UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15b-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

March 2017
Date of Report (Date of Earliest Event Reported)

Embotelladora Andina S.A.
(Exact name of registrant as specified in its charter)

Andina Bottling Company, Inc.
(Translation of Registrant´s name into English)

Avda. Miraflores 9153
Renca
Santiago, Chile
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No☒

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No☒

Indicate by check mark whether the registrant by furnishing the information contained in this Form 6-K is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes ☐ No☒

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Financial Statements
as of December 31, 2016 and 2015

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Financial Statements

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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.

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

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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.

PRICEWATERHOUSE COOPERS

ID:21.175.581-4

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

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

EMBOTELLADORA ANDINA S.A. Y FILIALES

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

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**
		Ch$	**Ch$**
Earnings per Share, basic and diluted			
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 statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity for the years ended at December 31, 2016 and 2015

		Other reserves								
	Issued capital	Translation reserves	Cash flow hedge reserve	Actuarial gains or losses in employee benefits	Other reserves	Total other reserves	Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	Translation reserves	Cash flow hedge reserve	Actuarial gains or losses in employee benefits	Other reserves	Total other reserves	Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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 12/30/2015	**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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Cash flows provided by (used in) Operating Activities	NOTE	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 ThCh$
Cash flows provided by Operating Activities			
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			
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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

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.

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

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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.	01/01/2017
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	01/01/2018

amendments should apply retroactively for annual periods beginning on or after 1 January 2017.	
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	Argentina Operation	Brazil Operation	Paraguay Operation	Intercompany Eliminations	Consolidated Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	Argentina Operation	Brazil Operation	Paraguay Operation	Intercompany Eliminations	Consolidated Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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
	ThCh$	ThCh$
By item		
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**
	ThCh$	ThCh$
By currency		
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	Annual rate	12.31.2016
			ThCh$	%	ThCh$
12/7/2016	Plazo Fijo Banco Galicia	Argentinean pesos	1,853	17.00%	1,879
Total					**1,879**

Placement	Institution	Currency	Principal	Annual rate	12.31.2015
			ThCh$	%	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	12.31.2015
	ThCh$	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 reais	19.926	8.82%	21,632
Subtotal						**53,889,707**

a.2 Rights in Forward Contracts	
Rights in Forward Contracts (see details in Note 20)	4,678,343
a.3 Funds in Guaranty	
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 2016

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

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c) Current portion 2015

Time deposits

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**

	12.31.2015 ThCh$
Bonds	
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**

		12.31.2015 ThCh$
Derivative futures contracts		
Derivative futures contracts (see note 20)		181,474,306
Total other non-current financial assets	**Total**	**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.

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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	12.31.2016 Allowance for doubtful accounts	12.31.2016 Commercial debtors net assets	12.31.2015 Assets before provisions	12.31.2015 Allowance for doubtful accounts	12.31.2015 Commercial debtors net assets
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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**

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

	12.31.2016	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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-functional 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	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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:

	12.31.2016		12.31.2015	
Temporary differences	Assets	Liabilities	Assets	Liabilities
	ThCh$	ThCh$	ThCh$	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	Rate 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	12.31.2015	12.31.2016	12.31.2015	12.31.2016	12.31.2015
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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**

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

	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed facilities and accessories, net	Vehicles, net	Leasehold improvements, net	Other, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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**

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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**

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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	Brazil	Sale of finished products	Chilean pesos	115,706,386
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Purchase of concentrates	Brazilian real	25,675,184
Foreign	Leao Alimentos e Bebidas Ltda.	Related to Shareholder	Brazil	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	09.30.2015
	ThCh$	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

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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 of Incorporation	Functional Currency	Carrying Value 12.31.2016	Carrying Value 12.31.2015	Percentage interest 12.31.2016	Percentage interest 12.31.2015
				ThCh$	ThCh$	%	%
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 strategic 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$	09.30.2015 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.	Sorocaba Refrescos S.A.	Kaik Participacoes Ltda.	SRSA Participacoes Ltda.	Leao Alimentos e Bebidas Ltda.	Trop Frutas do Brasil Ltda.	Coca Cola del Valle New Ventures S.A.
	ThCh$	ThCh$	ThCh $	ThCh $	ThCh $	ThCh $	ThCh $
Total assets	70,340,930	122,090,133	12,053,702	647,320	320,380,393	83,866143	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

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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 Gross Amount ThCh$	December 31, 2016 Cumulative Amortization ThCh$	December 31, 2016 Net Amount ThCh$	December31, 2015 Gross Amount ThCh$	December31, 2015 Cumulative Amortization ThCh$	December31, 2015 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:

	12.31.2016 ThCh$	12.31.2015 ThCh$
Distribution rights		
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$	2016 Rights ThCh$	2016 Software ThCh$	2016 Total ThCh$	From January 1 through December 31, 2015 Distribution Rights ThCh$	2015 Rights ThCh$	2015 Software ThCh$	2015 Total ThCh$
Opening balance	**658,625,624**	**476,643**	**6,564,388**	**665,666,655**	**719,385,108**	**447,037**	**8,349,134**	**728,181,279**
Additions	821,577(1)	975	2,842,314	3,664,866	—	—	1,191,200	1,191,200
Amortization	—	(4,575)	(3,207,309)	(3,211,884)	—	(6,394)	(2,681,923)	(2,688,317)
Other increases (decreases)(2)	15,472,862	(2,125)	(594,312)	14,876,425	(60,759,484)	36,000	(294,023)	(61,017,507)
Total	**674,920,063**	**470,918**	**5,605,081**	**680,996,062**	**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 by business segment and country

Movement in goodwill is detailed as follows:

Operating segment	01.01.2016	Additions	Disposals or impairments	Foreign currency translation differences where functional currency is different from presentation currency	12.31.2016
	ThCh$	ThCh$	ThCh$	ThCh$	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	Additions	Disposals or impairments	Foreign currency translation differences where functional currency is different from presentation currency	12.31.2015
	ThCh$	ThCh$	ThCh$	ThCh$	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**

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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 12.31.2016 ThCh$	Fair Value 12.31.2016 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	12.31.2016 ThCh$	12.31.2016 ThCh$	12.31.2015 ThCh$	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.

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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	90 days To 1 year	at 12.31.2016	at 12.31.2015
										ThCh$	ThCh$	ThCh$	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 Itaú	Brazil	Brazilian real	Quarterly	4.50%	4.50%	—	—	—	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.

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15.1.2 Bank obligations, non-current December 31, 2016

Indebted Entity Tax ID	Indebted Entity Name	Indebted Entity Country	Creditor Entity Tax ID	Creditor Entity Name	Creditor Entity Country	Currency	Type Amortization	Effective Rate	Nominal Rate	Maturity: 1 year up to 2 years	Maturity: More than 2 years Up to 3 years	Maturity: More than 3 years Up to 4 years	Maturity: More than 4 years Up to 5 years	Maturity: More than 5 Years	at 12.31.2016
										ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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**

15.1.2 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	More than 2 years Up to 3 years	More than 3 years Up to 4 years	More than 4 years Up to 5 years	More than 5 Years	At 12.31.2015
										ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	2.992%	2.992%	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	12.31.2015	12.31.2016	12.31.2015	12.31.2016	12.31.2015
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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:

	Series	Current face Amount	Unit of Adjustment	Interest rate	final Maturity	Interest Payment	Date Amortization of capital	12.31.2016	12.31.2015
								ThCh$	ThCh$
Bonds, current portion									
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									
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	15-02-2021	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	type	Type	Currency	Amortization Type	Effective rate	Nominal rate	Up to 90 days	91 days to 1 year	at 12.31.2016	At 12.31.2015
									ThCh$	ThCh$	ThCh$	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 Ligth 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					
Tax ID	Name	Country	Tax,ID	Name	type	Currency	Amortization Type	Effective rate	Nominal Rate	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More 5 years	at 12.31.2016
										ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeracao Ligth 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
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	9,65%	9,47%	591,576	—	—	—	—	591.576
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	10,21%	10,22%	54,327	—	—	—	—	54.327
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Citibank	Brazil	Brazilian real	Monthly	8,54%	8,52%	624,937	—	—	—	—	624.937
Foreign	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**

15.4.2 Non-Current liabilities for leasing agreements December 31, 2015

Indebted Entity		Creditor Entity							Maturity					
Name	Country	Tax,ID	Name	Type	Currency	Amortization type	Effective rate	Nominal rate	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	more 5 years	at 12.31.2015
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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**

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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:

	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.

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NOTE 17 — CURRENT AND NON-CURRENT PROVISIONS

17.1 Balances

The composition of this account is the following:

Description	12.31.2016	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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:

Description	12.31.2016 Litigation ThCh$	12.31.2016 Others ThCh$	12.31.2016 Total ThCh$	12.31.2015 Litigation ThCh$	12.31.2015 Others ThCh$	12.31.2015 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	2015	2016	2015
	ThCh$	ThCh$	ThCh$	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	Realized at 12.31.2016	Amount of accumulated earnings at 12.31.2016
		ThCh$	ThCh$	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	12.31.2015
	ThCh$	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	12.31.2015
	ThCh$	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:

Details	Percentaje %		Non-controlling Interests Shareholders' Equity		Income	
	2016	2015	2016	2015	2016	2015
			ThCh$	ThCh $	ThCh $	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:

Earnings per share	12.31.2016 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**

Earnings per share	12.31.2015 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 Itau Credit.

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				
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 $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.

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21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets are detailed as follows:

Guarantees that compromise assets including in the financial statements:

Guarantee in favor of	Provided by Name	Relationship	Committed assets Guarantee	Type	Balance pending payment on the closing date of the financial statements 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	Otros activos no financieros corrientes	23,468	30,335
Locadores varios	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Otros activos no financieros corrientes	47,397	11,297
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Otros activos no financieros corrientes	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	Type	Amounts involved 12-31-2016 ThCh$	Amounts involved 12-31-2015 ThCh$
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	—
Procesos trabajadores	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	1,236,439	575,583
Procesos administrativos	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
Otros	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

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 equivalent 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: the 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**	**More 1 year up to 2**	**More 2 years up to 3**	**More 3 up to 4**	**More 4 years**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
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	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 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	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 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	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 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	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 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	01.01.2016 12.31.2016 ThCh$	01.01.2015 12.31.2015 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)**

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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	12.31.2015
	ThCh$	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 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
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$Dollars	24,684	18,038,219	18,062,903	23,237	17,290,210	17,313,447
Unidad de Fomento	10,035,543	12,637,744	22,673,287	6,656,770	8,779,270	15,436,040
Chilean peso	—	9,148,589	9,148,589	—	8,517,730	8,517,730
Brazilian real	1,816,540	10,358,970	12,175,510	2,762,291	9,698,687	12,460,978
Argentine peso	410,865	1,590,238	2,001,103	1,019,929	6,880,534	7,900,463
Paraguayan guarani	—	739,178	739,178	—	589,030	589,030
Trade and other accounts payable	**240,350,658**	**2,485,698**	**242,836,356**	**212,481,849**	**44,519**	**212,526,368**
US$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
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	18,038,219	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

NON-CURRENT LIABILITIES	As of December 31, 2016				As of December 31, 2015			
	More than 1 until 3 years	More than 3 years until 5 years	More than 5 years	Total	More than 1 until 3 years	More than 3 years until 5 years	More than 5 years	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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

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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:

	Period ended 2016		Future commitments	
Country	Recorded as expenses	Capitalized to property, plant and equipment	To be Recorded as expenses	To be capitalized to property, plant and equipment
	ThCh$	ThCh$	ThCh$	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	2015
	ThCh$	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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Santiago, Chile.

EMBOTELLADORA ANDINA S.A.
By: /s/ Andrés Wainer
Name: Andrés Wainer
Title: Chief Financial Officer

Santiago, March 20, 2017