.5% of the Company's total sales.

b. Financial investments

The Company has a Policy that is applicable to all of the companies of the group in order to cover credit risks for financial investments, restricting both the types of instruments as well as the institutions and degree of concentration. The companies of the group can invest in:

a. Time deposits: only in banks or financial institutions that have a risk rating equal or higher than Level 1 (Fitch) or equiva lent for deposits of less than 1 year and rated A (S&P) or equivalent for deposits of more than 1 year.

b. Mutual funds: investments with immediate liquidity and no risk of capital (funds composed of investments at a fixed-term, current account, fixed rate Tit BCRA, negotiable obligations, Over Night, etc.) in all those counter-parties that have a rating greater than or equal to AA-(S&P) or equivalent, Type 1 Pacts and Mutual Funds, with AA+ rating (S&P) or equivalent.

c. Other investment alternatives must be evaluated and authorized by the office of the Chief Financial Officer.

Exchange Rate Risk

The company is exposed to three types of risk caused by exchange rate volatility:

a)Exposure of foreign investment: this risk originates from the translation of net investment from the functional currency of each country (Brazilian Real, Paraguayan Guaraní, and Argentine Peso) to the Parent Company's reporting currency (Chilean Peso). Appreciation or devaluation of the Chilean Peso with respect to each of the functional currencies of each country, originates decreases and increases in equity, respectively. The Company does not hedge this risk.

a.1 Investment in Argentina

As of December 31, 2016, the Company maintains a net investment of ThCh$1,447,999 in Argentina, composed by the recognition of assets amounting to ThCh$214,093,450 and liabilities amounting to Ch$132,645,451. These investments accounted for 29.0% of the Company's consolidated sales revenues.

As of December 31, 2016, the Argentine peso devalued 22.6% with respect to the Chilean peso.

During 2015 exchange restrictions existed in Argentina and until mid-December, there was a parallel foreign exchange market with a higher than the official exchange rate. With the arrival of the new Argentine Government, fixing exchange rate is lightened by increasing parity of the Argentine peso versus dollar at the close to values similar to those that kept the parallel market.

If the exchange rate of the Argentinean Peso devaluated an additional 5% with respect to the Chilean Peso, the Company would have lower income from the operation in Argentina of ThCh$1,687,219 and decrease in equity of ThCh$3,439,361, originated by lower asset recognition of ThCh$7,856,163 and by lower liabilities recognition of ThCh$4,416,802.

a.2 Investment in Brazil

As of December 31, 2016, the Company maintains a net investment of ThCh$265,915,377 in Brazil, composed by the recognition of assets amounting to ThCh$815,130,087 and liabilities amounting to ThCh$549,214,710. These investments accounted for 33.2% of the Company's consolidated sales revenues.

As of December 31, 2016, the Brazilian Real appreciated 12.9% with respect to the Chilean peso.

If the exchange rate of the Brazilian Real appreciated an additional 5% with respect to the Chilean Peso, the Company would have higher income from the operation in Brazil of ThCh$1,544,203 and increase in equity of ThCh$13,104,827, originated by higher asset recognition of ThCh$43,921,399 and by higher liabilities recognition of ThCh$30,816,572.

a.3 Investment in Paraguay

As of December 31, 2016, the Company maintains a net investment of ThCh$245,695,548 in Paraguay, composed by the recognition of assets amounting to ThCh$278,899,377 and liabilities amounting to ThCh$33,203,829. These investments accounted for 7.4% of the Company's consolidated sales revenues.

As of December 31, 2016, the Paraguayan Guarani devaluated 4.6% with respect to the Chilean peso.

If the exchange rate of the Paraguayan Guaraní devaluated an additional 5% with respect to the Chilean Peso, the Company would have lower income from the operations in Paraguay of ThCh$1,103,429 and a decrease in equity of ThCh$11,560,677 originated by lower asset recognition of ThCh$13,325,177 and lower liabilities recognition of ThCh$1,764,500.

b) Net exposure of assets and liabilities in foreign currency: dthe risk stems mostly from carrying liabilities in US dollar, so the volatility of the US dollar with respect to the functional currency of each country generates a variation in the valuation of these obligations, with consequent effect on results.

As of December 31, 2016, the Company maintains a net liability position totaling ThCh$348,701,380, basically composed of obligations with the public and bank liabilities for ThCh$401,775,008 offset partially by financial assets denominated in dollars for ThCh$53,073,628.

Of total financial liabilities denominated in US dollars, ThCh$12,017,942 come from debts taken by the Brazilian operation and are exposed to the volatility of the Brazilian Real against the US dollar. On the other ThCh$ 389,757,066 of US dollar liabilities correspond to Chilean operations, which are exposed to the volatility of the Chilean Peso against the US dollar.

In order to protect the Company from the effects on income resulting from the volatility of the Brazilian Real and the Chilean Peso against the U.S. dollar, the Company maintains derivative contracts (cross currency swaps) to cover almost 100% of US dollar-denominated financial liabilities.

By designating such contracts as hedging derivatives, the effects on income for variations in the Chilean Peso and the Brazilian Real against the US dollar, are mitigated annulling its exposure to exchange rates.

The Company's net exposure as of December 31, 2016 to foreign currency over existing assets and liabilities, discounting the derivatives contracts, is an asset position of ThCh$49,580,028.

c) Assets purchased or indexed to foreign currency exposure: this risk originates from purchases of raw materials and investments in property, plant and equipment, whose values are expressed in a currency other than the functional currency of the subsidiary. Changes in the value of costs or investments can be generated through time, depending on the volatility of the exchange rate.

Annual purchases of raw materials denominated or indexed in U.S. dollars, amounts to 19% of our cost of sales or approximately US$340 million.

In order to minimize this risk, the Company maintains a currency hedging policy stipulating that it is necessary to enter into foreign currency derivatives contracts to lessen the effect of the exchange rate over cash expenditures expressed in US dollars, corresponding mainly to payment to suppliers of raw materials in each of the operations. This policy stipulates a 12-month forward horizon. As of December 31, 2016, US$61.1 million for future purchases have been hedged-for the following 12 months.

According to the percentage of purchases of raw materials which are carried out or indexed to U.S. dollars, a possible change in the value of the US dollar by 5% in the four countries where the Company operates, and excluding derivatives contracts taken to mitigate the effect of currency volatility, keeping everything constant, would lead to a lower accumulated result amounting to ThCh$6,157,736 as of December 31, 2016. Currently, the Company has contracts to hedge this effect in Chile, Argentina and Brazil.

Commodities risk

The Company is subject to a risk of price fluctuations in the international markets mainly 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. The possible effects in these consolidated financial statements, in case of a 5% increase in prices of its main raw materials, would be a reduction of ThCh$9,146,930 in earnings for the period ended December 31, 2016. To minimize this risk or stabilize often supply contracts and anticipated purchases are made when market conditions warrant.

Liquidity risk

The products we sell are mainly paid for in cash and short-term credit; therefore, the Company´s 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 the Company operates; and (iii) public equity offerings.

The following table presents an analysis of the Company's committed maturities for liability payments throughout the coming years:

	Maturity				
Item	1 year ThCh$	More 1 year up to 2 ThCh$	More 2 years up to 3 ThCh$	More 3 years up to 4 ThCh$	More 4 years ThCh$
Bank debt	22,879,819	9,385,718	6,572,034	3,506,721	169,822
Bond payable	51,385,557	44,422,896	44,194,339	43,965,786	803,923,288
Operating lease obligations	11,508,146	5,818,408	4,127,417	26,150,476	886,191
Purchase obligations	190,795,088	56,772,247	8,212,547	371,998	317,189
Total	**276,568,610**	**116,399,269**	**63,106,337**	**73,994,981**	**805,296,490**

NOTE 23 – EXPENSES BY NATURE

Other expenses by nature are:

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Direct production costs	776,824,622	841,498,727
Payroll and employee benefits	288,293,137	296,611,242
Transportation and distribution	153,675,961	181,481,242
Marketing	39,981,813	43,676,871
Depreciation and amortization	97,334,452	100,632,332
Repairs and maintenance	34,511,508	33,732,510
Other expenses	173,168,224	164,164,860
Total	**1,563,789,717**	**1,661,797,784**

NOTE 24 – OTHER INCOME

Other income is detailed as follows:

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Gain on disposal of property, plant and equipment	318,771	233,255
PIS/CONFINS Leasing tax recovery	1,034,040	-
Others	408,088	238,314
Total	**1,760,899**	**471,569**

NOTE 25 – OTHER EXPENSES

Other expenses are detailed as follows:

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Contingencies and Non-operating fees	9,959,181	8,866,661
Tax on bank debits	7,006,261	8,219,046
Disposal and write-off of property, plant and equipment	4,800,278	3,979,594
Donations flood repairs and northern Chile	-	214,856
Others	999,447	702,891
Total	**22,765,167**	**21,983,048**

NOTE 26 – FINANCIAL INCOME AND EXPENSES

Financial income and expenses are detailed as follows:

a) Finance income

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Interest income	8,466,177	9,175,522
Other interest income	1,195,515	942,853
Total	**9,661,692**	**10,118,375**

b) Finance expenses

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Bond interest	41,652,154	42,096,039
Bank loan interest	3,990,853	8,115,445
Other interest costs	5,731,964	5,457,733
Total	**51,374,971**	**55,669,217**

NOTE 27 – OTHER (LOSSES) AND GAIN

Other (losses) and gains are detailed as follows:

Details	01.01.16 12.31.16 ThCh$	01.01.15 12.31.15 ThCh$
Gains (loss) on derivative transactions raw materials	(1,466)	(1,620,304)
(Losses) gains on ineffective portion of hedge derivatives (see note 20 b)	(3,378,484)	(4,698,187)
Other income and (expenses)	(7,427)	17,370
Total	**(3,387,377)**	**(6,301,121)**

NOTE 28 – LOCAL AND FOREIGN CURRENCY

Local and foreign currency balances as of December 31, 2016 and 2015 are the following:

Current Assets	12.31.2016 ThCh$	12.31.2015 ThCh$
Cash and cash equivalents	**141,263,880**	**129,160,939**
US$Dollars	53,073,628	13,598,302
Euros	4,926	1,859
Chilean pesos	48,891,546	35,545,272
Brazilian Real	26,072,201	43,215,795
Argentine Pesos	5,105,633	27,168,042
Paraguayan Guarani	8,115,946	9,631,669
Other financial assets	**60,152,627**	**87,491,931**
Unidad de Fomento	53,868,075	87,491,453
Brazilian Real	4,699,975	-
Argentine Pesos	1,584,577	478
Other non-financial assets	**8,601,209**	**8,686,156**
US$Dollars	37,052	37,370
Chilean pesos	5,830,276	4,883,158
Brazilian Real	1,773,583	2,157,877
Argentine Pesos	370,574	813,706
Paraguayan Guarani	589,724	794,045
Trade and other accounts receivable, net	**190,524,354**	**176,385,836**
US$Dollars	1,265,303	772,358
Euros	308,578	159,318
Unidad de Fomento	2,354,310	2,085,824
Chilean pesos	71,977,019	68,893,839
Brazilian Real	74,902,213	66,063,716
Argentine Pesos	33,859,436	31,780,221
Paraguayan Guarani	5,857,495	6,630,560
Accounts receivable from related companies	**5,788,683**	**4,610,500**
Chilean pesos	5,788,683	4,610,500
Inventory	**144,709,348**	**133,333,253**
US$Dollars	5,469,362	583,647
Euros	6,634	-
Chilean pesos	34,276,101	42,552,421
Brazilian Real	41,670,656	32,192,760
Argentine Pesos	51,163,685	45,200,226
Paraguayan Guarani	12,122,910	12,804,199

Current Assets	12,31,2016 ThCh$	12,31,2015 ThCh$
Current tax assets	**1,702,296**	**7,741,241**
Chilean pesos	-	5,562,239
Brazilian Real	1,702,296	2,179,002
Argentine Pesos	-	-
Total Current Assets	**552,742,397**	**547,409,856**
US$Dollars	59,845,345	14,991,677
Euros	320,138	161,177
Unidad de Fomento	56,222,385	89,577,277
Chilean pesos	166,763,625	162,047,429
Brazilian Real	150,820,924	145,809,150
Argentine Pesos	92,083,905	104,962,673
Paraguayan Guarani	26,686,075	29,860,473

Non-Current Assets	12.31.2016 ThCh$	12.31.2015 ThCh$
Other financial assets	**80,180,880**	**181,491,527**
Chilean pesos	16,697,871	41,335,207
Brazilian Real	63,483,009	140,156,320
Other non-financial assets	**35,246,823**	**18,289,901**
US$Dollars	-	36,890
Unidad de Fomento	269,333	253,553
Chilean pesos	188,472	950,370
Brazilian Real	32,660,854	14,115,166
Argentine Pesos	2,079,079	2,669,665
Paraguayan Guarani	49,085	264,257
Trade and other receivables	**3,527,732**	**5,931,999**
Unidad de Fomento	3,436,831	5,443,951
Chilean pesos	7,021	389,439
Argentine Pesos	5,425	3,196
Paraguayan Guarani	78,455	95,413
Accounts receivable from related parties	**147,682**	**14,732**
Chilean pesos	147,682	14,732
Investments accounted for under the equity method	**77,197,781**	**54,190,546**
Chilean pesos	23,854,602	17,793,783
Brazilian Real	53,343,179	36,396,763
Intangible assets other than goodwill	**680,996,062**	**665,666,655**
Chilean pesos	306,067,525	306,346,125
Brazilian Real	208,399,580	184,337,841
Argentine Pesos	1,233,441	1,678,095
Paraguayan Guarani	165,295,516	173,304,594
Goodwill	**102,919,505**	**95,835,936**
Chilean pesos	9,523,767	9,523,768
Brazilian Real	80,125,090	70,940,216
Argentine Pesos	5,972,515	7,720,202
Paraguayan Guarani	7,298,133	7,651,750
Property, plant and equipment	**666,150,885**	**640,529,872**
US$Dollars	1,038,400	213,046
Euros	5,787,857	14,889
Chilean pesos	277,939,125	286,554,400
Brazilian Real	221,111,732	185,976,882
Argentine Pesos	89,379,062	89,728,516
Paraguayan Guarani	70,894,709	78,042,139

Non-Current Assets	12.31.2016 ThCh$	12.31.2015 ThCh$
Total Non-Current Assets	**1,646,367,350**	**1,661,951,168**
US$Dollars	1,038,400	249,936
Euros	5,787,857	14,889
Unidad de Fomento	3,706,164	5,697,504
Chilean pesos	634,426,065	662,907,824
Brazilian Real	659,123,444	631,923,188
Argentine Pesos	98,669,522	101,799,674
Paraguayan Guarani	243,615,898	259,358,153

Current Liabilities	As of December 31, 2016 Until 90 days ThCh$	More 90 days until 1 year ThCh$	Total ThCh$	As of December 31, 2015 Until 90 days ThCh$	More 90 days until 1 year ThCh$	Total ThCh$
Other financial liabilities	**12,287,632**	**52,512,938**	**64,800,570**	**10,462,227**	**51,755,461**	**62,217,688**
US$Dollars	24,684	18,038,219	18,062,903	23,237	17,290,210	17,313,447
Unidad de Fomento	10,035,543	12,637,744	22,673,287	6,656,770	8,779,270	15,436,040
Chilean peso	-	9,148,589	9,148,589	-	8,517,730	8,517,730
Brazilian real	1,816,540	10,358,970	12,175,562	2,762,291	9,698,687	12,460,978
Argentine peso	410,865	1,590,238	2,001,103	1,019,929	6,880,534	7,900,463
Paraguayan guarani	-	739,178	739,178	-	589,030	589,030
Trade and other accounts payable	**240,350,658**	**2,485,698**	**242,836,356**	**212,481,849**	**44,519**	**212,526,368**
US$Dollars	8,331,196	-	8,331,196	6,375,519	-	6,375,519
Euros	4,958,363	-	4,958,363	3,095,017	-	3,095,017
Unidad de Fomento	8,312,403	-	8,312,403	60,256	-	60,256
Chilean peso	68,190,344	2,466,116	70,656,460	67,973,784	-	67,973,784
Brazilian real	58,354,740	-	58,354,740	49,371,155	-	49,371,155
Argentine peso	85,051,314	19,582	85,070,896	77,976,299	44,519	78,020,818
Paraguayan guarani	7,152,298	-	7,152,298	7,629,819	-	7,629,819
Trade and other accounts payable to related companies	**44,120,335**	**-**	**44,120,335**	**46,349,316**	**2,303,511**	**48,652,827**
US$Dollars	-	-	-	5,689,731	2,303,511	7,993,242
Chilean peso	12,927,085	-	12,927,085	18,331,259	-	18,331,259
Brazilian real	20,917,319	-	20,917,319	16,806,693	-	16,806,693
Argentine peso	10,275,931	-	10,275,931	5,521,633	-	5,521,633
Provisions	**622,993**	**59,785**	**682,778**	**263,411**	**62,682**	**326,093**
Chilean peso	622,993	-	622,993	263,411	-	263,411
Paraguayan guarani	-	59,785	59,785	-	62,682	62,682
Income taxes payable	**-**	**10,828,593**	**10,828,593**	**-**	**7,494,832**	**7,494,832**
Chilean peso	-	2,785,425	2,785,425	-	-	-
Argentine peso	-	7,613,012	7,613,012	-	7,312,031	7,312,031
Paraguayan guaraní	-	430,156	430,156	-	182,801	182,801
Employee benefits current provisions	**-**	**35,653,431**	**35,653,431**	**-**	**31,790,759**	**31,790,759**
Chilean peso	-	6,177,733	6,177,733	-	5,709,834	5,709,834
Brazilian real	-	17,117,494	17,117,494	-	13,908,362	13,908,362
Argentine peso	-	11,640,535	11,640,535	-	11,505,671	11,505,671
Paraguayan guarani	-	717,669	717,669	-	666,892	666,892
Other non-financial liabilities	**1,705,768**	**18,907,023**	**20,612,791**	**-**	**17,565,643**	**17,565,643**
Unidad de Fomento	204,724	-	204,724	-	-	-
Chilean peso	1,198,755	18,729,079	19,927,834	-	17,446,738	17,446,738
Argentine peso	302,289	-	302,289	-	4,097	4,097
Paraguayan guarani	-	177,944	177,944	-	114,808	114,808

Current Liabilities	As of December 31, 2016			As of December 31, 2015		
	Until 90 days ThCh$	More 90 days until 1 year ThCh$	Total ThCh$	Until 90 days ThCh$	More 90 days until 1 year ThCh$	Total ThCh$
Total current liabilities	**299,087,386**	**120,447,468**	**419,534,854**	**269,556,803**	**111,017,407**	**380,574,210**
US$Dollars	8,355,880	18,038,019	26,394,099	12,088,487	19,593,721	31,682,208
Euros	4,958,363	-	4,958,363	3,095,017	-	3,095,017
Unidad de Fomento	18,552,670	12,637,744	31,190,414	6,717,026	8,779,270	15,496,296
Chilean peso	82,939,177	39,306,942	122,246,119	86,568,454	31,674,302	118,242,756
Brazilian real	81,088,599	27,476,464	108,565,063	68,940,139	23,607,049	92,547,188
Argentine peso	96,040,399	20,863,367	116,903,766	84,517,861	25,746,852	110,264,713
Paraguayan guarani	7,152,298	2,124,732	9,277,030	7,629,819	1,616,213	9,246,032

	As of December 31, 2016				As of December 31, 2015			
Non-Current Liabilities	More than 1 until 3 years ThCh$	More than 3 years until 5 years ThCh$	More than 5 years ThCh$	Total ThCh$	More than 1 until 3 years ThCh$	More than 3 years until 5 years ThCh$	More than 5 years ThCh$	Total ThCh$
Other financial liabilities	**45,118,483**	**30,672,918**	**645,779,186**	**721,570,587**	**60,634,069**	**36,078,613**	**668,586,662**	**765,299,344**
US$ Dollars	-	-	379,760,266	379,760,266	13,169,505	-	402,719,166	415,888,671
Unidad de Fomento	25,399,983	23,132,311	258,325,173	306,857,467	31,185,811	24,633,712	261,009,231	316,828,754
Brazilian real	19,361,706	7,540,607	7,693,747	34,596,060	16,183,222	11,444,901	4,858,265	32,486,388
Argentine peso	356,794	-	-	356,794	95,531	-	-	95,531
Trade and other payables	**9,509,827**	**-**	**-**	**9,509,827**	**9,303,224**	**-**	**-**	**9,303,224**
US$ Dollars	1,200,187	-	-	1,200,187	1,460,394	-	-	1,460,394
Unidad de Fomento	8,003,199	-	-	8,003,199	7,819,135	-	-	7,819,135
Chilean peso	304,124	-	-	304,124	-	-	-	-
Argentine peso	2,317	-	-	2,317	23,695	-	-	23,695
Provisions	**72,399,115**	**-**	**-**	**72,399,115**	**63,975,724**	**-**	**-**	**63,975,724**
Brazilian real	71,115,841	-	-	71,115,841	62,508,137	-	-	62,508,137
Argentine peso	1,283,274	-	-	1,283,274	1,467,587	-	-	1,467,587
Deferred income tax liabilities	**13,035,795**	**14,627,908**	**97,945,099**	**125,608,802**	**16,951,042**	**15,726,891**	**97,523,768**	**130,201,701**
Chilean peso	-	-	97,945,099	97,945,099	-	-	97,523,768	97,523,768
Brazilian real	16,659,246	-	-	16,659,246	17,930,877	-	-	17,930,877
Argentine peso	(3,623,451)	-	-	(3,623,451)	(979,835)	-	-	(979,835)
Paraguayan guarani	-	14,627,908	-	14,627,908	-	15,726,891	-	15,726,891
Post-employment benefit liabilities	**364,502**	**-**	**7,793,243**	**8,157,745**	**213,835**	**-**	**8,016,195**	**8,230,030**
Chilean peso	181,257	-	7,793,243	7,974,500	-	-	8,016,195	8,016,195
Paraguayan guarani	183,245	-	-	183,245	213,835	-	-	213,835
Other non-financial liabilities	**158,790**	**-**	**-**	**158,790**	**242,491**	**-**	**-**	**242,491**
Brazilian real	158,790	-	-	158,790	242,491	-	-	242,491
Total non-current liabilities	**140,586,512**	**45,300,826**	**751,517,528**	**937,404,866**	**151,320,385**	**51,805,504**	**774,126,625**	**977,252,514**
US$ Dollars	1,200,187	-	379,760,266	380,960,453	14,629,899	-	402,719,166	417,349,065
Unidad de Fomento	33,403,182	23,132,311	258,325,173	314,860,666	39,004,946	24,633,712	261,009,231	324,647,889
Chilean peso	485,381	-	105,738,342	106,223,723	-	-	105,539,963	105,539,963
Brazilian real	107,295,583	7,540,607	7,693,747	122,529,937	96,864,727	11,444,901	4,858,265	113,167,893
Argentine peso	(1,981,066)	-	-	(1,981,066)	606,978	-	-	606,978
Paraguayan guarani	183,245	14,627,908	-	14,811,153	213,835	15,726,891	-	15,940,726

NOTE 29 – THE ENVIRONMENT (UNAUDITED)

The Company has made disbursements totaling ThCh$1,532,451 for improvements in industrial processes, equipment to measure industrial waste flows, laboratory analysis, consulting on environmental impacts and others.

These disbursements by country are detailed as follows:

Country	Period ended 2016		Future commitments	
	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$	To be Recorded as expenses ThCh$	To be capitalized to property, plant and equipment ThCh$
Chile	386,479	-	-	-
Argentina	477,425	-	196,025	-
Brazil	204,832	138,288	135,440	72,220
Paraguay	52,994	272,433	-	-
Total	**1,121,730**	**410,721**	**331,465**	**72,220**

NOTE 30 - AUDITORS' FEES

Details of the fees paid to the external auditors are as follows:

Description	2016 ThCh$	2015 ThCh$
Remuneration of the Auditor for auditing services	845,770	986,827

NOTE 31 – SUBSEQUENT EVENTS

There are no subsequent events that may significantly affect the Company's consolidated financial position.

INDEPENDENT AUDITOR'S REPORT
(A free translation form the original prepared in Spanish)

Santiago, February 28, 2017

To the Shareholders and Directors
Embotelladora Andina S.A.

We have audited the accompanying consolidated financial statements of Embotelladora Andina S.A. and its subsidiaries, which include the consolidated statements of financial position as of December 31, 2016 and 2015, the consolidated statements of income, comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of relevant internal control to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

PwC Chile, Av. Andrés Bello 2711 - piso 5, Las Condes – Santiago, Chile
RUT: 81.513.400-1 | Teléfono: (56 2) 2940 0000 | www.pwc.cl

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Embotelladora Andina S.A. and its subsidiaries as of December 31, 2016 and 2015, the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Sergio Tubio L.
ID: 21.175.581-4

PricewaterhouseCoopers

MATERIAL EVENTS

Material events for the period between January 1 and December 31, 2016

1) That during a regular session held today, the Board of Directors of Embotelladora Andina S.A. agreed to incorporate a closed joint-stock company called Coca-Cola Del Valle New Ventures S.A. ("Coca-Cola Del Valle").

The capital of Coca-Cola Del Valle will be Ch$10,000,000.- 35% of which will be contributed by Embotelladora Andina S.A., 15% by Embonor S.A. and 50% by Coca-Cola de Chile S.A.

The main corporate purpose of Coca-Cola Del Valle will be the development and production of juices, waters and non-carbonated beverages under brands owned by The Coca-Cola Company, that Andina and Coca-Cola Embonor S.A. are authorized to commercialize and distribute in their respective franchise territories.

2) Pursuant to article 37 of Law 18,046, the Chairman of the Board of Directors, was notified on January 28, 2016, of the resignation of the director Mr. Ricardo Vontobel. Such resignation is due to personal reasons, and will be effective start ing today.

As agreed during the Company's Board of Directors' session held on this date, the designation of his replacement will be carried out by the shareholders of the Company at the next General Shareholders' Meeting to be held on April 21, 2016.

3) The following resolutions were adopted at the General Shareholders' Meeting held on April 21, 2016, among others:

a) The approval of the Annual Report, Statements of Financial Position and Financial Statements for the year 2015; as well as the Report of Independent Auditors with respect to the previously mentioned Financial Statements;

b) The approval of earnings distribution and dividend payments;

c) The approval of Company dividend distribution policy and the distribution and payment procedures utilized;

d) To revoke and renew the Board of Directors in its entirety, being composed by the following members:

SERIES A:	SERIES B:
Franz Aschler	Georges de Bourguignon Arndt
Juan Claro González	Mariano Rossi
Eduardo Chadwick Claro	
Francisco Crespo	
José De Gregorio Rebeco	
Juan Andrés Fontaine Talavera	
José Antonio Garcés Silva	
Arturo Majlis Albala	
Gonzalo Parot Palma. Independiente	
Gonzalo Said Handal	
Salvador Said Somavía	
Susana Tonda Mitri	

e) The approval of compensation for Directors and members of the Directors' Committee pursuant to Chilean Corporate Law and members of the Audit Committee established pursuant to the Sarbanes-Oxley Act; their annual report and ex penses incurred by both Committees;

f) The appointment of PriceWaterhouseCoopers as the Company's independent auditors for the year 2016;

g) The appointment of Fitch Ratings and ICR as the Company's local rating agencies and Fitch Rating and Standard & Poors as the Company's international rating agencies, for the year 2016;

h) The approval of the report on Board agreements in accordance with articles 146 and forward of Chilean Corporate Law, regarding operations that took place after the last General Shareholders' Meeting; and,

i) The appointment of El Mercurio from Santiago, as the newspaper where Company notices and shareholders' meetings announcements should be published.

Regarding letter b above, the Shareholders' Meeting approved payment of a Final Dividend on account of 2015 Fiscal Year and an Additional dividend on account of retained earnings in the following amounts:

Final Dividend
Ch$17.0 (seventeen point zero Chilean pesos) per each Series A Shares; and Ch$18.7 (eighteen point seven Chilean pesos) per each Series B Shares.
Payment of this final dividend will be available beginning May 27, 2016. The Shareholders' Registry will close on the fifth business day prior to payment date.

Additional Dividend
Ch$17.0 (seventeen point zero Chilean pesos) per each Series A Shares; and Ch$18.7 (eighteen point seven Chilean pesos) per each Series B Shares.
Payment of this final dividend will be available beginning August 26, 2016. The Shareholders' Registry will close on the fifth busi-ness day prior to payment date.

4) As authorized by the Regular Shareholders' Meeting held April 21, 2016, the Board of Directors during session held Sep tember 27, 2016, agreed to distribute the following amounts as interim dividend:

a) Ch$17.0 (seventeen point zero Chilean pesos) per Series A share; and

b) Ch$18.7 (eighteen point seven Chilean pesos) per Series B share.

This dividend will be paid on account of income from the 2016 fiscal year, and will be available to shareholders begin ning October 27, 2016. The Shareholders' Registry will close on the fifth business day prior to that date, for payment of this dividend.

5) During Board session held September 27, Embotelladora Andina S.A.'s Board of Directors accepted the resignation ten dered by Mr. Franz Alscher as Company Director. His resignation was due to personal reasons and became effective beginning that date. Given the foregoing and according to dispositions of Article 71 of Chilean Company Law, the Board of Directors appointed Mr. Enrique Oscar Rapetti as his successor.

6) As authorized by the Regular Shareholders' Meeting held April 21, 2016, the Board in its meeting held December 22, 2016, resolved to distribute the following amounts as interim dividend:

a) $19.00 (nineteen pesos) per Series A share; and,

b) $20.90 (twenty pesos and ninety cents) per Series B share.

This dividend will be paid on account of income from the 2016 fiscal year, and will be available to shareholders beginning January 26, 2017. The Shareholders' Registry will close on the fifth working day prior to such date.

EMBOTELLADORA ANDINA S.A.

Analysis of the Results of the Consolidated Financial Statements

ENDED DECEMBER 31, 2016

Figures included in this analysis are set according to IFRS, in nominal Chilean Pesos. All variations are calculated regarding the same quarter of the previous year or the full year 2015, accordingly. For a better understanding of the analysis per country, we include quarterly and accumulated figures in nominal local currency.

Consolidated Sales Volume for the quarter was 218.0 million unit cases, decreasing 6.7% when compared to the same quarter of the previous year. Accumulated Sales Volume reached 779.0 million unit cases, representing a 5.0% decrease when compared to last year.

Consolidated Net Sales for the quarter amounted to Ch$519,111 million, decreasing 2.2% when compared to the same quarter of the previous year. Consolidated Accumulated Net Sales reached Ch$1,777,459 million, representing a 5.3% decrease when compared to last year.

Consolidated Operating Income1 for the quarter reached Ch$72,654 million, representing a 3.1% increase when compared to the same quarter of the previous year. Accumulated Operating Income reached Ch$213,670 million, decreasing 0.9% when compared to last year.

Consolidated EBITDA2 increased 3.1% when compared to the same quarter of the previous year, reaching Ch$98,429 million during the quarter. EBITDA margin reached 19.0%, expanding 97 basis points. Consolidated Accumulated EBITDA reached Ch$311,004 million, representing a 1.7% decrease when compared to last year. Accumulated EBITDA Margin reached 17.5%, an expansion of 65 basis points.

Net Income attributable to equity holders of the parent for the quarter reached Ch$36,379 million, representing a 20.5% increase when compared to the same quarter of the previous year. Net margin reached 7.0%, expanding 130 basis points. Accumulated Net Income reached Ch$90,526 million, increasing 3.0% when compared to last year. Accumulated Net Margin reached 5.1%.

Comment by Mr. Miguel Ángel Peirano, Chief Executive Officer

"We ended the fourth quarter of the year with EBITDA and Net Income growths and margin expansions resulting from the focus we have placed on the strict control over costs and expenses and a very detailed management of the price and packaging strategy. This was achieved despite the fact that the macroeconomic situation of the countries in which we operate remains weak, particularly in the case of Brazil. We are confident that the execution at the point of sale, in an environment such as this is a priority for the proper development of our business. The availability of the right portfolio of products and packaging for each of our consumers at each point of sale, have been key in achieving our results.

On the other hand, the permanent commitment to our investors, as well as the company's Corporate Governance standards, along with the sustainable development of our business, among other awards received, led us to be recognized as the ALAS 2016 Company in Chile during the month of November. This award is given to companies that demonstrate leadership, consistency, and excellence in the public disclosure of information regarding their investor relations, sustainable development, and corporate governance practices. Annually, only one company per country is worthy of this distinction. We are very proud of having received these awards that undoubtedly show that we are on the right path. We are convinced that the work of all of our collaborators is what has placed us a benchmark in each one of these important pillars and we will keep on working to continue generating shared value".

1: Operating Income considers Revenue, Cost of Sales, Distribution Costs, and Administrative Expenses included in the Financial Statements filed with the Chilean Superintendence of Securities and Insurance and determined in accordance to IFRS.

2: EBITDA: Operating Income + Depreciation

CONSOLIDATED SUMMARY

All figures included in this analysis are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2015 are in nominal terms. On average during the quarter, the Argentine Peso and the Paraguayan Guaraní depreciated against the U.S. Dollar by 51.8 and 0.5% respectively, while the Brazilian Real and the Chilean Peso appreciated by 14.3% and 4.6%, respectively. The Argentine Peso and the Paraguayan Guaraní depreciated against the Chilean Peso by 37.2% and 5.1% respectively generating a negative accounting impact due to the conversion of figures. On the other hand, the Brazilian Real appreciated by 11.3% regarding the Chilean Peso, generating a positive accounting effect upon conversion of figures. On average during the year the Argentine Peso, the Brazilian Real, the Chilean Peso and the Paraguayan Guaraní depreciated against the U.S. Dollar by 59.5%, 4.8%, 3.4% and 8.9% respectively. The Argentine Peso, the Brazilian Real and the Paraguayan Guaraní depreciated against the Chilean Peso by 35.2%, 1.3% and 5.0% respectively. This generated a negative accounting impact due to the conversion of figures.

4th Quarter 2016 vs. 4th Quarter 2015

Consolidated Sales Volume for the quarter reached 218.0 million unit cases, representing a 6.7% decrease with respect to the same period of 2015, explained by volume decreases in Argentina and Brazil, which were not able to be offset by the growth of our operations in Chile and Paraguay. Our Sales Volumes were affected by macroeconomic factors which are negatively impacting the economies of the countries where we operate having an effect over consumption, especially in Brazil and Argentina.

Consolidated Net Sales reached Ch$519,111 million, a 2.2% decrease, mainly explained by the aforementioned decrease in volumes. This was partially offset by price increases in all of the franchises where we operate.

Consolidated Cost of Sales decreased 3.4%, which is mainly explained by (i) lower sales volumes, and (ii) a lower cost in U.S. dollars of dollarized raw materials. This was partially offset by (i) increased sales, having a direct incidence over concentrate costs, (ii) currency devaluations, particularly in Argentina, and (iii) higher labor costs in Argentina and Paraguay.

Consolidated Distribution Costs and Administrative Expenses decreased 2.3% which is mainly explained by the effect of translation of figures from our subsidiary in Argentina and Paraguay. This was partially offset by (i) local inflations, particularly in Argentina, affecting most of these expenses, particularly labor costs, (ii) greater marketing expenses in Chile, and (iii) greater freights in Chile and Paraguay.

The foregoing mentioned impacts, led to a Consolidated Operating Income of Ch$72,654 million, a 3.1% growth. Operating Margin was 14.0%.

Consolidated EBITDA amounted to Ch$98,429 million, a 3.1% growth. EBITDA Margin was 19.0%.

Net Income for the quarter was Ch$36,379 million, a 20.5% growth and net margin reached 7.0%.

Full Year ended December 31, 2016 vs. Full Year ended December 31, 2015

Consolidated Sales Volume reached 779.0 million unit cases, representing a 5.0% decrease with respect to the same period of 2015, mainly explained by the volume contractions of the franchises in Brazil and Argentina. Consolidated Net Sales reached Ch$1,777,459 million, a 5.3% decrease.

Consolidated Cost of Sales decreased 6.6%, which is mainly explained by (i) the effect of translation of figures from our subsidiaries in Argentina, Brazil and Paraguay, (ii) lower sales volumes, and (iii) lower cost of dollarized raw materials. This was partially offset by (i) increased sales having a direct incidence over concentrate costs, (ii) devaluations of local currency, and (iii) higher labor costs.

Consolidated Distribution Costs and Administrative Expenses decreased 4.8% mainly explained by the effect of translation of figures from our subsidiaries in Argentina, Brazil and Paraguay. This was partially offset by (i) local inflations, particularly in Argentina, affecting most of these expenses, specifically labor costs, (ii) greater freight expenses in Chile, (iii) greater depreciation charges in Brazil, and (iv) greater marketing expenses in Chile and Paraguay.

The foregoing mentioned impacts, led to a Consolidated Operating Income of Ch$213,670 million, a 0.9% decrease. Operating Margin was 12.0%.

Consolidated EBITDA amounted to Ch$311,004 million, dropping 1.7%. EBITDA Margin was 17.5%.

Net Income was Ch$90,526 million and net margin reached 5.1%.

SUMMARY BY COUNTRY: ARGENTINA

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2015 are in nominal terms. On average during the quarter, the Argentine Peso depreciated against the US Dollar by 51.8%, which has a negative effect over our dollarized costs. With respect to the Chilean peso it depreciated by 37.2% generating a negative accounting impact on the conversion of figures upon consolidation. On average during the year the Argentine Peso depreciated against the U.S. Dollar by 59.5% which has a negative effect over our dollarized costs. With respect to the Chilean peso, it depreciated by 35.2%, therefore generating a negative accounting impact on the conversion of figures upon consolidation. For a better understanding of Argentine Operations, we include figures in local nominal currency.

4th Quarter 2016 vs. 4th Quarter 2015

Sales Volume for the quarter decreased 6.8%, reaching 62.6 million unit cases, explained by a contraction in the soft drinks category, which was not offset by the growth of the other categories. During the quarter volumes were negatively impacted by macroeconomic factors and a decrease in real salaries of our consumers. Our soft drinks market share reached 61.8 points, decreasing 80 basis points with respect to same period of the previous year, but however is 50 basis points higher than the third quarter.

Net Sales reached Ch$158,038 million a 16.0% decrease, explained by the already mentioned drop in volumes, as well as by the negative impact of the depreciation of local currency regarding the reporting currency upon consolidation of figures. In local currency, Net Sales increased 33.2% explained by the implementation of price increases and partially offset by the decrease in sales volume.

Cost of Sales decreased 15.3%, mainly explained by the effect upon translation of figures. In local currency they increased 34.5% explained in part by (i) increased revenue, which has a direct incidence over concentrate costs, (ii) increased labor costs, mainly resulting from high local inflation, and (iii) the devaluation effect of the Argentine Peso over our costs expressed in US Dollars. This was partially offset by (i) lower costs resulting from decreased sales volume and (ii) the lower costs in U.S. dollars of dollarized raw materials.

Distribution Costs and Administrative Expenses decreased 19.6% in the reporting currency. In local currency, these expenses increased 27.5%, mainly explained by the effect of local inflation upon expenses such as labor, freights and services provided by third parties, which was partially offset by a lower marketing expense.

The foregoing effects led to an Operating Income of Ch$18,476 million, an 8.0% decrease. Operating Margin was 11.7%. In local currency Operating Income increased 45.7%.

EBITDA amounted to Ch$22,646 million, reflecting an 11.2% decrease. EBITDA Margin was 14.3%. On the other hand, in local currency, EBITDA grew 40.9%.

Full Year ended December 31, 2016 vs. Full Year ended December 31, 2015

Sales Volume reached 218.7 million unit cases, decreasing 6.6%. Net Sales reached Ch$517,059 million, a 17.6% decrease, explained by the already mentioned drop in volumes and by the negative impact of the depreciation of local currency with respect to the reporting currency upon consolidation of figures. In local currency, Net Sales increased 27.4%, which was explained by the implementation of price increases and partially offset by the drop in volumes.

Cost of Sales decreased 20.5%, which is mainly explained by the effect of translation of figures. In local currency they increased by 23.1%, which in part is explained by (i) increased revenue which has a direct incidence on the cost of concentrate, (ii) increased labor costs, mainly resulting from high local inflation, and (iii) the effect of the devaluation of the Argentine peso on dollarized costs. This was partially offset by (i) lower costs resulting from decreased sales volume and (ii) the lower cost in U.S. dollars of dollarized raw materials.

Distribution Costs and Administrative Expenses decreased 16.0% in the reporting currency. In local currency they increased 29.8% which is mainly explained by the effect of local inflation in expenses such as labor, freight and services provided by third parties.

The foregoing mentioned impacts, led to an Operating Income of Ch$54,857 million, a 6.2% decrease. Operating Margin was 10.6%. In local currency Operating Income increased 44.5%.

EBITDA amounted to Ch$71,302 million, a 10.5% reduction. EBITDA Margin was 13.8%. On the other hand EBITDA in local currency grew 38.1%.

SUMMARY BY COUNTRY: BRAZIL

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2015 are in nominal terms. On average during the quarter, the Brazilian Real appreciated by 14.3% against the US Dollar, having a direct positive impact over our dollarized costs. Regarding the Chilean Peso it appreciated by 11.3%, having a positive accounting impact on the conversion of figures upon consolidation. On average during the year the Brazilian Real depreciated against the U.S. Dollar by 4.8%, which has a direct negative impact on our dollarized costs. With respect to the Chilean peso, it depreciated by 1.3%, therefore having a slight negative accounting impact on the conversion of figures upon consolidation. For a better understanding of Brazilian Operations, we include figures in local nominal currency.

4th Quarter 2016 vs. 4th Quarter 2015

ElSales Volume during the quarter reached 69,9 million unit cases, a 17.2% decrease, explained by volume contractions in all categories where we participate Volumes during the quarter continue to be influenced by macroeconomic factors and low consumer trust levels affecting consumption. Soft drinks market share in our franchises in Brazil reached 63.2 points, decreasing 20 basis points regarding the same period of the previous year, which however is 40 basis point higher than the third quarter.

Net Sales reached Ch$165,429 million, a 2.9% increase, mainly explained by the already mentioned effect upon translation of figures. In local currency, Net Sales decreased 7.5%, explained by the reduction in sales volume that was not able to be offset by the implementation of price increases.

Cost of Sales decreased 2.7% mainly explained by the effect upon translation of figures. In local currency they decreased 12.6% which is mainly explained by (i) lower volumes sold, (ii) a lower cost in U.S. dollars of dollarized raw materials, (iii) lower labor costs, partially explained by the shutdown of the Vitoria plant, and (iv) the positive effect over dollarized costs of the appreciation of the Brazilian real against the U.S. dollar. These effects were partially offset by (i) a greater cost of concentrate given the implementation of price increases, and (ii) greater costs of other beverages.

Distribution Costs and Administrative Expenses increased 11.1% in the reporting currency. In local currency, they did not vary, which in part is explained by (i) lower freight expenses resulting from the lower volume sold, which was offset by greater labor costs.

The aforementioned effects led to an Operating Income of Ch$22,606 million, a 15.0% growth. Operating Margin was 13.7%. In local currency, Operating Income increased 3.8%.

EBITDA amounted to Ch$29,138 million, a 12.7% growth with respect to the previous year. EBITDA Margin was 17.6%. In local currency EBITDA increased 1.5%.

Full Year ended December 31, 2016 vs. Full Year ended December 31, 2015

Sales Volume reached 266.1 million unit cases, decreasing 8.4%. Net Sales reached Ch$590,146 million, a 2.8% decrease explained by the negative impact of the depreciation of local currency with respect to the reporting currency upon consolidation of figures. In local currency, Net Sales decreased by 0.7% regarding the same period of the previous year, explained by the already mentioned decrease in volumes that was not able to be offset by the implementation of price increases.

Cost of Sales decreased 2.7%, which is mainly explained by the effect of translation of figures. In local currency they decreased by 0.9%, which is mainly explained by (i) lower volume sold, (ii) lower costs in U.S. dollars of dollarized raw materials, and (iii) lower labor costs, partially explained by the shutdown of the Vitoria plant. These effects were partially offset by (i) greater concentrate costs resulting from the implementation of price increases, (ii) the devaluation effect of the Brazilian Real over our dollarized costs and (iii) greater cost of other beverages, particularly driven by a greater consumption of water.

Distribution Costs and Administrative Expenses decreased 1.4% in the reporting currency. In local currency they increased 0.4% which in part is explained by (i) higher labor costs and (ii) greater depreciation charges, which were partially offset by lower distribution costs given the internalization of the production fleet and lower sales volume.

The foregoing mentioned impacts, led to an Operating Income of Ch$71,290 million, a 6.1% decline. Operating Margin was 12.1%. In local currency, Operating Income decreased 2.3%.

EBITDA reached Ch$96,957 million, a 5.4% decrease regarding the previous year. EBITDA Margin was 16.4%. In local currency EBITDA decreased 2.1%.

SUMMARY BY COUNTRY: CHILE

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2015 are in nominal terms. On average during the quarter, the Chilean Peso appreciated by 4.6% against the US Dollar, which has a positive impact over our dollarized costs. On average during the year the Chilean peso depreciated against the U.S. Dollar by 3.4% which has a negative impact over our dollarized costs.

4th Quarter 2016 vs. 4th Quarter 2015

During the quarter, Sales Volume reached 67.7 million unit cases, representing a 4.0% increase, explained by a growth in all categories where we participate. On the other hand, volume market share for soft drinks, compared to the same quarter of the previous year, dropped 110 basis points reaching 67.9 points, which is mainly explained by promotional activities implemented by our competitors, focused on future consumption, particularly in the supermarket channel.

Net Sales reached Ch$159,251 million, a 9.1% increase, explained by the increase in average prices and the aforementioned volume growth.

Cost of Sales increased by 9.1%, mainly explained by (i) the shift in the mix from soft drinks to water, juices and others, and (ii) higher depreciation charges. This was partially offset by the lower cost in U.S. Dollars of our dollarized raw materials, mainly sugar and PET.

Distribution Costs and Administrative Expenses increased 12.0%, which is mainly explained by the effect of other operating income classified in this item, and that were substantially higher than the fourth quarter of 2015. Isolating this effect SG&As would have increased 5.2% in local currency, which is mainly explained by (i) greater distribution freight expenses and (ii) greater marketing expenses. This was partially offset by lower haulage freights.

The aforementioned effects led to an Operating Income of Ch$25,429 million, 4.6% higher when compared to the previous year. Operating Margin was 16.0%.

EBITDA reached Ch$37,781 million, a 9.5% growth. EBITDA Margin was 23.7%.

Full Year ended December 31, 2016 vs. Full Year ended December 31, 2015

Sales Volume reached 232,2 million unit cases, representing a 0.7% decrease, explained by the sales volume reduction in the soft drinks category that was partially offset by the growth of the juices and water category. Net Sales reached Ch$540,427 million, reflecting a 5.0% growth, explained by an increase in average prices that was partially offset by the aforementioned volume decrease.

Cost of Sales increased 3.2%, which is mainly explained by (i) higher concentrate costs resulting from the implementation of price increases, (ii) the depreciation of the Chilean peso which has a negative impact over dollarized costs, and (iii) the shift in the mix from soft drinks to water, juices and others. This was partially offset by the lower cost in U.S. Dollars of our dollarized raw materials, mainly sugar and PET.

Distribution Costs and Administrative Expenses increased 7.1% which is mainly explained by (i) greater marketing expenses, (ii) greater labor costs and (iii) greater distribution freights, which were partially offset by lower haulage freights.

The foregoing mentioned impacts, led to an Operating Income of Ch$68,879 million, 9.2% higher when compared to the previous year. Operating Margin was 12.7%.

EBITDA amounted to Ch$112,499 million, increasing 9.1%. EBITDA Margin was 20.8%.

SUMMARY BY COUNTRY: PARAGUAY

The following figures are set according to IFRS, in nominal Chilean Pesos. All 2015 variations are nominal. On average during the quarter, the Paraguayan Guaraní depreciated by 0.5% with respect to the U.S. Dollar, which has a slightly negative impact over our costs expressed in U.S. Dollars. Regarding the Chilean Peso it depreciated by 5.1%, generating a negative accounting impact on the conversion of figures upon consolidation. On average during the year, the Paraguayan Guaraní depreciated by 8.9% against the U.S. Dollar which has a negative effect over our costs expressed in U.S. Dollars. Regarding the Chilean Peso it depreciated by 5.0%, originating a negative accounting impact on the conversion of figures upon consolidation. For a better understanding of Paraguayan Operations, we include figures in local nominal currency.

4th Quarter 2016 vs. 4th Quarter 2015

Sales Volume during the quarter reached 17.9 million unit cases, a 4.4% growth, explained by the growth in sales volumes of all the categories in which we participate. Our volume market share for soft drinks* reached 66.8 points during the quarter, 270 basis points lower compared to the previous year, explained by promotional activities, such as discounts in the main packagings and new launches of our competitors, as well as distribution improvements.

Net Sales reached Ch$36,940 million, reflecting a 2.8% growth, which is mainly explained by the already mentioned effect upon translation of figures. In local currency Net Sales increased 8.4% explained by the implementation of price increase during the quarter and the already mentioned growth in sales volume.

Cost of Sales increased 1.6% explained in part by the effect upon translation of figures. In local currency it increased 7.0% mainly explained by (i) greater concentrate costs resulting from the implementation of price increases and (ii) greater labor costs.

Distribution Costs and Administrative Expenses increased 8.9% and in local currency 14.8%. This is mainly explained by the effect of other operating income classified in this item and that were substantially higher than the fourth quarter of 2015. Isolating this effect, SG&As would have increased 8.6% in local currency, which is mainly explained by (i) greater labor expenses, and (ii) greater distribution freights, which were partially offset by lower depreciation charges.

The aforementioned effects led to an Operating Income of Ch$7,523 million, which is 0.3% higher compared to the previous year. Operating Margin was 20.4%. In local currency Operating Income grew 5.8%.

EBITDA reached Ch$10,244 million decreasing 3.4% and EBITDA Margin was 27.7%. In local currency EBITDA grew 1.9%.

Full Year ended December 31, 2016 vs. Full Year ended December 31, 2015

Sales Volume reached 62.0 million unit cases, representing a 1.0% growth, explained by the volume growth of all categories in which we participate. Net Sales reached Ch$132,006 million, a 1.5% growth which in part is explained by the effect of conversion of figures. In local currency, Net Sales grew 7.2% which is explained by the implementation of price increases during the period and by the already mentioned growth in Sales Volume.

Cost of Sales decreased 0.3%, explained by the effect of translation of figures. In local currency they increased by 5.2%, which is mainly explained by (i) greater concentrate costs resulting from the implementation of price increases, (ii) greater labor costs, and (iii) the effect of the shift in the mix towards products carrying a greater cost such as juices, and (iv) the depreciation effect of the Paraguayan guaraní over dollarized costs.

Distribution Costs and Administrative Expenses increased 2.1% in the reporting currency, while in local currency they increased 8.0%. This is mainly explained by (i) greater marketing expenses, (ii) greater labor costs, and (iii) greater distribution freights, which were partially offset by lower depreciation charges.

The foregoing mentioned impacts, led to an Operating Income of Ch$23,747 million, a 7.1% increase compared to the previous year. Operating Margin was 18.0%. In local currency Operating Income increased 13.2%.

EBITDA amounted to Ch$35,351 million, 1.1% higher compared to the previous year and EBITDA Margin was 26.8%. EBITDA Margin in local currency increased 6.7%.

*Note: Pursuant to Nielsen's global protocol, an improvement process after a year of measurement for all new markets has been stipulated. This process involves the restatement of universes and the incorporation of new variables in the projection. Therefore, making this adjustment, market share during the Fourth Quarter of 2015 was 69.6 points.

OTHER INFORMATION

• Net Financial Income and Expense account recorded a Ch$10,982 million expense, which is compared to a Ch$8,770 million expense for the same quarter of the previous year, mainly explained by (i) the effect upon translation of figures and (ii) lower financial income.

•Results by Investment in Related Companies account went from a Ch$190 million loss to a Ch$307 million loss, principally explained by a positive variation in proportional equity value from Brazilian equity investees, CMF and Coca-Cola del Valle.

•Other Income and Expenses account recorded a Ch$6,738 million loss compared to the Ch$9,700 million loss reported during the same quarter of the previous year. This is mainly explained by lower write-offs of property, plant & equipment in Brazil.

•Results by Adjustment Units and Exchange Rate Differences account went from a Ch$2,910 million loss to a Ch$898 million loss. This lower loss is mainly explained because a large portion of the Company's debt is expressed in UFs and during this quarter the UF recorded a lower variation (0.47%) compared to that of the same quarter of the previous year (1.11%). This was partially offset by the negative impact of a lower net restatement of time deposits in UFs in Chile and judicial deposits in Brazil.

•Income Tax went from -Ch$18,313 million to -Ch$16,966 million, mainly resulting from a lower estimate of deferred taxes arising from exchange rate differences.

ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

•Total financial assets, amounted to US$420.6 million. Excluding the mark-to-market effects of Cross Currency Swaps ("CCS"), financial assets amounted to US$293.9 million, which are invested in time deposits and short-term fixed income money markets. In terms of currency exposure, without considering CCS, financial assets are 33.4% in Chilean Pesos, 23.5% in U.S. Dollars, 19.1% in UFs, 13.3% in Brazilian Real, 7.2% in Paraguayan Guaraní, and 3.5% in Argentine Pesos.

•Financial debt level reached US$1,174.6 million, US$575 million of which correspond to a bond on the international market, US$489.2 million to bonds in the local Chilean market and US$110.4 million correspond to bank debt. Financial debt, including the CCS effect is 64.6% denominated in UFs, 33.0% in Brazilian Real, 1.3% in Chilean Pesos, 0.7% in U.S. Dollars, 0.3% in Argentine Pesos and 0.1% in Paraguayan Guaraní.

•The Company's Net Debt including the aforementioned CCS effect reached US$737.3 million.

RECENT EVENTS

•On November 28, the Company was recognized as the 2016 ALAS20 Company in Chile, the most important category to which a company can aspire in ALAS20 nationwide in Brazil, Chile, Colombia, Mexico and Peru. Annually, only one company per country is worthy of this distinction. The ALAS20 award is given to companies that demonstrate leadership, consistency, and excellence in the public disclosure of information regarding their investor relations practices, sustainable development, and corporate governance practices. The selection of the company in the ALAS20 category is determined after a systematic assessment process, considering points based on empiric evidence.

In addition to the ALAS20 award, Coca-Cola Andina received the following recognitions:

o First Place in the Category Leading Company in Investor Relations

o Second Place in the Category Sustainability Leader

o Second Place in the Category Corporate Governance Leader

o Third Place in Director Leading Company in Sustainability

•On December 27, 2016 Coca-Cola Andina confirmed its decision to The Coca-Cola Company of participating in the "Ades" business and of commercializing said products in all of its franchise territories. Coca-Cola Andina committed to invest an approximate amount of US$42 million, and the operation is expected to materialize within the first quarter of 2017.

•On January 26, 2017, Interim Dividend Nº 200 was paid in the amount of: Ch$19.0 (nineteen point zero Chilean pesos) per each Series A Share; and Ch$20.9 (twenty point nine Chilean pesos) per each Series B Share. The Shareholders' Registry for the payment of this dividend closed on January 20, 2017.

II.Main indicators

INDICATORS	Unit	dec-16	dec-15	Variation Dec 2016 vs. Dec 2015
Liquidity				
Current Ratio	Times	1.32	1.44	-0.12
Acid Tests	Times	0.97	1.09	-0.12
Working Capital	ThCh$	3,374	8,316	-4,942
Activity		0		
Investments	ThCh$	128,217	112,400	15,818
Inventory turnover	Times	7.44	7.82	-0.38
Days of inventory on hand	Days	48.41	46.04	2.37
Indebtedness				
Debt to equity ratio	%	161.12%	159.41%	1.7%
Short-term liabilities to total liabilities	%	30.92%	28.01%	2.9%
Long-term liabilities to total liabilities	%	69.08%	71.99%	-2.9%
Interest charges coverage ratio	Times	4.38	3.85	0.53
Profitability				
Return over equity	%	10.97%	10.17%	0.8%
Return over total assets	%	4.11%	4.04%	0.1%
Return over operating assets	%	11.93%	11.01%	0.9%
Operating income	ThCh$	213,670	215,596	-1.927
Operating margin	%	12.02%	11.48%	0.5%
EBITDA	ThCh$	279,904	275,924	3.980
EBITDA margin	%	15.75%	14.70%	1.1%
Dividends payout ratio - Serie A shares	%	2.23%	3.53%	-1.3%
Dividends payout ratio - Serie B shares	%	2.25%	3.60%	-1. 3%

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

Liquidity and indebtedness indicators remain solid, net financial expense reached ThCh$41,713,297 and earnings before interest and taxes amounted to ThCh$ 182,569,483 reaching an interest charges coverage ratio of 4.38 times.

At the close of the present fiscal year, operating profitability indicators are practically in line with respect to 2015, despite the macroeconomic conditions previously described.

III. Analysis of Book Values and Economic Value of Assets

Assets and liabilities are presented in the financial statements according to International Financial Reporting Standards and to instructions given by the Chilean Superintendence of Securities and Insurance. We estimate that there are no substantial differences between the economic value of assets and those reflected in the Company's financial statements.

IV. Analysis of Financial Position

The balance of assets and liabilities at the closing date of these financial statements is the following:

Assets	12.31.2016 ThCh$	12.31.2015 ThCh$	Variation ThCh$
Current assets	552,742,397	547,409,856	5,332,541
Non-current assets	1,646,367,350	1,661,951,168	(15,583,818)
Total assets	**2,199,109,747**	**2,209,361,024**	**(10,251,277)**

Liabilities	12.31.2016 ThCh$	12.31.2015 ThCh$	Variation ThCh$
Current liabilities	419,534,854	380,574,210	38,960,644
Non-current liabilities	937,404,866	977,252,514	(39,847,648)
Non-controlling interests	21,564,445	21,060,465	503,980
Equity attributable to the owners of the controlling shareholder	820,605,582	830,473,835	(9,868,253)
Total liabilities	**2,199,109,747**	**2,209,361,024**	**(10,251,277)**

Total assets at the date of closing decreased by ThCh$10,251,277 or 0.46% compared to the previous year.

Current assets increased mainly due to greater inventories and trade receivables, partially offset by a decrease in cash and cash equivalents. The reduction of non-current assets, is given by the decrease in other non-current financial assets by the reduction of the SWAP currency account receivable, resulting from the appreciation of the Brazilian real and the Chilean peso against the U.S. dollar during the period ended as of December 31, 2016. These decreases are partially offset by increased investments in related companies from capital contributions made in the Brazilian equity investee, Leão Alimentos y Bebidas Ltda., and Coca-Cola del Valle New Ventures S.A. in Chile, and increases in the balances of property, plant and equipment, goodwill and intangibles, principally resulting from the appreciation of the Brazilian real on the Chilean peso.

Current liabilities increase mainly due to greater trade accounts payable and other accounts payable. The decrease of non-current liabilities results from the decline in other non-current financial liabilities, basically by the decrease in long-term debt from U.S. bonds given the appreciation of the Chilean peso against the U.S. dollar.

The decrease in equity is basically caused by the decline in the equity account associated with the currency SWAP linked to the U.S. bonds, resulting from the appreciation of the Brazilian real and the Chilean peso against the U.S. dollar during the period ended as of December 31, 2016.

V. Analysis of the Main Components of Cash Flow

Cash flow	12.31.2016 ThCh$	12.31.2015 ThCh$	Variation ThCh$	Variation %
Operating	223,446,560	264,909,230	(41,462,670)	(15.6%)
Investment	(113,916,317)	(103,131,070)	(10,785,247)	(10.5%)
Financing	(98,224,525)	(98,560,377)	335,852	**(0.3%)**
Net cash flow for the period	**11,305,718**	**63,217,783**	**(51,912,065)**	**(82.2)**

During the present period the Company generated a positive net cash flow of ThCh$11,305,718 with the following breakdown:

Operating activities generated a positive net flow in the amount ThCh$ 223,446,560, which is lower than the ThCh$ 264,909,230 recorded during the same period of 2015, which is mainly due to greater flows from payments to suppliers.

Investment activities generated a negative flow in the amount of ThCh$ 113,916,317, representing a negative variation of ThCh$ 10,785,247 regarding the previous year, which is mainly explained by greater investments in property, plant & equipment and investments in equity investees.

Financing activities remained in line with those of the previous year, with a negative flow of ThCh$ 98,224,525 for 2016.

VI. Analysis of Market Risk

Commodities Risk

The company faces the risk of sugar, aluminum and PET resin price fluctuations on the international markets, these raw materials are needed for the production of beverages and packaging, which together represent between 35% and 40% of production cost.

Interest rate risk

The company maintains all of its debt liability denominated at fixed rates, variability factors are given by the currencies in which they are expressed; UF and USD (are variable). As a result, there is a low risk of fluctuations of market interest rates on the company's cash flows.

Exchange rate risk

Assets purchased or indexed to foreign currency exposure: this risk originates from purchases of raw materials and investments in property, plant and equipment, whose values are expressed in a currency other than the functional currency of the subsidiary. Changes in the value of investments or costs can be generated through time, depending on the volatility of the exchange rate.

In addition, and depending on market conditions, the Company carries out foreign currency derivatives contracts to lessen the effect of the exchange rate in cash disbursements expressed in U.S. dollars which mainly correspond to payment of suppliers of raw materials and fixed assets.

A detailed analysis of these and other related risks can be found in the Report on the financial statements

This document may contain projections reflecting Embotelladora Andina S.A.'s good faith expectation and are based on currently available information. However, the results that are finally obtained are subject to diverse variables, many of which are beyond the Company's control and which could materially impact the current performance. Among the factors that could change the performance are: the political and economic conditions on consumer spending, pricing pressures resulting from competitive discounts of other bottlers, weather conditions in the Southern Cone and other risk factors that would be applicable from time to time and which are periodically informed in reports filed before the appropriate regulatory authorities.

Embotelladora Andina S.A. | Twelve Months Results for the period ended December 31, IFRS GAAP

(In nominal million Chilean Pesos, except per share)

	January-December 2016					January-December 2015					
	Chilean Operations	Brazilian Operations	Argentine Operations	Paraguay Operations	Total (1)	Chilean Operations	Brazilian Operations	Argentine Operations	Paraguay Operations	Total (1)	Variation %
VOLUME TOTAL BEVERAGES (Million UC)	**232.2**	**266.1**	**218.7**	**62.0**	**779.0**	**233.7**	**290.6**	**234.2**	**61.4**	**819.9**	**-5.0%**
Net sales	540,427	590,146	517,059	132,006	1,777,459	514,733	607,048	627,258	130,039	1,877,394	-5.3%
Cost of sales	(319,214)	(359,156)	(279,308)	(78,410)	(1,033,910)	(309,387)	(369,212)	(351,140)	(78,651)	(1,106,706)	-6.6%
Gross profit	**221,214**	**230,989**	**237,751**	**53,596**	**743,549**	**205,345**	**237,836**	**276,118**	**51,389**	**770,688**	**-3.5%**
Gross margin	40.9%	39.1%	46.0%	40.6%	41.8%	39.9%	39.2%	44.0%	39.5%	41.1%	
Distribution and administrative expenses	(152,334)	(159,699)	(182,894)	(29,849)	(524,776)	(142,287)	(161,899)	(217,644)	(29,222)	(551,051)	-4.8%
Corporate expenses (2)					(5,104)					(4,040)	26.3%
Operating income (3)	**68,879**	**71,290**	**54,857**	**23,747**	**213,670**	**63,059**	**75,936**	**58,474**	**22,167**	**215,596**	**-0.9%**
Operating margin	12.7%	12.1%	10.6%	18.0%	12.0%	12.3%	12.5%	9.3%	17.0%	11.5%	
EBITDA (4)	**112,499**	**96,957**	**71,302**	**35,351**	**311,004**	**103,142**	**102,508**	**79,646**	**34,972**	**316,229**	**-1.7%**
EBITDA margin	20.8%	16.4%	13.8%	26.8%	17.5%	20.0%	16.9%	12.7%	26.9%	16.8%	
Financial (expenses) income (net)					(41,713)					(45,551)	-8.4%
Share of (loss) profit of investments accounted for using the equity method					(263)					(2,328)	-88.7%
Other income (expenses) (5)					(24,392)					(27,813)	-12.3%
Results by readjustement unit and exchange rate difference					(6,446)					(10,165)	-36.6%
Net income before income taxes					**140,856**					**129,740**	**8.6%**
Income tax expense					(48,807)					(41,643)	17.2%
Net income					**92,049**					**88,098**	**4.5%**
Net income attributable to non-controlling interests					(1,523)					(234)	549.7%
Net income attributable to equity holders of the parent					**90,526**					**87,863**	**3.0%**
Net margin					5.1%					4.7%	
WEIGHTED AVERAGE SHARES OUTSTANDING					**946.6**					**946.6**	
Earnings Per Share					**95.6**					**92.8**	
Earnings Per ADS					**573.8**					**556.9**	**3.0%**

(1) Total may be different from the addition of the four countries because of intercountry eliminations.
(2) Corporate expenses partially reclassified to the operations.
(3) Operating income: includes the following lines of the income statement by function included in the published financial. statements in the superintendency of securities and 'insurance: Net sales, cost of sales, distribution expenses and administrative expenses.
(4) EBITDA: Operating Income + Depreciation.
(5) Other income (expenses): includes the following lines of the income statement by function included in the published financial statements in the superintendency of securities and 'insurance : "Other income", "Other expenses" and "Other (loss) gains".

Embotelladora Andina S,A, | Twelve Months Results for the period ended December 31, 2016 IFRS GAAP

(In nominal local currency of each period)

	January-December 2016					January-December 2015			
	Chile Million Ch$	Brazil Million R$	Argentina Million AR$	Paraguay Million G$		Chile Million Ch$	Brazil Million R$	Argentina Million AR$	Paraguay Million G$
TOTAL BEVERAGES VOLUME (Million UC)	**232,2**	**266,1**	**218,7**	**62,0**		**233,7**	290,6	**234,2**	**61,4**
Net sales	540,427	3,036,9	11,342,7	1,107,678		514,733	3,058,9	8,903,3	1,033,215
Cost of sales	(319,214)	(1,848,6)	(6,132,0)	(657,750)		(309,387)	(1,865,5)	(4,982,9)	(625,039)
Gross profit	**221,214**	**1,188,3**	**5,210,7**	**449,928**		**205,345**	1,193,3	**3,920,4**	**408,176**
Gross margin	40.9%	39.1%	45.9%	40.6%		39.9%	39.0%	44.0%	39.5%
Distribution and administrative expenses	(152,334)	(819,2)	(4,013,0)	(250,311)		(142,287)	(815,6)	(3,091,4)	(231,758)
Operating income (1)	**68,879**	**369,1**	**1,197,8**	**199,617**		**63,059**	**377,7**	**829,0**	**176,418**
Operating margin	12.7%	12.2%	10.6%	18.0%		12.3%	12.3%	9.3%	17.1%
EBITDA (2)	**112,499**	**501,1**	**1,557,4**	**296,810**		**103,142**	**511,6**	**1,128,1**	**278,172**
EBITDA margin	20.8%	16.5%	13.7%	26.8%		20.0%	16.7%	12.7%	26.9%

(1) OPERATING INCOME: Considers the following items of the income statement by function included in the financial statements filed with the Chilean Superintendence of Securities and Insurance: Net Sales , Cost of Sales, Distribution Costs, and Administrative Expenses.

(2) EBITDA: Operating Income + Depreciation.

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2016 and 2015

Embotelladora Andina Chile S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	161,496	264,460
Non-current assets	77,017,895	86,943,685
Total assets	**77,179,391**	**87,208,145**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	45,816,768	83,541,447
Non-current liabilities	-	-
Capital and reserves	26,166,698	(631,073)
Accrued earnings (losses)	5,195,925	4,297,771
Total liabilities and shareholders' equity	**77,179,391**	**87,208,145**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	9,609,960	8,701,825
Non-operating income	(2,842,869)	(3,325,375)
Income before income taxes	6,767,091	5,376,450
Income taxes	(1,571,166)	(1,078,679)
Net income (loss)	**5,195,925**	**4,297,771**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	15,773,314	21,237,137
Cash flows from investment activities	1,031,750	(1,328,531)
Cash flow from financing activities	(16,807,272)	(19,915,935)
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	3,477	10,806
Cash and cash equivalents at the end of the period	**1,269**	**3,477**

Vital Jugos S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	19,306,591	16,976,780
Non-current assets	22,297,712	20,187,586
Total assets	**41,604,303**	**37,164,366**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	15,287,233	10,596,366
Non-current liabilities	445,794	1,163,577
Capital and reserves	24,957,396	25,417,441
Accrued earnings (losses)	913,880	(13,018)
Total liabilities and shareholders' equity	**41,604,303**	**37,164,366**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	4,311,147	2,913,974
Non-operating income	(3,559,312)	(3,054,470)
Income before income taxes	751,835	(140,496)
Income taxes	162,045	127,478
Net income (loss)	**913,880**	**(13,018)**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	4,815,690	2,372,515
Cash flows from investment activities	(4,536,827)	(588,354)
Cash flow from financing activities	7,394	21,091
Effect of of inflation in cash and cash equivalents	(52,616)	21,561
Cash and cash equivalents at the beginning of the period	2,168,554	341,741
Cash and cash equivalents at the end of the period	**2,402,195**	**2,168,554**

Vital Aguas S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	4,797,677	4,092,161
Non-current assets	6,298,423	6,332,231
Total assets	**11,096,100**	**10,424,392**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	4,898,481	4,180,302
Non-current liabilities	144,250	370,502
Capital and reserves	5,982,491	5,721,550
Accrued earnings (losses)	70,878	152,038
Total liabilities and shareholders' equity	**11,096,100**	**10,424,392**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	239,569	392,780
Non-operating income	(128,089)	(219,504)
Income before income taxes	111,480	173,276
Income taxes	(40,602)	(21,238)
Net income (loss)	**70,878**	**152,038**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	1,363,374	681,848
Cash flows from investment activities	(1,211,008)	(1,146,249)
Cash flow from financing activities	997	8,986
Effect of of inflation in cash and cash equivalents	1,798	(1,259)
Cash and cash equivalents at the beginning of the period	705,737	1,162,411
Cash and cash equivalents at the end of the period	**860,898**	**705,737**

Envases Central S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	8,510,002	9,340,169
Non-current assets	12,353,126	12,753,193
Total assets	**20,863,128**	**22,093,362**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	7,335,273	9,104,103
Non-current liabilities	933,549	1,543,731
Capital and reserves	10,953,195	11,995,997
Accrued earnings (losses)	1,641,111	(550,469)
Total liabilities and shareholders' equity	**20,863,128**	**22,093,362**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	2,140,657	(578,324)
Non-operating income	(23,637)	(182,031)
Income before income taxes	2,117,020	(760,355)
Income taxes	(475,909)	209,886
Net income (loss)	**1,641,111**	**(550,469)**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	528,650	1,642,490
Cash flows from investment activities	(51,375)	(1,476,873)
Cash flow from financing activities	(494,297)	(207,784)
Effect of of inflation in cash and cash equivalents	4,665	31,572
Cash and cash equivalents at the beginning of the period	15,078	25,673
Cash and cash equivalents at the end of the period	**2,721**	**15,078**

Transportes Andina Refrescos Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	8,666,093	2,665,326
Non-current assets	18,035,370	13,571,552
Total assets	**26,701,463**	**16,236,878**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	10,424,882	13,462,531
Non-current liabilities	1,561,252	1,471,017
Capital and reserves	13,071,359	(4,621,275)
Accrued earnings (losses)	1,643,970	5,924,605
Total liabilities and shareholders' equity	**26,701,463**	**16,236,878**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	2,670,905	7,680,546
Non-operating income	(341,139)	(70,397)
Income before income taxes	2,329,766	7,610,149
Income taxes	(685,796)	(1,685,544)
Net income (loss)	**1,643,970**	**5,924,605**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	13,246,492	1,179,356
Cash flows from investment activities	(63,323,102)	(3,583,245)
Cash flow from financing activities	50,010,230	2,493,407
Effect of of inflation in cash and cash equivalents	-	(2)
Cash and cash equivalents at the beginning of the period	94,217	4,701
Cash and cash equivalents at the end of the period	**27,837**	**94,217**

Servicios Multivending Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	1,232,270	1,310,972
Non-current assets	251,203	425,332
Total assets	**1,483,473**	**1,736,304**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	645,700	723,004
Non-current liabilities	61,602	93,611
Capital and reserves	317,326	828,542
Accrued earnings (losses)	458,845	91,147
Total liabilities and shareholders' equity	**1,483,473**	**1,736,304**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	490,812	28,177
Non-operating income	134,904	53,533
Income before income taxes	625,716	81,710
Income taxes	(166,871)	9,437
Net income (loss)	**458,845**	**91,147**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	(529,560)	2,207,561
Cash flows from investment activities	(114,441)	(59,150)
Cash flow from financing activities	552,742	(2,041,242)
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	108,731	1,562
Cash and cash equivalents at the end of the period	**17,472**	**108,731**

Andina Bottling Investments S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	10,039,736	721
Non-current assets	379,936,488	408,058,213
Total assets	**389,976,224**	**408,058,934**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	200,616	3,399,824
Non-current liabilities	-	-
Capital and reserves	375,037,664	332,666,186
Accrued earnings (losses)	14,737,944	71,992,924
Total liabilities and shareholders' equity	**389,976,224**	**408,058,934**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(377,117)	(360,844)
Non-operating income	16,441,542	72,624,182
Income before income taxes	16,064,425	72,263,338
Income taxes	(1,326,481)	(270,414)
Net income (loss)	**14,737,944**	**71,992,924**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	2,730,615	(356,720)
Cash flows from investment activities	-	-
Cash flow from financing activities	(2,723,087)	357,249
Effect of of inflation in cash and cash equivalents	(6,636)	-
Cash and cash equivalents at the beginning of the period	721	192
Cash and cash equivalents at the end of the period	**1,613**	**721**

Andina Bottling Investments Dos S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	7,392	1,335,270
Non-current assets	518,785,600	492,735,630
Total assets	**518,792,992**	**494,070,900**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	545,833	628,288
Non-current liabilities	370,828,221	388,769,342
Capital and reserves	120,260,707	101,179,151
Accrued earnings (losses)	27,148,231	3,494,119
Total liabilities and shareholders' equity	**518,782,992**	**494,070,900**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(268,782)	(263,271)
Non-operating income	31,486,102	7,556,807
Income before income taxes	31,217,320	7,293,536
Income taxes	(4,059,089)	(3,799,417)
Net income (loss)	**27,158,231**	**3,494,119**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	3,606,697	10,704,228
Cash flows from investment activities	-	-
Cash flow from financing activities	(3,545,523)	(10,883,090)
Effect of of inflation in cash and cash equivalents	(61,354)	178,484
Cash and cash equivalents at the beginning of the period	7,572	7,950
Cash and cash equivalents at the end of the period	**7,392**	**7,572**

Andina Inversiones Societarias S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	614,661	4,110,616
Non-current assets	32,627,069	31,564,688
Total assets	**33,241,730**	**35,675,304**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	14,321	10,463
Non-current liabilities	-	-
Capital and reserves	31,256,979	34,150,042
Accrued earnings (losses)	1,970,430	1,514,799
Total liabilities and shareholders' equity	**33,241,730**	**35,675,304**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(28,239)	(32,659)
Non-operating income	2,027,317	1,550,384
Income before income taxes	1,999,078	1,517,725
Income taxes	(28,648)	(2,926)
Net income (loss)	**1,970,430**	**1,514,799**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	(15,739)	993,975
Cash flows from investment activities	-	-
Cash flow from financing activities	26,040	(981,161)
Effect of of inflation in cash and cash equivalents	(75)	-
Cash and cash equivalents at the beginning of the period	14,504	1,690
Cash and cash equivalents at the end of the period	**24,730**	**14,504**

Rio de Janeiro Refrescos Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	150,820,924	145,809,121
Non-current assets	663,165,612	631,923,188
Total assets	**813,986,536**	**777,732,309**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	130,279,607	164,173,405
Non-current liabilities	417,791,552	381,506,922
Capital and reserves	230,163,196	200,175,281
Accrued earnings (losses)	35,752,181	31,876,701
Total liabilities and shareholders' equity	**813,986,536**	**777,732,309**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	77,536,756	81,461,315
Non-operating income	(29,712,680)	(42,696,948)
Income before income taxes	47,824,076	38,764,367
Income taxes	(12,071,895)	(6,887,666)
Net income (loss)	**35,752,181**	**31,876,701**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	67,963,682	66,272,643
Cash flows from investment activities	(51,873,047)	(29,150,493)
Cash flow from financing activities	(36,806,174)	(31,576,973)
Effect of of inflation in cash and cash equivalents	3,571,973	(7,685,155)
Cash and cash equivalents at the beginning of the period	43,215,767	45,355,745
Cash and cash equivalents at the end of the period	**26,072,201**	**43,215,767**

Embotelladora del Atlántico S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	110,649,213	106,560,232
Non-current assets	98,518,204	96,910,341
Total assets	**209,167,417**	**203,470,573**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	132,431,541	112,132,724
Non-current liabilities	1,621,792	6,399,291
Capital and reserves	42,845,944	54,082,832
Accrued earnings (losses)	32,268,140	30,855,726
Total liabilities and shareholders' equity	**209,167,417**	**203,470,573**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	55,419,841	57,490,278
Non-operating income	(7,745,799)	(11,920,809)
Income before income taxes	47,674,042	45,569,469
Income taxes	(15,405,902)	(14,713,743)
Net income (loss)	**32,268,140**	**30,855,726**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	50,030,263	79,159,860
Cash flows from investment activities	(34,281,687)	(27,093,944)
Cash flow from financing activities	(15,988,888)	(14,792,786)
Effect of of inflation in cash and cash equivalents	(3,927,143)	(9,085,925)
Cash and cash equivalents at the beginning of the period	29,822,587	1,635,382
Cash and cash equivalents at the end of the period	**25,655,132**	**29,822,587**

Andina Empaques Argentina S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	6,680,394	7,156,377
Non-current assets	7,381,968	7,181,419
Total assets	**14,062,362**	**14,337,796**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	4,061,713	3,410,663
Non-current liabilities	141,258	309,688
Capital and reserves	6,104,560	6,800,187
Accrued earnings (losses)	3,754,831	3,817,258
Total liabilities and shareholders' equity	**14,062,362**	**14,337,796**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	5,806,285	6,073,332
Non-operating income	(30,078)	(229,000)
Income before income taxes	5,776,207	5,844,332
Income taxes	(2,021,376)	(2,027,074)
Net income (loss)	**3,754,831**	**3,817,258**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	4,132,729	4,130,693
Cash flows from investment activities	(2,735,517)	(1,638,709)
Cash flow from financing activities	(1,788,303)	(737,165)
Effect of of inflation in cash and cash equivalents	(7,563)	(389,889)
Cash and cash equivalents at the beginning of the period	1,582,980	218,050
Cash and cash equivalents at the end of the period	**1,184,326**	**1,582,980**

Abisa Corp S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	312,890,098	325,160,415
Non-current assets	-	-
Total assets	**312,890,098**	**325,160,415**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	314,857	177,149
Non-current liabilities	-	-
Capital and reserves	324,983,266	280,968,010
Accrued earnings (losses)	(12,408,025)	44,015,256
Total liabilities and shareholders' equity	**312,890,098**	**325,160,415**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(15,850)	(990,382)
Non-operating income	(12,392,175)	45,005,638
Income before income taxes	(12,408,025)	44,015,256
Income taxes	-	-
Net income (loss)	**(12,408,025)**	**44,015,256**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	(6,529)	(980,131)
Cash flows from investment activities	-	-
Cash flow from financing activities	6,407	761,793
Effect of of inflation in cash and cash equivalents	(292)	9,839
Cash and cash equivalents at the beginning of the period	4,198	212,697
Cash and cash equivalents at the end of the period	**3,784**	**4,198**

Transportes Polar S.A.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	3,166,308	1,347,878
Non-current assets	7,695,651	7,929,163
Total assets	**10,861,959**	**9,277,041**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	3,038,965	2,674,891
Non-current liabilities	1,401,019	1,413,614
Capital and reserves	4,908,536	4,261,070
Accrued earnings (losses)	1,513,439	927,466
Total liabilities and shareholders' equity	**10,861,959**	**9,277,041**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	2,193,502	1,271,345
Non-operating income	(18,242)	(45,001)
Income before income taxes	2,175,260	1,226,344
Income taxes	(661,821)	(298,878)
Net income (loss)	**1,513,439**	**927,466**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	35,742,023	(5,492,963)
Cash flows from investment activities	8,358,049	(26,933)
Cash flow from financing activities	(44,103,104)	5,518,182
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	3,736	5,450
Cash and cash equivalents at the end of the period	**704**	**3,736**

Inversiones Los Andes Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	2,138,455	25,068
Non-current assets	274,593,011	285,387,439
Total assets	**276,731,466**	**285,412,507**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	11,230	99,449
Non-current liabilities	-	-
Capital and reserves	251,681,426	258,709,314
Accrued earnings (losses)	25,038,810	26,603,744
Total liabilities and shareholders' equity	**276,731,466**	**285,412,507**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(374,172)	(359,621)
Non-operating income	27,640,780	28,973,410
Income before income taxes	27,266,608	28,613,789
Income taxes	(2,227,798)	(2,010,045)
Net income (loss)	**25,038,810**	**26,603,744**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	(104,979)	(428,192)
Cash flows from investment activities	-	-
Cash flow from financing activities	187,254	388,924
Effect of of inflation in cash and cash equivalents	(82,772)	39,597
Cash and cash equivalents at the beginning of the period	581	252
Cash and cash equivalents at the end of the period	**84**	**581**

Aconcagua Investing Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	37	37
Non-current assets	21,432,680	21,886,378
Total assets	**21,432,717**	**21,886,415**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	8,907	8,906
Non-current liabilities	-	-
Capital and reserves	21,877,509	17,967,159
Accrued earnings (losses)	(453,699)	3,910,350
Total liabilities and shareholders' equity	**21,432,717**	**21,886,415**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	-	-
Non-operating income	(453,699)	3,910,350
Income before income taxes	(453,699)	3,910,350
Income taxes	-	-
Net income (loss)	**(453,699)**	**3,910,350**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	-	-
Cash flows from investment activities	-	-
Cash flow from financing activities	-	-
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	**-**	**-**

Paraguay Refrescos S.A

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	35,283,479	33,992,246
Non-current assets	243,615,898	259,395,044
Total assets	**278,899,377**	**293,387,290**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	17,192,489	21,448,780
Non-current liabilities	16,011,340	17,401,120
Capital and reserves	222,649,704	235,815,763
Accrued earnings (losses)	23,045,844	18,721,627
Total liabilities and shareholders' equity	**278,899,377**	**293,387,290**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	25,181,209	23,369,499
Non-operating income	568,988	(1,583,616)
Income before income taxes	25,750,197	21,785,883
Income taxes	(2,704,353)	(3,064,256)
Net income (loss)	**23,045,844**	**18,721,627**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	30,241,904	9,448,935
Cash flows from investment activities	(9,244,948)	(4,816,170)
Cash flow from financing activities	(20,050,099)	(649,149)
Effect of of inflation in cash and cash equivalents	(408,356)	(1,306,114)
Cash and cash equivalents at the beginning of the period	13,686,360	11,008,858
Cash and cash equivalents at the end of the period	**14,224,861**	**13,686,360**

Red de Transportes Comerciales Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	901,217	339,370
Non-current assets	808,802	959,908
Total assets	**1,710,019**	**1,299,278**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	589,497	62,701
Non-current liabilities	125,240	127,028
Capital and reserves	1,509,697	1,226,216
Accrued earnings (losses)	(514,415)	(116,667)
Total liabilities and shareholders' equity	**1,710,019**	**1,299,278**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	(109,969)	66,331
Non-operating income	(456,417)	(155,589)
Income before income taxes	(566,386)	(89,258)
Income taxes	51,971	(27,409)
Net income (loss)	**(514,415)**	**(116,667)**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	(458,324)	109,672
Cash flows from investment activities	(26,244)	10,498
Cash flow from financing activities	400,899	(43)
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	196,142	33,354
Cash and cash equivalents at the end of the period	**112,473**	**153,481**

Sociedad de Transportes Trans-Heca Ltda.

Balance Sheet	2016 ThCh$	2015 ThCh$
Assets		
Current assets	-	504,826
Non-current assets	-	723,845
Total assets	**-**	**1,228,671**

Balance Sheet	2016 ThCh$	2015 ThCh$
Liabilities		
Current liabilities	-	501,724
Non-current liabilities	-	620
Capital and reserves	-	876,532
Accrued earnings (losses)	-	(150,205)
Total liabilities and shareholders' equity	**-**	**1,228,671**

Income Statement	2016 ThCh$	2015 ThCh$
Operating income	-	(188,135)
Non-operating income	-	281
Income before income taxes	-	(187,854)
Income taxes	-	37,649
Net income (loss)	**-**	**(150,205)**

Statements of cash flows	2016 ThCh$	2015 ThCh$
Cash flows from operating activities	-	(87,424)
Cash flows from investment activities	-	(85,473)
Cash flow from financing activities	-	124,899
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	90,659
Cash and cash equivalents at the end of the period	**-**	**42,661**

Corporate Finance and Administration Department

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