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Coca-Cola ANDINA
Annual Report 2017 Coca-Cola Andina
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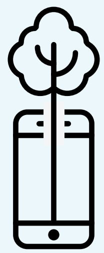

We are happy to tell you that our 2017 Annual Report and Sustainability Report will only be available in digital version. Reducing the consumption of paper without affecting our readers is the challenge, we understand that it is for the benefit of all and that is why we want you to join us in this decision. With just a click you will be able to navigate according to your interests.

Coca-Cola ANDINA

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

Embotelladora Andina S.A.
Open Stock Corporation

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Table of Contents

Our Company

Values

Focused on our customers

Attitude

Integrity

Austerity

Oriented on results

Team work

Mission

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

Vision

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

Letter from the Chairman of the Board

On behalf of the Board of Directors I preside, I am pleased to present the Annual Report, Sustainability Report and Financial Statements for the fiscal year 2017.

During 2017 **we showed positive financial results in all four of the company's operations**, despite the complex macroeconomic scenario faced by the countries in which we operate. These results are the consequence of a constant review of our pricing and packaging strategy, which has allowed us to achieve benefits in each of our markets, along with a continuous search for improvement in the efficiency of our processes.

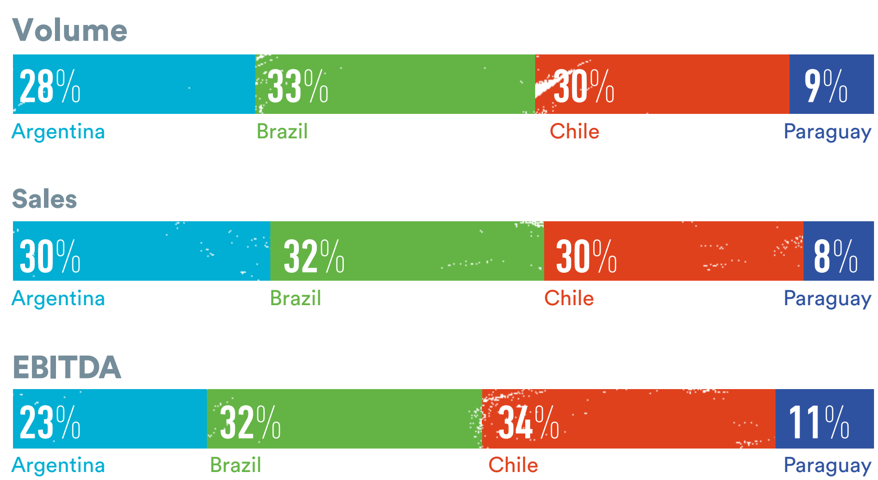
Our **operation in Argentina** closed the year with net sales of Ch $553,788 million, a 7.1% growth over the previous year. Sales volume decreased by 3.4%, which is mainly explained by macroeconomic factors. For its part, the EBITDA generated by the company in Argentina reached Ch $79,471 million, growing 11.5% over the previous year. EBITDA margin showed an expansion of 56 basis points, reaching 14.4%.

Our **operation in Brazil** closed the year with net sales of Ch $603.898 million, a 2.3% growth, explained by the positive effect of the appreciation of the Brazilian real regarding the Chilean peso in the consolidation of figures to the reporting currency and by price increases, which was partially offset by the 6.5% decrease in sales volume. The economy in Brazil is still very weak, especially in the state of Rio de Janeiro, which affects the demand for our products. The EBITDA generated by the operation reached Ch $111,690 million, an increase of 15.2% over the previous year. EBITDA margin reached 18.5%, its highest level in 7 years, expanding 207 basis points.

Net sales of our **operation in Chile** were Ch $551,873 million, an increase of 2.1%, despite the 0.5% decrease in sales volume. EBITDA of the Chilean operation reached Ch$115,579 million, a 2.7% over the previous year, and EBITDA margin reached 20.9%, an expansion of 13 basis points.

Our **operation in Paraguay** increased volume by 4.8%, explained in part by the increase in market share of 120 basis points, in addition to the reactivation of the cross-border trade. Net sales grew 7.0% and reached Ch$141,277 million. EBITDA generated was Ch$36,370, a 2.9% growth and EBITDA margin was 25.7%.

During 2017 we showed positive financial results in all four of the company's operations, despite the complex macroeconomic scenario faced by the countries in which we operate.



We have focused on continuing to develop our portfolio, accompanying our consumers' needs.

Thus, although during the present year consolidated sales volume reached 756.3 million unit cases, which represented a 2.9% decrease when compared with the previous year, the company's consolidated sales reached Ch$1,848,879 million, representing a 4.0% growth over 2016. These were driven by the growth of net sales in all our operations and the positive impact of the 4.9% appreciation of the Brazilian real against the Chilean peso and were partially offset by the negative impact of the 14.5% depreciation of the Argentine peso on the Chilean peso. **The company's consolidated EBITDA reached Ch$337,890 million, an increase of 8.6% over the previous year, with which EBITDA margin was 18.3%, an expansion of 78 basis points.** Finally, income attributable to the controllers of the company was Ch$117,836 million, a growth of 30.2%. Dividends distributed by the company during 2017 reached Ch$75, 536 million, increasing 11.8% over the previous year.

In order to capture the many opportunities and challenges offered by each of the markets where we operate, we have focused on **continuing to develop our portfolio, accompanying our consumers' needs.**

We have continued to work on the **development of the soft drink category, focusing on low-calorie, sugar-free and sugar-reduced products**, where we are benchmarks and leaders. A clear example of this were the reformulations of Fanta and Sprite that we conducted in Chile at the end of August 2017, which involved not only a cost optimization, but also that both products are incorporated into the already large portfolio of low-calorie products we've been developing. In addition, in the last two years in Chile we have reformulated 32 products and currently 65% of the portfolio is made up of low-calorie and zero-calorie products. On the other hand, in all our franchises we carried out the launching of the Full Red Coca-Cola campaign, refreshing the image of the Coca-Cola trademark family of products, and starting to serve the market with Sugar-free Coca-Cola. This is a unique product, which maintains the original Coca-Cola flavor, which allows us to accompany the choice of people who want to continue enjoying the flavor of the original Coca-Cola, but without sugar.

In addition, **we expanded the immediate consumption portfolio**, which enhances the transactions of our products, capturing profitable volume and increasing the supply of flavors and categories to consumers in new and diverse occasions to enjoy our products, such as sports, entertainment, offices, etc., leading and refreshing consumers in new lifestyles. Thus, although the company's consolidated volume dropped by 2.9% compared to the year 2016, consolidated transactions decreased 2.1%, which is a clear example that initiatives such as the launching of the new 220 cc cans in Chile and Brazil, as well as the 250 cc cans in Argentina, since the end of 2016, have had the impact we expected.

Lastly, **we continue on the path to expand our portfolio of non-carbonated beverage products**, reaffirming our commitment to this line of business that has great growth potential. During 2017 we started distributing AdeS products in our four franchises and in January 2018 we executed the Guallarauco purchase and sale agreement. AdeS is a soy-based beverage, which opens new development opportunities for the portfolio of vegetable protein-derived beverage segment. For its part, Guallarauco is a leading company in the premium juice segment in Chile and will also allow us to incorporate new categories such as frozen fruits, ice creams and ready-to-eat desserts.

Together with the portfolio development, we have continued to search for efficiencies in all our processes, focusing on production and logistics. Our new plant in Duque de Caxias, which began operating in early 2018 in Brazil, and which implied an investment of approximately USD110 million, is a clear example of this. The new plant will add approximately 30% to the installed capacity that we have today in that country, allowing us to more than double the installed capacity that we have for returnable formats, and, we can begin to serve the mineral water market with water bottled in Rio de Janeiro. It will also help us to be closer to our customers in the northeastern part of Rio de Janeiro, thus improving our service level. It is worth mentioning that this project, which involved the commitment and work of many of our collaborators in Brazil, was carried out in compliance with the highest standards of construction and in its entirety

1. Unit Case or "UC", equivalent to 5.678 liters

ARG

211.4	553,788	79,471
Volume (MUC)	Sales (M Ch$)	EBITDA (M Ch$)

BRA

248.9	603,898	111,690
Volume (MUC)	Sales (M Ch$)	EBITDA (M Ch$)

CHI

231.0	551,873	115,579
Volume (MUC)	Sales (M Ch$)	EBITDA (M Ch$)

PAR

65.0	141,277	36,370
Volume (MUC)	Sales (M Ch$)	EBITDA (M Ch$)

under the LEED concept, certification of sustainable buildings, developed by the U.S. Green Building Council. In addition, the construction of this plant was tied to an extensive and comprehensive environmental management plan and work with the community, thus completing a successful productive, efficient and sustainable project.

Among other efficiency projects and productivity of the processes, we are initiating innovating projects for South America, like the installation of the **first automatic truck loading and unloading docks in Chile**, with European technology that will provide us productivity and a speedy response to the supply needs of distribution centers and customers. We hope to consolidate this project during 2018.

In line with **the commitment to the sustainable development of our business**, we have led numerous sustainability initiatives in all the countries in which we operate. One of the axes of the sustainability strategy is related to the reduction of waste generation, which is becoming more and more relevant in the communities where we operate. In this way, we have continued working on reducing the weight of our packaging, such as the launching in Chile of the ecoflex bottle for Vital in December 2017, which will allow us to reduce the amount of resin used by our mineral water bottles by 30%, which is equivalent to a reduction in the market of more than 217 tons of plastic per year.

In addition, we have led various post-consumer actions, where working with cooperatives and base recyclers demonstrates our company's strong commitment to the community and the environment. We carry out programs of this kind in Brazil, Argentina and Chile, which not only seek the recycling of our postconsumer packaging, where we recover more than 4 tons of plastic per year, but also to do so in an inclusive way.

Energy management is another of our constant concerns. In 2017 we continued investing in more efficient cold equipment in the 4 countries in which we operate, which allows for a 30% savings in energy for our customers. In addition, we installed 2,000 LED luminaires in the Renca plant and the main distribution centers in Chile that will reduce emissions by 1,224 tons of CO_2/year.

Innovative water management programs were developed in Paraguay. One of them is associated with good agricultural practices and will involve for the next two years the training of 300 farmers, to ensure a better infiltration of water to the reserve of the Mbaracayú Forest and its aquifer, enabling the development of communities whose economy depends on the agro and livestock. Another project we lead gave access to drinkable water to 40,000 people from 45 communities.

In 2017 we continued to work on **strengthening our corporate governance**, incorporating tools that allow us to develop an ethical culture and a focus on sustainability. Examples of this are many, highlighting

Thanks to the commitment to the sustainable generation of economic, social and environmental value of all those who are part of Coca-Cola Andina, important and recognized world-wide indexes have incorporated the company's actions in its sustainability indexes.

the implementation of a risk management model and the formation of the Culture, Ethics and Sustainability Committee.

Thanks to the commitment to the sustainable generation of economic, social and environmental value of all those who are part of Coca-Cola Andina, important and recognized world-wide indexes have incorporated the company's actions in its sustainability indexes. An example of these are the Dow Jones MILA, DJSI Chile, the FTSE 4Good Emerging Index and the Vigeo Eiris Emerging 70 Ranking. This type of indexes is used by a wide range of investors to create and evaluate responsible investment funds and being part of them reinforces that we are going in the right direction.

In addition, we have received recognitions for brand reputation, such as MERCO in Chile and important distinctions to the work performed by the investor relations team, such as ALAS20 for the best investor relations team in Chile, for the second consecutive year, among others.

In line with our constant effort to improve communication with the financial market and at the same time reduce waste generation, the communication of this Annual Report and the 2017 Sustainability Report will be 100% digital, and we will incorporate new tools for the correct and timely dissemination of the company's financial information to the market and community of shareholders, investors and analysts.

In these pages you can find more details to understand how our company is facing the challenges we have, with the strength of the Coca-Cola brand, the focus on innovation and a group of collaborators committed to sustainable growth.

I appreciate the trust of our shareholders, that of more than 16,000 Company collaborators and of all the people involved in this great family that we call Coca-Cola Andina.

Juan Claro González
Chairman of the Board of Directors

Company Description

Embotelladora Andina S.A. (hereinafter "Coca-Cola Andina", "Andina" or the "Company") is one of the three largest Coca-Cola bottlers in Latin America, servicing franchised territories with almost 52.3 million people, delivering 756.3 million unit cases or 4,294 million liters of soft drinks, juices, and bottled waters during 2017. Coca-Cola Andina has the franchise to produce and commercialize Coca-Cola products in certain territories in Argentina (through the company Embotelladora del Atlántico, S.A. hereinafter "Edasa" or "Coca-Cola Andina Argentina"), Brazil (through the company Rio de Janeiro Refrescos Ltda., hereinafter "Coca-Cola Andina Brasil"), Chile (through the company Embotelladora Andina S.A., hereinafter "Coca-Cola Andina Chile"), and in all of Paraguay (through the company Paraguay Refrescos S.A. hereinafter "Coca-Cola Paresa"). The Company is controlled in equal parts by the Chadwick Claro, Garcés Silva, Hurtado Berger, Said Handal and Said Somavía families, in accordance with a shareholders' agreement. The Company's proposal to generate value is being leader in the non-alcoholic beverage market, developing a relationship of excellence with consumers of its products, as well as with its employees, customers, suppliers, the community in which operates and with its strategic partner Coca-Cola.

For more information on the Company visit www.koandina.com

Note:

Throughout this Annual Report we will refer to certain companies in Chile:

- Vital Aguas S.A., hereinafter also "Vital Aguas";
- Vital Jugos S.A., hereinafter also "Vital Jugos";
- Envases Central S.A., hereinafter also "Envases Central";
- Coca-Cola Embonor S.A., hereinafter also "Coca-Cola Embonor" or "Embonor";
- Coca-Cola de Chile S.A., hereinafter also "Coca-Cola de Chile" or "Coca-Cola Chile"

Consolidated Financial Highlights
(Figures in million Chilean pesos)

	2017	2016	2015	2014	2013*
Net Sales	1,848,879	1,777,459	1,877,394	1,797,200	1,521,681
Operating Income	238,726	213,670	215,596	186,773	171,284
Net Income	117,836	90,526	88,098	75,807	90,267
EBITDA	337,890	311,004	316,229	289,740	254,621
Total Assets	2,114,859	2,199,110	2,209,361	2,269,173	2,082,961
Financial Debt	712,912	750,761	791,470	762,935	686,409
Shareholders' Equity	813,233	842,170	851,534	918,998	881,433

	2017	2016	2015	2014	2013
EOP price Andina A (Ch$)	2,850	2,289	1,955	1,472	1,850
EOP price Andina B (Ch$)	3,071	2,491	2,130	1,717	2,413
EOP price AKO A (US$)	26.51	20.53	16.28	14.30	28.24
EOP price AKO B (US$)	29.28	22.47	17.41	17.00	21.04

* Includes figures of Companhia de Bebidas Ipiranga only for the 4th quarter of 2013

History

1940's
In 1946 Embotelladora Andina S.A. is established with the license to produce and distribute Coca-Cola products in Chile. Transition from the individual bottle towards the 24-bottle case (today known as "unit case").

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

1974
The Company acquires an additional 46% in Embotelladora Concepción.

1975
The Company acquires a 34% ownership interest in Embotelladora Talca.

1978
Termas Mineral de Chanqueahue and the brand Agua Mineral Vital are purchased. The Company increases to 80% its ownership interest in Embotelladora Talca.

1979
Operations begin at the Chanqueahue Vital production facility in Rengo and Embotelladora Concepción in Temuco.

1980
Launch of the PET non-returnable 2-lt bottle.

1981
The plastishield format is introduced in Chile, the most modern non-returnable format in the world. Launch of diet soft drinks, TAB and Sprite Light.

1982
Andina sells its ownership interest in Embotelladora Talca and Embotelladora Concepción to Sociedad de Inversiones Williamson.

1984
Launch of Diet Coca-Cola.

1985
Inversiones Freire acquires control over the Company.

1986
Sale of the bottling facility in Viña del Mar.

1991
Envases Multipack in the packaging business begins operations.

1992
Vital is established and dedicated to the business of juices and mineral waters in Chile. Coca-Cola Andina acquires a minority ownership in INTI, a Coca-Cola product bottling Company in Córdoba, Argentina.

1994
Placement of 7,076,700 American Depositary Receipts (ADRs) on the NYSE, collecting US$127 million. Entrance to the Brazilian market begins with the acquisition of Rio de Janeiro Refrescos, bottling Company located in the city of Rio de Janeiro, with a bottling facility in Jacarepaguá.

1995
Envases Central begins operations. Greater presence in the Argentine market with the acquisition of Embotelladora del Atlántico S.A. ("EDASA"), controller of the Coca-Cola bottling facilities for the franchises of Rosario and Mendoza.

1996
A 49% ownership interest of Vital is sold to The Coca-Cola Company along with the brands: Kapo, Andina and Vital. Expansion into Argentina continues, acquiring an additional 36% ownership interest in EDASA, an additional 79% in INTI (today merged with EDASA), 100% of Complejo Industrial PET in Buenos Aires (dedicated to the packaging business), and a 15% of Cican, a Coca-Cola product canning facility. The Coca-Cola Company enters into Andina's ownership with an 11% stake.

1997
Stock split creating series A & B shares. An additional 5% stake in EDASA is acquired. US$350 million issue in the U.S. market in tranches of 10, 30, and 100 years.

1998
Coca-Cola Andina repurchases the 49% stake that The Coca-Cola Company held in Vital but The Coca-Cola Company remains with ownership of all brands

1999
Inauguration of the Montecristo production facility in Córdoba, Argentina.

2000
Acquisition of the Brazilian Coca-Cola bottler for Niteroi, Vitoria and Governador Valadares.

2001
Joint Venture between Multipack and Crowpla creating the new Company Envases CMF that participates in the packaging business. Coca-Cola Andina issues UF 7,000,000 in bonds (7 and 25 years). Tender Offer for the partial repurchase of bonds issued in the US market.

2002
EDASA concentrates all productive operations at the Montecristo production facility in Córdoba and shuts down the Mendoza and Rosario plants.

2003
EDASA takes control over CIPET. Andina is awarded the "Carlos Vial Espantoso" award, which distinguishes the most relevant Chilean Company in terms of labor relations and with more dedication to human capital.

2004
Franchise swap between Rio de Janeiro Refrescos and a subsidiary of The Coca-Cola Company in the State of Minas Gerais for the franchise of Nova Iguaçu located in the State of Rio de Janeiro.

2005
Vital is divided into two companies, creating Vital Aguas S.A. Hence, Vital exclusively develops the juice and other non-carbonated beverage business while Vital Aguas S.A., along with the other Coca-Cola bottlers in Chile develops the water business.

2006
The Company obtains the 2005 National Award for Quality and Competitiveness, distinction given by the Presidency of the Republic of Chile. Andina is the first Company in the mass consumption sector to obtain this award.

2007
Andina inaugurates Maipú and Puente Alto Distribution Centers in Santiago. The Coca-Cola Company along with the Coca-Cola bottlers in Brazil create a Joint Venture, Mais Indústria de Alimentos, in order to enhance the non-carbonated business for the entire System in that country.

2008
Andina incorporates the Benedictino brand to its water portfolio in Chile. Acquisition in Brazil through the Mais joint venture of the Sucos del Valle brand, leader in the juice segment in this market.

2009
Coca-Cola Andina commemorates its 15th Anniversary of listing on The New York Stock Exchange. In Argentina we received the National Award for Quality, the highest recognition granted to private companies and public organizations.

2010
The Company significantly increases production and distribution capacity in Chile, Argentina and Brazil.

2011
Coca-Cola Andina commemorates 65 years and the new bottling facility in Chile begins operations. The juice business is restructured and Vital becomes Vital Jugos, a joint venture with the other Coca-Cola bottlers in Chile.

2012
Materialization of the merger with Embotelladoras Coca-Cola Polar S.A., incorporating Paraguay and new territories in Chile and Argentina. Acquisition of 40% of Sorocaba Refrescos in Brazil. Change of corporate image to Coca-Cola Andina.

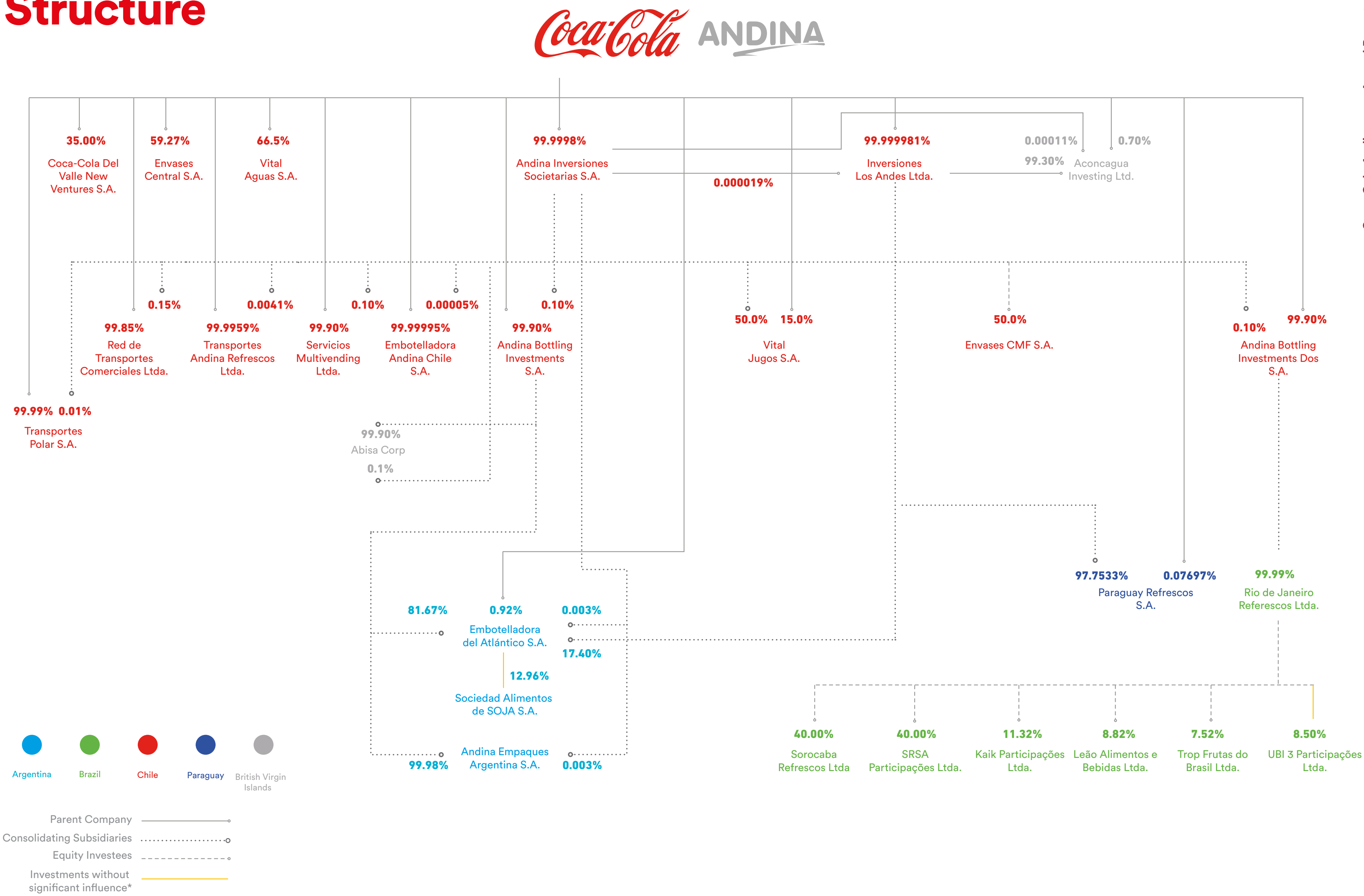
2013
The acquisition of 100% of the shares of Companhia de Bebidas Ipiranga ("Ipiranga") in Brazil becomes material. Additionally, Andina issues UF 5,000,000 in bonds in tranches of 7 and 21 years in the Chilean market and US$575 million in 10-year term bonds in the U.S. market.

2014
Coca-Cola Andina issues UF 3,000,000 in twenty-one year-term bonds in the Chilean market.

2016
The Coca-Cola del Valle New Ventures S.A. joint venture is created on January 28, 2016 along with Coca-Cola de Chile S.A. and Embonor S.A. ("Embonor") as vehicle to develop a new model and commercial policies for the production and commercialization of certain non-carbonated and still beverages.

2017
During April we began distributing AdeS products, reinforcing the growth trend of new categories.

Company Structure



*These companies were incorporated into the Company for the AdeS business development and have not been rated as of significant influence, hence they are classified under Other Non-current Financial Assets within the Financial Statements.

Deeds of Incorporation

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

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

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

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

Corporate Governance

The Company has an Executive Committee that supervises the overall operation of the corporate businesses and controls the operations on a permanent basis and through periodic sessions, in addition to proposing guidelines concerning the administration of the corporate businesses.

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

The Company has an Executive Committee which was established by unanimous agreement of the Board of Directors of the Company at its session held on April 22, 1986, and its duty is to supervise the Company's general business and the control of operations on a permanent basis and through periodic sessions, and to propose guidelines concerning the administration of the Company's business. The members of the Executive Committee of the Board of Directors of Embotelladora Andina S.A. are the following directors: Eduardo Chadwick Claro, Arturo Majlis Albala, José Antonio Garcés Silva (junior), Gonzalo Said Handal and Salvador Said Somavía, who were elected during regular Board session held on April 26, 2017. The Chairman of the Board, Mr. Juan Claro Gonzalez and the Chief Executive Officer, Mr. Miguel Ángel Peirano, are also members of this committee, who participate by own right. This Committee meets permanently throughout the year.

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

The current members of the Culture, Ethics and Sustainability Committee are Mrs. Susana Tonda Mitri, Mr. José Antonio Garcés Silva and Mr. Gonzalo Said Handal in addition to the Chairman of the Board of Directors, who integrates this committee by own right.

Even though the Company has not established a formal process that allows its shareholders to communicate with the directors, shareholders desiring to do so may manifest their opinions, considerations or recommendations before or during the General Shareholders' Meeting which will be heard and attended by the Chairman of the Board, or by the Chief Executive Officer of the Company, and any such recommendations will be submitted for the consideration of shareholders in attendance during the Meeting.

Coca-Cola Andina does not have a defined policy with respect to the attendance of the directors at the Meeting, but it is customary for them to attend voluntarily.

Likewise, the Company does not have a policy that is different from what is required by Chilean Law with respect to the nomination of a shareholder as a candidate to be a member of the Board of Directors of the Company. Consequently, any interested shareholder may attend a Meeting and propose a specific candidate as director when an election is to take place.

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

Further information regarding Corporate Governance matters and the difference with United States of America (hereinafter and indistinctively "U.S.") standards are included in our 20-F Form filed with the Securities & Exhange Commission ("SEC") every year, and on our website www.koandina.com, as of April 30, 2018.

1. For the year ended December 31, 2017, the Board of Directors incurred in Ch$415 million related to consultancies and audit expenses, among others.
2. The last election of Directors took place at the General Shareholders' Meeting dated April 26, 2017.

Directors' Committee

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance to the dispositions of Circular N°1956 and Circular N°560 of the Chilean Superintendence of Securities and Insurance, the current Directors' Committee was elected during Board Session dated April 26, 2017. The Committee is composed of the Directors Pilar Lamana Gaete and Gonzalo Parot Palma (both as independent directors), and Salvador Said Somavía. The Chairman of the Directors' Committee is Gonzalo Parot Palma.

Between April 30, 2013 and April 26, 2017, the Directors' Committee was composed Messrs. Gonzalo Parot Palma (as Chairman and independent director), Arturo Majlis Albala and Salvador Said Somavía.

Pursuant to Article 50 bis of Chilean Corporation Law N°18,046, we inform about the tasks carried out by Embotelladora Andina S.A.'s Directors' Committee, reporting that during 2017 the Committee developed the following activities, among others:

- Examine the reports of External Auditors, the balance sheets and other Financial Statements, presented by the administrators of the Company, and take a position on such reports before they were presented to shareholders.
- Propose external auditors and private rating agencies to the Board of Directors, which were suggested to the respective Shareholders' Meeting.
- Examine information regarding the operations referred to by Title XVI of Law N°18,046 and issue a report on those operations.
- Examine the salary systems and compensation plans of the Company's managers, principal officers and employees.
- Review anonymous reports.
- Review and approve the 20F and verify Management compliance with Rule 404 of the Sarbanes & Oxley Act.
- Review Internal Audit Reports.
- Prepare the budget proposal for the Committee's operation.
- Periodically interview the Company's External Auditors.
- Review the budget for the Coca-Cola System related company operations.
- Analyze and approve the Internal Audit certification processes as well as the operating bylaws proposal
- Review the Risk Matrix and Mitigation Plans of the Company.
- Review efficiency opportunities in the company's structure, analyzing corporate roles and functions regarding the Company's Operations, as well as the structure of investment companies.
- Review and approve press releases that refer to the Company's statements of income.
- Review the Company's four Operations' Internal Control Standards, including Critical Risks in accounting processes, compliance of corporate policies, tax contingencies, IT and and status of Internal and External Audit observations.
- Analyze the risk map identified in the area of Information Technology, as well as the progress status on the implementation of the respective mitigation plans.
- Review and approve for the Operations, in certain cases, the hiring of audit companies to perform non-audit services and which are not forbidden by current standards.
- Review the Impairment Test.
- Review the Corporate Tax Policy.
- Report on effects of new IFRS standards.
- Prepare the Annual Management Report

Finally, we inform that during 2017, the Directors' Committee incurred in Ch$82,720,832. These expenses relate to consultancies on free competition and legal matters, among others.

Sarbanes-Oxley Audit Committee[1]

In accordance with NYSE and SEC requirements regarding compliance with the Sarbanes-Oxley Act, the Board of Directors established an Audit Committee on July 26, 2005. The current Audit Committee was elected during Board Session held April 26, 2017. The Committee is composed of the directors Mrs. Pilar Lamana Gaete, Mr. Gonzalo Parot Palma, and Mr. Salvador Said Somavía determining that Mrs. Pilar Lama Gaete and Mr. Gonzalo Parot Palma fulfill the independence standards set forth in the Sarbanes-Oxley Act and SEC and NYSE regulations. Also, Mr. Parot has been appointed by the Board of Directors as the financial expert in accordance with the definitions of the listing standards of the NYSE and the Sarbanes-Oxley Act.

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

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

1. For the year ended December 31, 2017, the Audit Committee did not incur any expenses.

Board of Directors

Mariano Rossi
Business Administrator
Foreign citizen

Gonzalo Parot Palma
Civil Industrial Engineer
Chilean Tax Id Nº: 6.703.799-5

Susana Tonda Mitri
Business Administrator
Chilean Tax Id Nº: 5.500.244-4

Salvador Said Somavía
Business Administrator
Chilean Tax Id Nº: 6.379.626-3

Arturo Majlis Albala
Attorney at Law
Chilean Tax Id Nº: 6.998.727-3

Juan Andrés Fontaine Talavera
Business Administrator
Chilean Tax Id Nº: 6.068.568-1

Georges de Bourguignon Arndt
Economist
Chilean Tax Id Nº: 7.269.147-4

Karim Yahi
Auditor
Foreign citizen

Enrique Rapetti
Accountant
Foreign citizen

Gonzalo Said Handal
Business Administrator
Chilean Tax Id Nº: 6.555.478-K

Juan Claro González
Chairman of the Board
Entrepreneur
Chilean Tax Id Nº: 5.663.828-8

Pilar Lamana Gaete
Business Administrator
Chilean Tax Id Nº: 8.538.550-K

Eduardo Chadwick Claro
Vice Chairman of the Board
Civil Industrial Engineer
Chilean Tax Id Nº: 7.011.444-5

José Antonio Garcés Silva
Business Administrator
Chilean Tax Id Nº: 8.745.864-4

Date appointed: April 26, 2017

–

Note 1

The Directors Messrs. Eduardo Chadwick Claro, José Antonio Garcés Silva, Gonzalo Said Handal and Salvador Said Somavía hold an ownership interest in the Company, a detail of which can be found on page 58 of this Annual Report. The Director Mr. Arturo Majlis Albala owns company stock representing a 0.0005% of Series A shares and 0.0016% Series B shares. None of the other Company Directors hold Andina´s stock.

Note 2

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

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

Emilio Rodriguez Larraín
Attorney at Law
Foreign citizen
Elected as director on June 25, 2012.
Cessation of office date: April 21, 2016

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

José De Gregorio Rebeco
Civil Industrial Engineer
Elected as director on June 25, 2012.
Cessation of office date: April 26, 2017

Francisco Javier Crespo
Industrial Engneer
Foreign citizen
Elected as director on June 25, 2012
Cessation of office date: April 26, 2017

Note 3

The Board of Directors of Coca-Cola Andina is composed of 14 directors, 12 of whom are men and 2 are women. 10 of them are Chilean citizens and 4 are foreign citizens.

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

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

Note 4

During 2017 on two occasions, the Board of Directors was trained in matters of corporate governance and Corporate Social Responsibility.

Our Collaborators*

Of total Company employees, 14,378 are men and 1,685 are women. Of them, 3,274 are Chilean citizens and 12,789 are foreign citizens. Of the foreign citizens, 12,559 collaborators are of national origin of their respective operations.

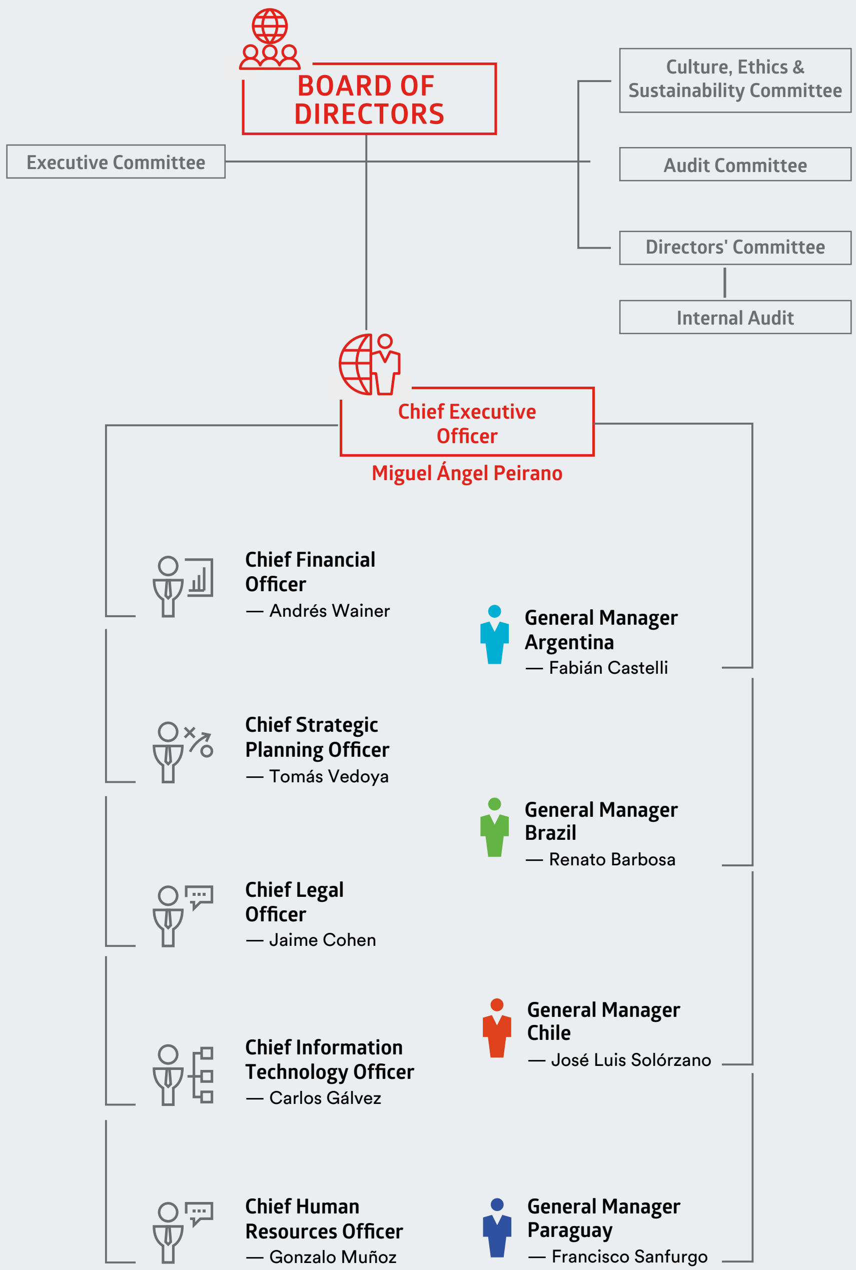
Of total Company collaborators, 4,675 are under 30 years of age, 6,576 are between 30 and 40, 3,273 between 41 and 50, 1,350 between 51 and 60, 178 between 61 and 70, and 11 are older than 70.

Of total Company collaborators, 6,992 have performed their role in the Company for less than three years, 3,554 between three and six years, 1,510 for more than six and less than nine years, 1,270 between nine and twelve years, and 2,737 for more than 12 years.

	MANAGERS AND PRINCIPAL OFFICERS	PROFESSIONALS AND TECHNICIANS	OTHER EMPLOYEES	TEMPORARIES	TOTAL 2017
Argentina					
Embotelladora del Atlántico S.A.	96	670	1,867	430	3,063
Andina Empaques Argentina S.A.	5	45	118	15	183
Brazil					
Rio de Janeiro Refrescos Ltda.	58	1,023	6,699	-	7,780
Chile					
Embotelladora Andina S.A.	74	406	1,814	521	2,815
Vital Aguas S.A.	1	68	32	45	146
Vital Jugos S.A.		91	245	10	346
Envases Central S.A.	3	31	75	3	112
Paraguay					
Paraguay Refrescos S.A.	37	306	1,126	111	1,580
Holding	16	16	6	-	38
TOTAL	**290**	**2,656**	**11,982**	**1,135**	**16,063**

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

Administrative
Structure



Management
Structure*

Miguel Ángel Peirano
Chief Executive Officer
Chilean Tax Id.: 23.836.584-8,
Electrical Engineer
In office since January 1, 2012

Jaime Cohen
Chief Legal Officer
Chilean Tax Id.: 10.550.141-2,
Attorney at Law
In office since September 1, 2008

Andrés Wainer
Chief Financial Officer
Chilean Tax Id.: 10.031.788-5,
Economist
In office since January 1, 2012

Carlos Gálvez
Chief Information Technology Officer
Chilean Tax Id.: 9.096.278-7,
Informatic Engineer
In office since February 1, 2016

Tomás Vedoya
Chief Strategic Planning Officer
Chilean Tax Id.: 23.058.990-9,
Commercial Engineer
In office since February 23, 2015

Gonzalo Muñoz
Chief Human Resources Officer
Chilean Tax Id.: 7.691.376-5,
Certified Public Accountant
In office since January 1, 2015

* Administratively Embotelladora Andina S.A. is structured as a holding company made up of a Corporate Office and an Operation in each of the countries it is present, except in Chile where Coca-Cola Andina operates directly.

Note 1. None of the principal officers hold an ownership interest in Embotelladora Andina S.A.

Note 2. Diversity in the General Manager's office and other Managing areas that report to the General Manager: The General Manager and Principal Managers of Coca-Cola Andina are 10, all men. Of them, six are Chilean citizens and four are foreign citizens. Within the principal officers, there are no officers younger than 30 years old, one is between 30 and 40, three are between 41 and 50, five between 51 and 60 and one is between 61 and 70 years old. Regarding seniority within the Company, of the principal officers of Coca-Cola Andina, three of them have held their position for less than three years, four between three and six years, one for more than six and less than nine years, one between nine and 12 years and one for more than 12 years.

Main Operations

PAR

Francisco Sanfurgo
General Manager
Chilean Tax Id N° 7.053.083-K,
Mechanical Engineer
In office since January 1, 2005

Eduardo Yulita
Finance, Administration and Systems

Melina Bogado
Marketing Manager

Leonardo Calvete
Quality Manager

María Teresa Llamosas
Human Resources Manager

Carlos Stuardo
Industrial Manager

Julio Fiandro
Logistics Manager

BRA

Renato Barbosa
General Manager
Foreign citizen, Economist
In office since January 1, 2012

David Parkes
Finance and Administration Manager

Marcio Greco
Strategic Planning Manager

Rodrigo Ormaechea
Commercial Manager

Max Ciarlini
Human Resources Manager

Fernando Fragata
Legal Manager

Rui Barreto
Ribeirão Preto Manager

Rodrigo Klee
Logistics and Operations Manager

Wagner Carrer
Ribeirão Preto Commercial Manager

CHI

José Luis Solórzano
General Manager
RUT 10.023.094-1,
Commercial Engineer
In office since April 1, 2014

Alejandro Zalaquett [1]
Finance and Administration Manager

Sebastián Tagle
Commercial Manager

Rodrigo Marticorena
Human Resources Manager

Javier Urrutia
Legal Manager

María Cecilia Facetti
S&OP Manager

José María Sánchez
National Industrial Manager

Alejandro Vargas
National Logistics Manager

Rodolfo Peña
Regions' Manager

Alejandro Palma[2]
Innovation Manager

Sergio Venosa
Technology Manager

1. In office since October 2017, position was previously held by Alberto Moreno.
2. In office since November 2017, position was previously held by Fernando Jaña.

ARG

Fabián Castelli
General Manager
DNI 17.744.981,
Industrial Engineer
In office since April 1st, 2014

Fernando Ramos
Finance and Administration Manager

Pablo Teobaldo
Commercial Manager

Daniel Palacios
Quality Manager

Lilia Hidalgo
Human Resources Manager

Pablo Bardin
Industrial Manager

Santiago López
Distribution and Logistics Manager

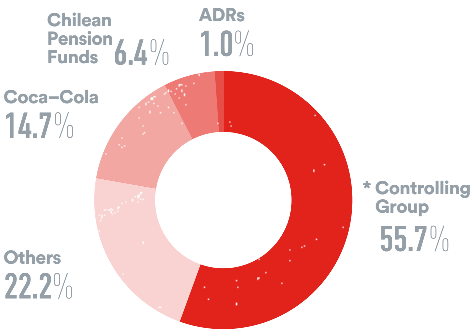
Diego Garavaglia
Integration Manager

Ariel Molina
Legal Manager

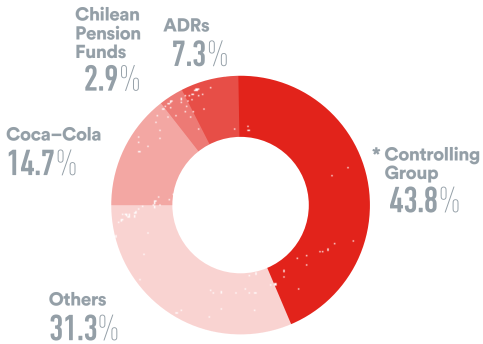
Daniel Caridi
General Manager Andina Empaques Argentina S.A.

Company Ownership

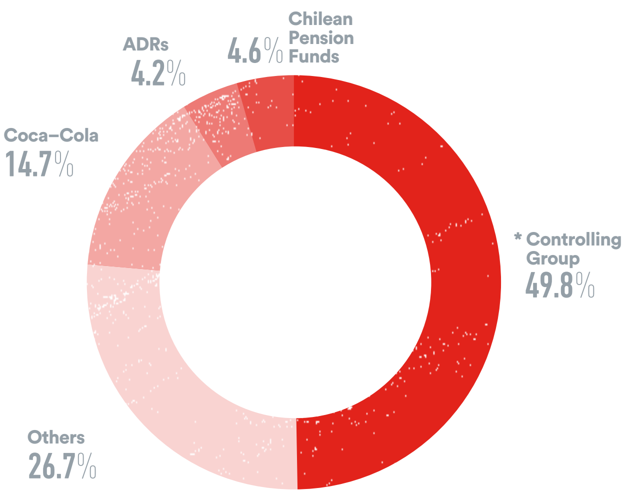
Series A



Series B



Total



* See Description of Controlling Group on page 58.

TWELVE MAIN SHAREHOLDERS	SERIES A	SERIES B	TOTAL SHARES	OWNERSHIP INTEREST (%)
Coca-Cola de Chile S. A.	67,938,179	67,938,179	135,876,358	14.4
Inversiones Cabildo SpA*	52,987,375	49,650,863	102,638,238	10.8
Banco de Chile por cuenta de Terceros	41,690,087	49,480,580	91,170,667	9.6
Inversiones Sh Seis Limitada*	52,989,375	37,864,863	90,854,238	9.6
Inversiones Nueva Delta S.A.*	46,426,645		46,426,645	4.9
Inversiones El Olivillo Limitada*	46,426,645		46,426,645	4.9
The Bank Of New York Mellon	4,937,346	34,864,668	39,802,014	4.2
Rentas Ima Ltda.*		38,978,263	38,978,263	4.1
Banco Itau por cuenta de Inversionistas	15,369,650	23,062,632	38,432,282	4.1
Banco Santander - Jp Morgan	14,774,007	17,904,730	32,678,737	3.5
Inversiones Nueva Sofia Ltda.*	2,985,731	25,678,583	28,664,314	3.0
Inversiones Las Gaviotas Dos Ltda.*	13,513,594	13,513,594	27,027,188	2.9

* Company Related to the Controlling Group

Note: The total number of shareholders of Embotelladora Andina S.A. at December 31, 2017 is 791 shareholders of the Series A and 1,140 shareholders of the Series B.

DIVIDENDS*		SERIES A[1]	SERIES B[1]	TOTAL PAID[2]
January	Interim	19.00	20.90	18,884
May	Final	19.00	20.90	18,884
August	Additional	19.00	20.90	18,884
October	Interim	19.00	20.90	18,884
Total 2017		76.00	83.60	75,536
Total 2016		68.00	74.80	67,584
Total 2015		54.00	59.40	53,671
Total 2014		52.40	57.64	52,080
Total 2013		71.60	78.76	71,163

1. Ch$ per Share
2. Millon nominal Ch$

* All dividend distributions were reported as material events to the public and and the Chilean Superintendence of Securities and Insurance, Stock Exchanges and the SEC in the United States of America, and also disclosed on the Company's website.

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

During 2017 Distributable Earnings were equal to Net Income.

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

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

Shareholders' Summary and Comments

Pursuant to General Rule N° 30 of the Chilean Superintendence of Securities and Insurance and article 74 of Law N° 18,046, it is informed that neither the Committee nor shareholders or groups of shareholders representing or holding 10% or more of the issued shares with voting rights have made comments or suggestions concerning the running of Company business.

However, the minutes of the General Shareholders' Meeting of 2017 include all observations made by every shareholder that expressed his/her opinion during said Meeting.

Our Businesses

ARG

Argentina

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

Total Per Capita Annual Consumption (8 oz. bottles)
331

Soft drinks	Juices & Others	Waters
282	17	32

Total Sales Volume (MUCs)
211.4

Soft drinks	Juices & Others	Waters
174.4	10.9	26.1

Market Share (%)*

Soft drinks	Juices & Others	Waters
62.3	35.2	16.3

* Source: AC Nielsen

Franchise Extension
1,892 thousand km²

Clients
64 thousand

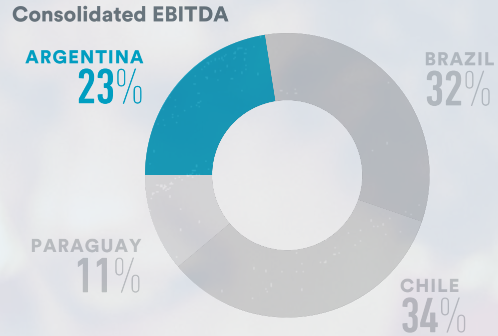
Franchise Population
13.9 million

Operating Income
95.2 MUSD

EBITDA
122.4 MUSD

ARG

Coca-Cola ANDINA Argentina



Business Description

Coca-Cola Andina Argentina produces and commercializes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Liviana, Schweppes Citrus, Schweppes Tónica, Schweppes Pomelo, Schweppes Lima Limón, Schweppes Zero, Crush Naranja, Crush Lima Limón, Kin carbonated and non-carbonated , Bonaqua carbonated and non-carbonated (mineral water), Aquarius (8 flavors), Aquarius Delight (2 flavors) and Aquarius Cero (3 flavors). Additionally, it produces and commercializes Cepita (5 flavors), Powerade (6 flavors), and Powerade Zero and in certain provinces It commercializes the following beer brands: Amstel, Budweiser, Heineken, Sol, Imperial (5 varieties), Palermo, Schneider Bieckert, Kunstmann (3 varieties). Addicionally, all the franchise area commercializes AdeS (9 flavors).

License Agreements

These License Agreements are international standard agreements that The Coca-Cola Company enters into with bottlers outside the United States of America for the sale of concentrate and beverage bases for certain soft drinks and non-soft drink beverages bearing the trademarks of The Coca-Cola Company. In accordance with those License Agreements we have the right to produce and commercialize soft drinks bearing the trademarks of The Coca-Cola Company in our franchise territory. Although this is not an exclusive right, The Coca-Cola Company has never authorized any other entity to produce or commercialize soft drinks or other beverages bearing the trademarks of The Coca-Cola Company in our franchise territory. The Agreement states as franchise territory the provinces of Córdoba, Mendoza, San Juan, San Luis and Entre Ríos, as well as part of the provinces of Santa Fe and Buenos Aires, Chubut, Santa Cruz, Neuquén, Río Negro, La Pampa, Tierra del Fuego, Antartic and South Atlantic Islands. The Agreement with The Coca-Cola Company has been extended until September 30, 2022.

Production and Distribution

Coca-Cola Andina Argentina operates 3 production facilities for soft drinks, one located in Córdoba with 10 lines and an average utilization capacity of 52.5%; another one located in Bahía Blanca (Province of Buenos Aires) with 3 lines and an average utilization capacity of 57.9%; and the third one located in Trelew (Province of Chubut) with 3 lines and an average utilization capacity of 37.3%. Additionally, the Córdoba plant also has the capacity to produce juices for it which it has 4 lines with an average utilization capacity of 32.3% and it also has the capacity to produce mineral water and other products through one line with an average utilization capacity of 41.7%. Finally, at the Bahia Blanca plant the company has the capacity to produce juices through 1 line with an average utilization capacity of 12.9%. Additionally it manages 277 soft drink auto-vending machines.

Also, during June 2012, at the Córdoba production facility we inaugurated a plant for the processing of raw sugar, with a nominal processing capacity of approximately 370 tons per day. The approval to use 100% raw sugar was obtained in 2017, reaching a plant utilization of 71.0%.

The distribution of products is carried out through third party distributing companies with a fleet of 100 contractors with a total of 829 trucks.

Suppliers of main raw materials

Concentrate: Servicios y Productos para Bebidas Refrescantes S.R.L.[1] | Sweetener: Complejo Azucarero Concepción, Glucovil argentina S.A. and Ingredion Argentina S.A. | Water: EDASA owns water wells and pay a fee to the Dirección Provincial de Aguas Sanitarias. | Carbon Dioxide: Praxair Argentina S.R.L. and Air Liquide Argentina S.A. | Packaging (Bottles): Andina Empaques Argentina S.A.[2], Cattorini Hermanos S.A.C.I.F.E .I. and Dak Americas Argentina S.A. | Boxes: Andina Empaques Argentina S.A.[2], Cabelma S.A. and PbbPolisur S.A. | Plastic Caps: Andina Empaques Argentina S.A.[2], Alusud Argentina S.R.L. and PbbPolisur S.A. | Metal Caps: Metalgráfica Cearence S.A. | Electric Energy: Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA), Termoandes S.A. and EPEC | Thermocontractable: Río Chico S.A., Ipesa Ind. Plast S.A. and Plastinadino S.A. | Labels: Luis y Miguel Zanniello S.A. and Envases John S.A.

Servicios y Productos para Bebidas Refrescantes S.R.L.[1] individually concentrates at least 10% of the purchases carried out.

The 12 main clients

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

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

1. Shareholder
2. Subsidiary

B R A

Brazil

Rio de Janeiro
Espiritu Santo
Part of São Paulo
Minas Gerais

Total Per Capita Annual Consumption (8 oz. bottles)

261

Soft drinks	Juices & Others	Waters	Beers
220	17	6	18

Total Sales Volume (MUCs)

248.9

Soft drinks	Juices & Others	Waters	Beers
201.7	22.2	6.0	19.0

Market Share (%)*

Soft drinks	Juices & Others	Waters
63.2	44.6	10.7

* Source: AC Nielsen

Franchise Extension
165 thousand km²

Clients
89 thousand

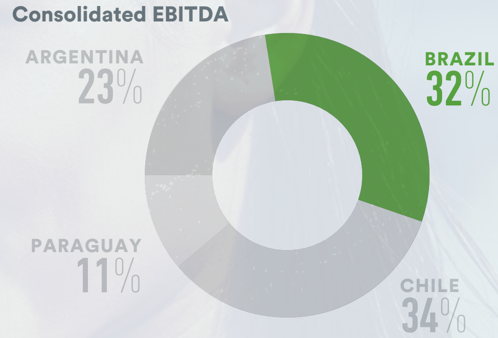
Franchise Population
21.9 million

Operating Income
129.1 MUSD

EBITDA
172.1 MUSD

BRA

Coca-Cola ANDINA Brasil



Business Description

Coca-Cola Andina Brazil commercializes products of The Coca-Cola Company and Heineken. It produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Coca-Cola Stevia, Coca-Cola Cherry, Coca-Cola Vanilla, Coca-Cola Laranja, Coca-Cola Limão Siciliano, Kuat, Kuat Zero, Fanta (4 flavors), Fanta Zero , Sprite, Sprite Zero, Schweppes Tónica, Schweppes Citrus, Del Valle 100% (3 flavors), Del Valle Frut (4 flavors), Del Valle Mais (8 flavors), Del Valle Mais Light (3 flavors), Del Valle Reserva (2 flavors), Kapo (5 flavors), Sabores Caseros, Del Valle Nutri (5 flavors), AdeS suco (5 flavors), AdeS leite (3 flavors), Shake Whey (3 flavors), Lacfree (2 flavors), Minilac, Crystal (carbonated and non-carbonated mineral water), I9 (4 flavors), Powerade (6 flavors), Powerade Zero, Fuze Ice Tea (2 flavors), Fuze Ice Tea Zero (2 flavors), Fuze Mate Leão (3 flavors), Fuze Mate Leão Zero (2 flavors), Guaraná Leão (2 flavors), Matte Leão (2 flavors), and Matte Leão Zero. Additionally it distributes the following beer brands: Amstel, Bavaria (2 varieties), Birra Moretti, Desperados, Dos Equis, Edelweiss, Heineken, Kaiser (2 varieties), Murphy´s, Sol and Xingu. Additionally, all the franchise area commercializes AdeS (9 flavors), Verde Campo products (Shake Whey, Lacfree and Minilac) and distributes Monster (4 flavors) and Burn.

License Agreements

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

The term of the agreement with The Coca-Cola Company is five years beginning October 3, 2012, and is in the process of being renewed.

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

Production and Distribution

Coca-Cola Andina Brazil operates three production facilities (i) one plant located in Jacarepaguá in the State of Rio de Janeiro, with 12 production lines and 67.4% of utilization capacity; and (ii) one plant in Ribeirão Preto in the state of São Paulo with 11 production lines and 56.9% of utilization capacity. Additionally, the trial run operation of the Duque de Caxias plant in the state of Rio de Janeiro began in December 2017. The distribution of products is carried out through company-owned transportation companies (862 trucks) and third party transportation companies (85 trucks).

12 main clients

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

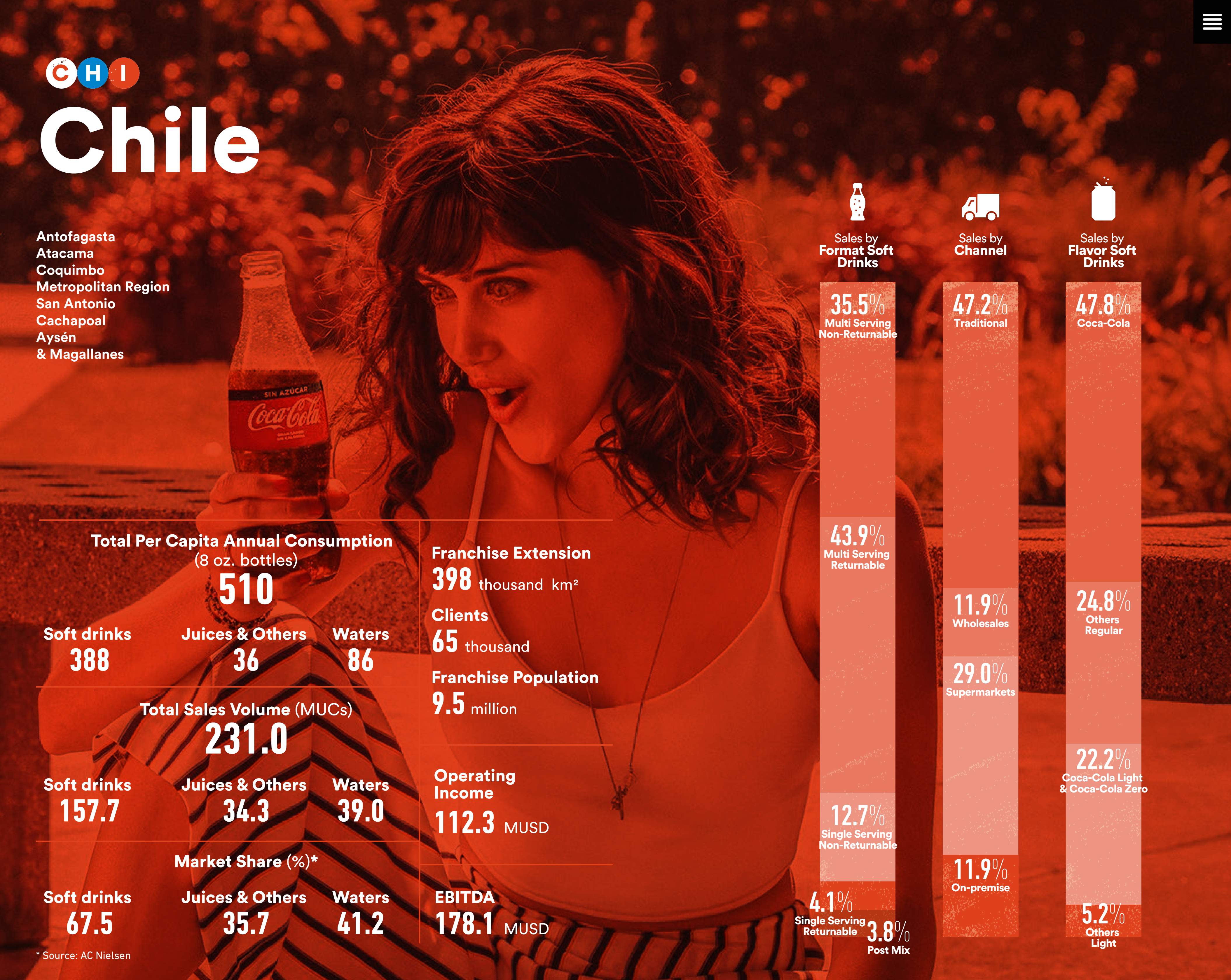
None of our clients individually concentrate more than 10% of the sales carried out.

Suppliers of main raw materials

Concentrate: Recofarma Industrias do Amazonas Ltda.[1] | Sweetener: Usina Alta Mogiana S.A. Açúcar e Alcool, Central Energetica Moreno Açúcar e Alcool Ltda | Water: Companhia Estadual de Água e Esgoto do Rio de Janeiro, Departamento de Água e Esgoto de Ribeirão Preto. | Preforms: CPR Industria Com Plasticos Ltda., Engepack Embalagens São Paulo S.A. | Packaging (REF PET): RioPet Embalagens S.A., Amcor Rigid Plastic do Brasil Ldta. | Aluminum cans and caps: Ball Embalagens Ltda., Crown Emb Met da Amazonia S.A. | Caps: Bericap do Brasil Ltda., Mirvi Brasil AS, America Tampas S.A. | Electric energy/gas: Light Esco Ltda., Companhia Paulista de Forca e Luz y CPFL Comercialização Brasil S.A. | Distributed Products: Leão Alimentos e Bebidas Ltda.[2], Cervejarias Kaiser S.A. and Total Distribuidora de Bebidas Ltda. | Thermocontractable: S R Embalagens Plasticas Ldta, Patena Ind C R Filmes PLastico Ldta. and Valfilm ne Industria e Comercio de Plasticos Ldta.

Leão Alimentos e Bebidas Ltda.[2], Cervejarias Kaiser S.A. and Recofarma Industrias do Amazonas Ltda.[1] each individually concentrate at least 10% of the purchases carried out.

1. Related to Shareholder Coca-Cola de Chile S.A.
2. Equity investee



CHI

Chile

Antofagasta
Atacama
Coquimbo
Metropolitan Region
San Antonio
Cachapoal
Aysén
& Magallanes

Total Per Capita Annual Consumption (8 oz. bottles)
510

Soft drinks	Juices & Others	Waters
388	36	86

Total Sales Volume (MUCs)
231.0

Soft drinks	Juices & Others	Waters
157.7	34.3	39.0

Market Share (%)*

Soft drinks	Juices & Others	Waters
67.5	35.7	41.2

* Source: AC Nielsen

Franchise Extension
398 thousand km²

Clients
65 thousand

Franchise Population
9.5 million

Operating Income
112.3 MUSD

EBITDA
178.1 MUSD

Sales by **Format Soft Drinks**

- 35.5% Multi Serving Non-Returnable
- 43.9% Multi Serving Returnable
- 12.7% Single Serving Non-Returnable
- 4.1% Single Serving Returnable
- 3.8% Post Mix

Sales by **Channel**

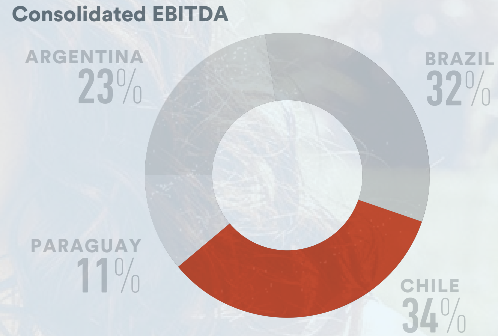
- 47.2% Traditional
- 11.9% Wholesales
- 29.0% Supermarkets
- 11.9% On-premise

Sales by **Flavor Soft Drinks**

- 47.8% Coca-Cola
- 24.8% Others Regular
- 22.2% Coca-Cola Light & Coca-Cola Zero
- 5.2% Others Light

C H I

Coca-Cola ANDINA Chile



Business Description

Coca-Cola Andina Chile produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Inca Kola, Inca Kola Zero, Nordic Mist Agua Tónica, Nordic Mist Ginger Ale, Nordic Mist Zero, Quatro (4 flavors), Sprite, Sprite Zero, Cantarina (5 flavors) Benedictino (carbonated and non-carbonated), and Benedictino Touch (2 flavors). Additionally it distributes the following products of Vital Jugos: Andina del Valle (5 flavors), Andina del Valle Light (3 flavors), Andina del Valle Nutridefensas (2 flavors), Kapo (4 flavors) and; Vital Aguas: Vital (carbonated and non-carbonated); Envases Central: Soft drinks under Coca-Cola brands in the following formats: cans, pet 250 cc and pet 500 cc, also Aquarius (5 flavors), Aquarius Cero (6 flavors) in pet 500 cc and non-returnable pet 1.5 liters. Coca-Cola de Chile S.A.: café Blak (4 flavors); through the Koolife business unit it imports and distributes Coca-Cola (3 varieties), Smartwater, GoldPeak (2 flavors), GoldPeak Diet, Core Power (3 flavors) and Zico (2 flavors) and it additionally distributes Monster (4 flavors) and all the franchise area comercializes AdeS (5 flavors). These products are commercializes in returnable and non-returnable glass and pet bottles, post-mix syrup, cans and Tetra Pak.

License Agreements

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

This Agreement states as franchise territory: the Metropolitan Region in Santiago, the Province of San Antonio in the Fifth Region; and the Province of Cachapoal (including San Vicente de Tagua-Tagua) in the Sixth Region. The Bottler Agreement with The Coca-Cola Company is in full force and effect until January 1, 2023.

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

Production and Distribution

Coca-Cola Andina Chile operates 4 production facilities throughout Chile (i) one plant located in Renca with 10 lines and a utilization capacity of 67.3%. (ii) One plant located in Coquimbo with 3 lines and a utilization capacity of 42.0%. (iii) One plant located in Antofagasta with 5 lines and a utilization capacity of 63.0%; and (iv) one plant in Punta Arenas with 2 lines and a utilization capacity of 35.0%. The distribution of products is done through 80 third party transportation companies (471 trucks) and Company owned (166 trucks).

Coca-Cola Andina Chile also manages 1,194 vending machines for soft drinks and snacks through its subsidiary, Servicios Multivending Ltda.

Suppliers of main raw materials

Concentrate: Coca-Cola de Chile S.A.[1] | Sweetener: Iansagro S.A., Sucden Chile S.A. and Sucden Americas | Water: Aguas Andinas S.A. | Carbon dioxide: Linde Gas Chile S.A., Praxair Chile S.A. and Praxair Argentina | Packaging (bottles): Envases CMF S.A.[2], Cristalerías de Chile S.A. and Cristalerías Toro S.A.C.I. | Aluminum cans and caps: Rexam Chile S.A. | Caps: Envases CMF S.A.[2], Sinea S.A. and Alucaps Mexicana S.A. de C.V.

Coca-Cola de Chile S.A.[1], Industria Azucarera Nacional S.A. and Sucden Chile S.A. each individually concentrate at least 10% of the purchases carried out.

12 main clients

Walmart Chile Comercial S.A., Cencosud Retail S.A., Rendic Hermanos. S.A., Alimentos Fruna Ltda., Hipermercados Tottus S.A., Arcos Dorados Restaurantes DE, Aramark Servicios Mineros Y Remotos, Alvi Supermercados Mayoristas S.A., Sodexo Chile S.A., Compass Catering S.A., Supermercados Montserrat S.A.C. and Super 10 S.A.

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

1. Shareholder
2. Related Company

PAR

Paraguay

The entire country

Total Per Capita Annual Consumption (8 oz. bottles)

225

Soft drinks	Juices & Others	Waters
187	15	23

Total Sales Volume (MUCs)

65.0

Soft drinks	Juices & Others	Waters
54.1	4.3	6.6

Market Share (%)*

Soft drinks	Juices & Others	Waters
68.9	43.2	33.4

* Source: AC Nielsen

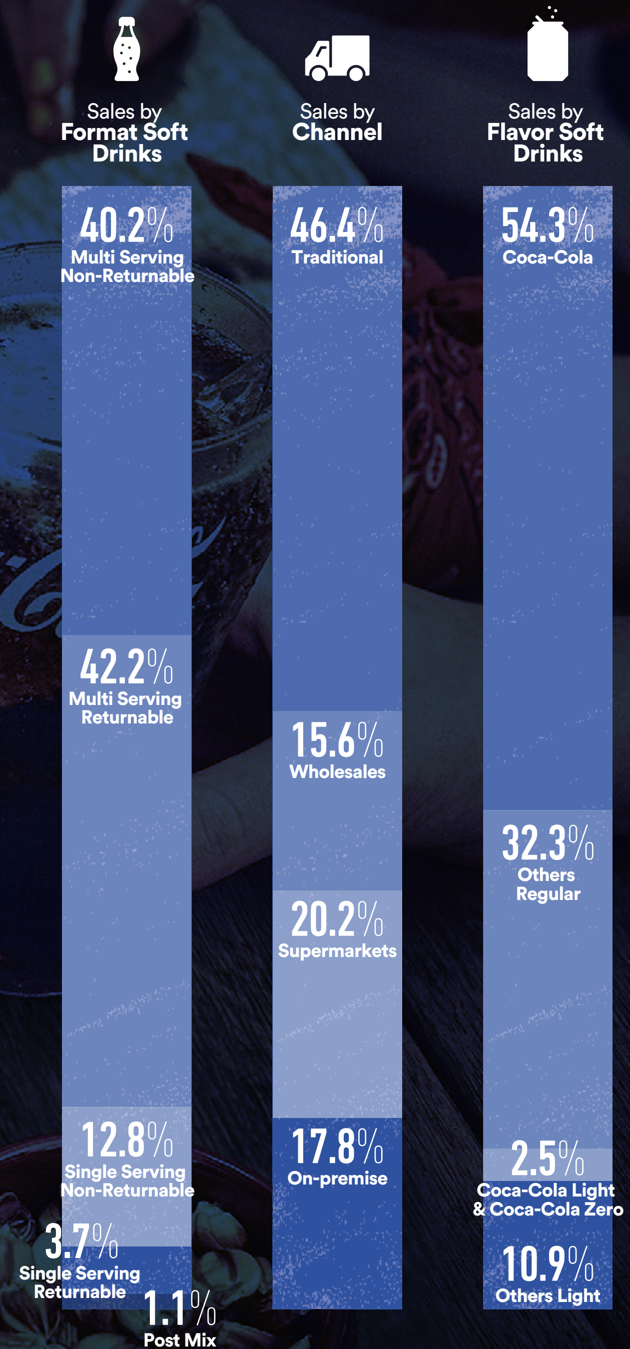
Franchise Extension
407 thousand km²

Clients
57 thousand

Franchise Population
7.0 million

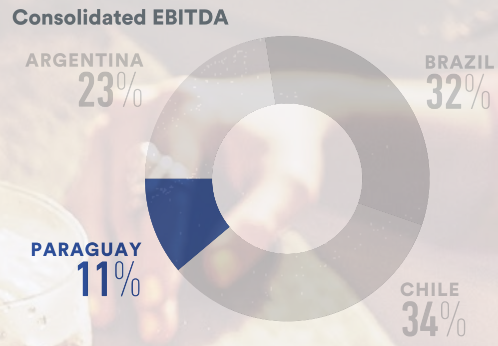
Operating Income
39.2 MUSD

EBITDA
56.0 MUSD



PAR

Coca-Cola PARESA Paraguay



Business Description

Coca-Cola Paresa produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Naranja Mandarina, Fanta Guaraná, Fanta Piña, Schweppes Tónica, Schweppes Citrus, Schweppes Pomelo, Sprite, Sprite Zero, Crush Naranja, Crush Piña, Crush Pomelo, Frugos Manzana, Frugos Durazno, Frugos Naranja, Frugos Naranja Light, Frugos Pera, Frugos Naranja Casera, Aquarius (4 flavors), Dasani (carbonated and non-carbonated), Powerade (4 flavors) and Burn. Additionally commercializes AdeS (7 flavors). These products are commercialized in returnable and non-returnable glass and pet bottles, bag-in-box syrup, cans and tetra.

License Agreements

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

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

Production and Distribution

Coca-Cola Paresa operates one production facility located in Asunción with a total of 8 bottling lines, with 71.0% utilization capacity, 3 tetra lines with 46.0% utilization capacity and 2 blowing lines with 97.0% utilization capacity.

The distribution of products is carried out through third party distributing companies with an average fleet of 314 trucks that deliver our products to clients throughout Paraguay.

Suppliers of main raw materials

Concentrate: Servicios y Productos Argentina[1] and Recofarma Industrias do Amazonas Ltda.[2] | Sweetener: Industria Paraguaya de Alcoholes S.A. | Water: Coca-Cola Paresa owns water wells | Packaging (bottles): Cattorini Hnos. (glass) | Plastic caps: Andina Empaques Argentina[2] and Sinea S.A. | Preforms: Industrias PET S.A. | Electric energy: : ANDE-Administración Nacional de Electricidad.

Industria Paraguaya de Alcoholes S.A., Recofarma Industrias do Amazonas S.A.[2] and Servicios y Productos Argentina[1] each individually concentrate at least 10% of the purchases carried out.

12 main clients

Cadena de Supermercados S6, Cadena de Supermercados Stock, Cadena de Supermercados Real, Tienda de Conveniencia Petrobras, Cadena de Tiendas de Cercanía City Market, Cadena de Supermercados Gran Vía, Cadena de Supermercado Salemma, Autoservice Sonia, Tienda de Conveniencia CopeMarket, Bodega Don Juan, Mayorista la Alegría and Cadena de Supermercados Pueblo.

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

1. Shareholder
2. Related Company

Other Operations

Andina Empaques Argentina S.A.

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

In developing its activities in the packaging division and aligned with our strategy to become the supplier of Coca-Cola Andina's group of companies, during 2017 AEA supplied non-returnable preforms, plastic caps, cases and returnable PET bottles to Coca-Cola Andina Argentina.

Production and Sales by Format

Andina Empaques Argentina operates one plant for the production of preforms, returnable PET bottles, plastic cases and caps located at Tigre in the province Buenos Aires, Argentina. The plant has 13 injection lines, 3 blowing lines, 1 line for cases and 2 lines for caps. Average utilization capacity during 2017 was 79.0% for injection lines, 61.4% for blowing lines, 85.5% for cases and 54.5% for plastic caps. Sales by format during 2017 were 42.4 million PET returnable bottles and 721.0 million preforms for non-returnable PET bottles, 0.7 million cases and 569.2 million plastic caps.

Main Clients

Embotelladora del Atlántico S.A.[1], Coca-Cola Femsa S.A., Paraguay Refrescos S.A.[1], Reginald Lee S.A, Grupo Arca and Montevideo Refrescos S.A.

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

1. Subsidiary

Main suppliers of raw materials

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

DAK Americas Argentina S.A. concentrates by itself at least 10% of the purchases carried out.

Other Operations

Vital Jugos S.A.

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

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

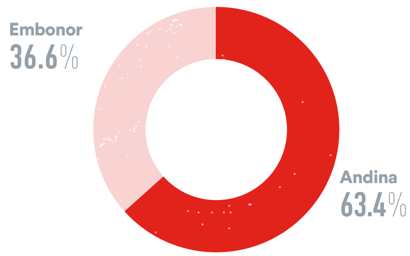
Juice Bottler Agreement

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

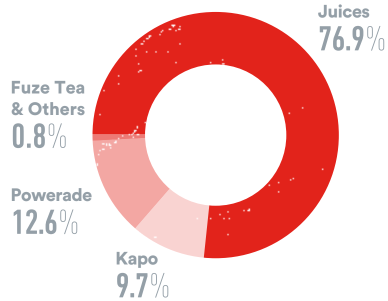
Production and Distribution

Vital Jugos S.A. operates one production facility located in Santiago with 8 lines for the production of Andina del Valle Fuze Tea, Powerade, Aquarius and Glaceau Vitamin Water; and 7 lines for the production of Kapo. Average utilization capacity for the year 2017 was 55.4%. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Vital Jugos S.A. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

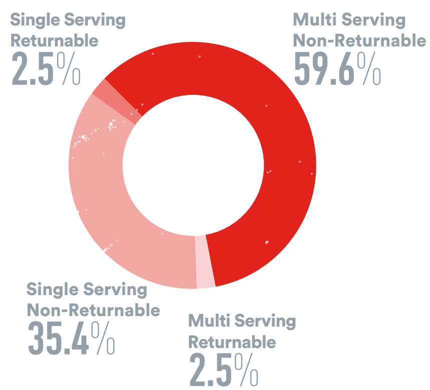
Sales by Client



Sales by Product



Sales by Format



Main Suppliers:

Concentrate: Coca-Cola de Chile S.A.[1] | Sweetener: Embotelladora Andina S.A.[2] | Fruit Pulp: Cicocitrico Cutrale-Brasil, Comercializadora Tradecos Chile Ltda., and Intrafrut Industria Transformadora de Frutos S.A. | Packaging, Bottles and Cans: Tetra Pak de Chile Ltda., Envases del Pacífico S.A.[3], Flexa, Envases CMF S.A.[4] | Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L., Portola Packaging Inc. (SILGAN)

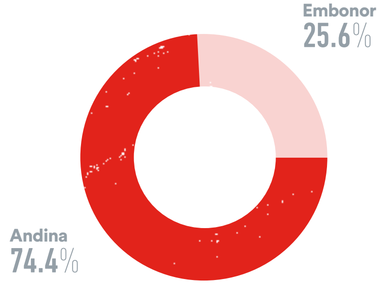
Tetra Pak, Envases CMF S.A.[4], Coca-Cola de Chile S.A.[1] and Comercializadora Tradeco Chile Ltda. each individually concentrate at least 10% of the purchases carried out.

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

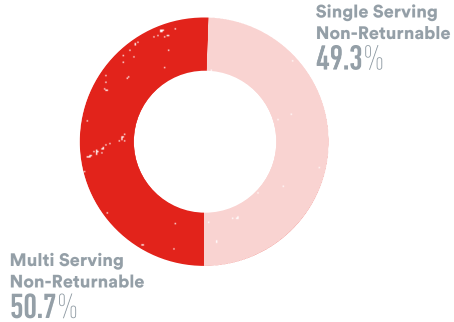
Other Operations
Vital Aguas S.A.

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

Sales by Client



Sales by Format



Water Manufacturer and Packaging Agreement

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

Production and Distribution

Vital Aguas S.A. operates 5 production lines for mineral water and purified water at the production facility located in Chanqueahue, in the municipality of Rengo in Chile. During 2017, average utilization capacity was a 58.8%. In Chile, exclusively Andina and Embonor, the other Coca-Cola bottler in the country, distribute the products of Vital Aguas S.A. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

Main Suppliers:

Concentrate: Coca-Cola de Chile S.A.[1] | Carbon dioxide: Linde Gas Chile S.A. | Packaging: Envases CMF S.A.[2], Cristalerías de Chile S.A., and Envases del Pacífico S.A. | Caps: Alusud Embalajes Chile Ltda., MBF Embalagens LTDA (Aptar) and Envases CMF S.A.[2]

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

1. Shareholder
2. Equity Investee

Other Operations
Envases Central S.A.

The Company is mainly focused on the production of the following brands of soft drinks: Coca-Cola, Fanta and Sprite, non-carbonated beverages Aquarius (pear, apple, lemon, grape and peach) and the energy drink Burn. The canning of these products is in 350 ml, 310 ml, 250 ml and 220 ml cans, and the bottling is in non-returnable PET bottles of 250 ml, 500 ml, 580 ml, and 1.5 lt (only for Aquarius). The Coca-Cola bottlers in Chile, along with Coca-Cola de Chile, share the ownership of Envases Central. Embotelladora Andina holds a 59.27% stake, Embotelladora Coca-Cola Embonor holds a 34.31%, and Coca-Cola de Chile holds a 6.42% stake.

License Agreement
These License Agreements are international standard agreements The Coca-Cola Company enters into with bottlers outside the United States of America for the sale of concentrateand beverage bases for certain Coca-Cola soft drinks and non-soft drink beverages. The term of the agreement with The Coca-Cola Company is in effect until March 31, 2021.

Production and Distribution
Envases Central S.A. operates one production facility located in Santiago, with 1 line for cans and 1 line for PET bottles. During 2017, the canning and bottling lines operated at an average of 60%, of its installed capacity. In Chile, exclusively the Coca-Cola bottlers in the country distribute the products of Envases Central S.A. The distribution agreements stipulate for the distribution of products within each of the respective franchise territories.

Main Clients:
Embotelladora Andina S.A.[1] and Coca-Cola Embonor S.A.

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

Main Suppliers:
Aluminum cans and caps: Ball Chile S.A. | Concentrate: Coca Cola de Chile S.A.[2] | Sweetener: Embotelladora Andina S.A.[1] | Plastic Bottles: Envases CMF S.A.[3] | Plastic caps: Envases CMF S.A.[3]

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

1. Parent Company
2. Shareholder
3. Equity Investee

Other Operations
Envases CMF S.A.

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

Production and Sales by Format
Envases CMF operates one production facility for the manufacture of PET bottles located in Santiago. The plant has 13 preform injection lines, 12 blowing lines, 14 lines for conventional injection, 4 injector blowing lines and 3 extraction-blowing lines. During 2017, average utilization capacity of the production lines was 67.0%, 64.0%, 65.0%, 65.0% and 55.0%, respectively.

Sales by format during 2017 were 234 million non-returnable PET bottles, 29 million returnable PET bottles and 514 million preforms for non-returnable bottles and 751 million products from conventional injection.

Main Clients:
Embotelladora Andina S.A.[1], Coca-Cola Embonor S.A., Vital Jugos S.A., Vital Aguas S.A., Envases Central S.A., Embotelladora del Atlántico S.A., Embonor Empaques S.A., Nestle Chile S.A., Paraguay Refrescos S.A., Tres Montes S.A., Soprole S.A. and Alimentos Cordillera Ltda.

Embotelladora Andina S.A.[1], Coca-Cola Embonor S.A. and Vital Aguas S.A., each individually concentrate at least 10% of the sales carriedout.

Main Suppliers:
Resin: Jiangyin Xingyu New Material Co., Far Eastern Textile Ltd., Dak Americas LLC USA and China Resources | Masterbatch: Clariant Plastic & Coatings Chile S.A., Colormatrix do Brasil Industrial and Ampacet Chile Ltda. | Ink: Nazdar Shawnee and Siegwerk Chile S.A. | Labels: Multi-Color Corp. | Packaging: Impresos y Cartonajes S.A., Corrupac S.A., 3 Volcanes Ltda. and Plastyverg Industrial Limitada

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

1. Parent Company

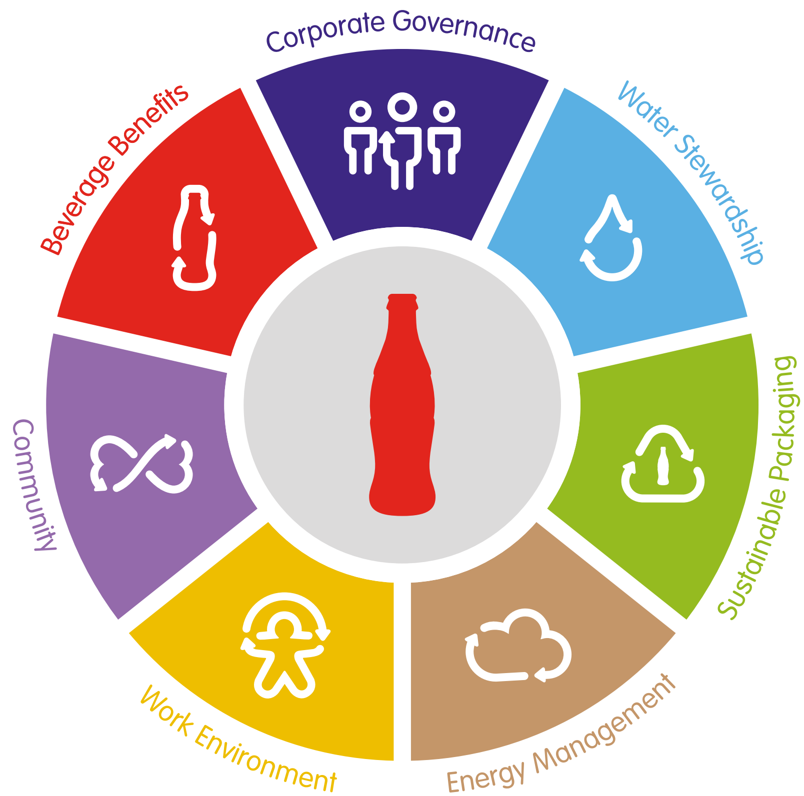

Corporate Social
Responsibility
RS17
Coca-Cola
ANDINA
Sustainability Report 2017 Coca-Cola Andina
#goPaperless
ARG
BRA
CHI
PAR

Corporate Social Responsibility

The 2017 Sustainability Report details relevant information for our stakeholders. It reflects the Company's actions and collects the valuable contributions of our collaborators from Argentina, Brazil, Chile and Paraguay.

In the document you can find projects and actions that inspire others and that generate value for our collaborators, clients, consumers, suppliers and for the communities where we have the privilege to operate.

Axis of our Sustainability Management:



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

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

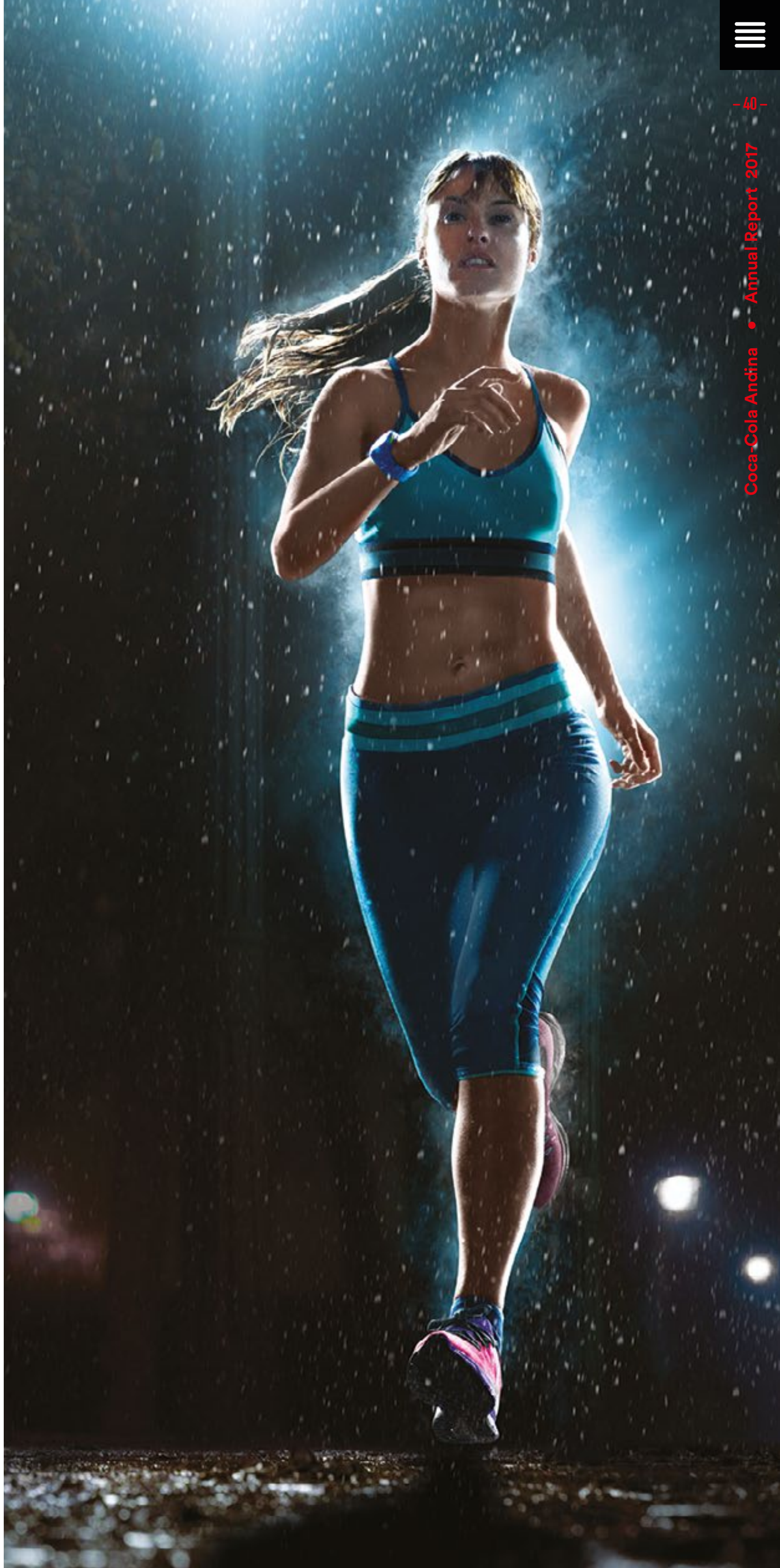
You can access our Sustainability Report by scanning the QR code (Spanish version), or on our website.

Additional Information

Capital Expenditures

Additions to property, plant & equipment

	(NOMINAL MILLON DOLLARS)	2017	2016	2015
ARG	Embotelladora del Atlántico S.A.	47.1	57.8	35.0
	Andina Empaques Argentina S.A.	1.9	3.7	1.9
BRA	Rio de Janeiro Refrescos Ltda.	112.1	51.5	41.1
CHI	Embotelladora Andina S.A.	45.0	44.4	69.3
	Vital Jugos S.A.	1.1	7.3	3.2
	Vital Aguas S.A.	0.3	2.6	1.3
	Envases Central S.A.	4.4	1.0	1.8
PAR	Paraguay Refrescos S.A.	16.0	16.1	16.0
	TOTAL	**227.9**	**184.4**	**169.6**



Financial Activities

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

During 2017, the Company did not use external financing to cover temporary cash deficits and a part of its investment plan.

As of December 31, 2017 Company net debt amounted to US$864.5 million. This figure is calculated considering the mark to market of Cross Currency Swaps ("CCS") entered into to hedge the debt in U.S. dollars.

Total financial assets, including the aforementioned CCS amounted to US$345.3 million. Excluding the CCS, financial assets amounted to US$244.6 million. This cash surplus is invested in short-term fixed income money markets and time deposits, and 53.9% is denominated in Chilean Pesos, 14.7% in Brazilian Real, 13.3% in Argentine Pesos, 9.2% in UFs, 5.8% in Paraguayan Guaraní and 3.1% in U.S. Dollars.

Financial debt level reached US$1,209.8 million, US$575 million of which correspond to a bond in the international market, US$512.7 million to bonds in the local Chilean market and US$122.1 million to bank debt Financial debt including the CCS effect is 65.2% denominated in UFs, 30.5% in Brazilian Real, 2.2% in Argentine Pesos, 1.4% in Chilean Pesos, 0.6% in U.S. Dollars, and 0.1% in Paraguayan Guaraní.

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

Investment and Financing Policy

The Deeds of Coca-Cola Andina do not define a fixed financing structure or an investment policy. Within the faculties that the Shareholders have given, the Board of Directors has the faculty to define the financing and investment policy.

On the other hand, during Board Session held December 20, 2011, supplemented by the agreements during Board Session held August 28, 2012, it was established that the realization of certain types of investments and the hiring of certain financing requires prior consent of the Company's Board of Directors

Insurance

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

Equipment

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

Research and Development

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

Risk Factors

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

Relationship with The Coca-Cola Company: 72.3% of our net sales for the year ended December 31, 2017 were derived from the distribution of soft drinks under The Coca-Cola Company trademarks, and an additional 21.6% was derived from the distribution of other beverages also bearing trademarks owned by The Coca-Cola Company. We produce, market and distribute products bearing the trademarks of The Coca-Cola Company through standard bottler agreements between our bottler subsidiaries and, in each case, The Coca-Cola Company's local subsidiary or The Coca-Cola Company, or, in the case of juices and nectars, The Minute Maid Company, a subsidiary of The Coca-Cola Company. The Coca-Cola Company has the ability to exercise substantial influence over our business through its rights under these Bottler or License Agreements. Under these Bottler or License Agreements, The Coca-Cola Company unilaterally sets the prices for concentrate and soft drinks (for soft drinks pre-mixed by The Coca-Cola Company) sold to us and in the future it may increase the price we pay for concentrate, increasing our costs.

The Coca-Cola Company also monitors our prices and has the right to review and approve our marketing, operational and advertising plans.

These factors may impact our profit margins, which could adversely affect our net income and operating results. Our marketing campaigns for all products are designed and controlled by The Coca-Cola Company. The Coca-Cola Company also makes significant contributions to our marketing expenses, although it is not required to contribute a particular amount. Accordingly, The Coca-Cola Company may discontinue or reduce such contribution at any time. Pursuant to the Bottler or License Agreements, we are required to submit a business plan to The Coca-Cola Company for prior approval on a yearly basis. In accordance with our Bottler or License Agreements, The Coca-Cola Company may, among other things, require that we demonstrate the financial ability to meet our business plan, and if we are not able to demonstrate our financial capacity, The Coca-Cola Company may terminate our rights to produce, market and distribute Coca-Cola soft drinks or other Coca-Cola beverages in territories where we have such approval. Under these Bottler or License Agreements, we are prohibited from producing, bottling, distributing or selling any products that could be substituted for, be confused with or be considered an imitation of, soft drinks or other beverages and products bearing the trademarks of The Coca-Cola Company.

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

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

Nonalcoholic beverage business environment: consumers, public health officials and government officials in the majority of our markets, are increasingly concerned with public health consequences associated with obesity, particularly among young people. In addition, some researchers, health advocates and dietary guidelines are encouraging consumers to reduce consumption of sugar-sweetened beverages and beverages sweetened with nutritive or alternative sweeteners. Increasing public concern about these issues; possible new taxes on sugar-sweetened beverages; additional governmental regulations concerning the marketing, labeling, packaging or sale of our beverages; and negative publicity resulting from actual or threatened legal actions against nonalcoholic beverage companies relating to the marketing, labeling or sale of beverages may reduce demand for our products, which could adversely affect our profitability.

The nonalcoholic beverage business environment in our territories is evolving rapidly as a result of, among other things, changes in consumer preferences, including changes based on health and nutrition considerations and obesity concerns; shifting consumer tastes and needs; changes in consumer lifestyles; and competitive product and pricing pressures. In addition, the nonalcoholic beverage retail landscape is dynamic and constantly evolving, and if we are unable to adapt successfully to the changing environment and retail landscape, our share of nonalcoholic beverage sales and overall financial results will be adversely affected.

Competitive environment: generally, the soft drink and nonalcoholic beverage businesses are highly competitive in each of the territories in which we operate. We compete with bottlers of local and regional brands, including low cost beverages and

Pepsi products. This competition in each of the regions where we operate is likely to continue, and we cannot assure you that it will not intensify in the future, which could materially and adversely affect our financial condition and operating results.

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

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

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

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

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

Tax uncertainty in Brazil: Ipiranga, absorbed by Rio de Janeiro Refrescos Ltda. In December 2013, is party to a series of ongoing administrative tax proceedings in which the Brazilian federal tax authorities have claimed that Ipiranga has unpaid liabilities for value-added taxes on industrialized products (imposto sobre produtos industrializados, or IPI) for a total amount of R$1,147,000,000. These procedures are at different administrative as well as judicial procedural stages. We disagree with the Brazilian tax authority's position and believe that it was entitled to claim IPI tax credits in connection with its purchases of certain exempt inputs from suppliers located in the Manaus Free Trade Zone. We estimate that the Brazilian tax authority's claims are without merit. Our external Brazilian counsel has advised us that it believes Ipiranga's likelihood of loss in most of these procedures should be classified as possible to remote (i.e., approximately 30% likelihood). Despite the foregoing, the outcome of these claims is subject to uncertainty, and it is impossible to predict its final resolution. Finally, pursuant to the agreement under which we agreed to acquire Ipiranga's shares, the sellers agreed to indemnify us for such tax obligations and established a five-year duration escrow account, in an amount equivalent to R$286,446,799.

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

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

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

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

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

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

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

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

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

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

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

A R G

Risks Relating to Argentina:

Economic conditions in Argentina: 9.0% of our assets as of December 31, 2017 and 29.9% of our net sales for the year ended December 31, 2017 corresponded to our operations in Argentina. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the local market, which in turn is dependent on the macroeconomic condition of the country, the financial condition and operating results of our business operations in Argentina are, to a considerable extent, dependent upon political and economic conditions prevailing in Argentina.

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

Political and economic instability in Argentina: during the period from 1998 through 2003, Argentina experienced acute economic difficulties that culminated in the restructuring of substantially all of Argentina's sovereign indebtedness. There was a succession of presidents during this crisis period and various states of emergency were declared that suspended civil liberties and instituted restrictions on transfers of funds abroad and foreign exchange controls, among other measures.

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

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

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

Restrictions on imports: pursuant to a resolution of the Argentine Federal Tax Authority ("Administración Federal de Ingresos Públicos—AFIP"), since February 2012, prior to the execution of any purchase order or similar document, Argentine importers were required to file before the AFIP a "Prior Import Statement" (Declaración Jurada Anticipada de Importación) providing information on future imports. Compliance with this requirement was verified by the Argentine customs upon arrival of the goods into Argentina and was a condition for the authorization of the payment of the purchase price by the Argentine financial entities. Although this is intended merely as an information regime, it may be used for purposes of restricting imports into Argentina. A similar regime was also imposed in respect of the import and export of services, and resulted in additional restrictions being imposed on the payments made by Argentine residents on services provided by foreign residents. While the change of the Argentine Government occurred in December 2015 considerably relaxed restrictions on imports of goods and services, replacing the AISS by a Comprehensive System of Monitoring Imports (Sistema Integral de Monitoreo de Importaciones - SIMI) (together with the implementation of automatic and non-automatic licenses) while maintaining the DJAS, we cannot assure that those restrictions will be completely removed or that it will not return to the previous situation. Restrictions on Argentine imports of goods and services of our subsidiaries may adversely affect our financial conditions or operating results.

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

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

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

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

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

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

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

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

BRA

Risks Relating to Brazil

Economic conditions in Brazil: 37.7% of our assets as December 31, 2017 and 32.6% of our consolidated net sales for the year ended December 31, 2017 corresponded to our operations in Brazil. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the relevant local market, which in turn is dependent on the macroeconomic condition of the country in which the market is located, our financial condition and operating results to a considerable extent are dependent upon political and economic conditions prevailing in Brazil. The Brazilian economy is also affected by international economic and market conditions in general, especially economic and market conditions in the United States. Similarly to other emerging market countries, the Brazilian currency depreciated significantly during 2014, attributed in part to an outflow of capital related to the expectation that the United States Federal Reserve will reduce or end its "quantitative easing" economic stimulus measures. The Brazilian economy is therefore subject to uncertainties and risks related to changes in economic conditions and policy measures in countries such as the United States and China, as well as the European Union and elsewhere.

The Brazilian government's influence over the Brazilian economy: the Brazilian government has intervened in the Brazilian economy and occasionally makes significant changes to monetary, tax and credit policies, among others. The Brazilian government's measures to control inflation, stimulate economic expansion and implement other policies have included, among others, salary and price controls, appreciation or depreciation of the Brazilian real, foreign exchange adjustments, control over remittances abroad and intervention by the Central Bank of Brazil to change the basic interest rates. We cannot foresee or control which measures or policies the Brazilian government may adopt in the future. Our activities, financial and operating results, as well as our estimates may be adversely affected by changes in the policies adopted by the Brazilian government.

Any unfavorable policy changes by the Brazilian government could adversely affect us. Uncertainty over whether the Brazilian government will implement changes in policy or laws affecting these and other factors in the future may contribute to economic uncertainty in Brazil. These factors, as well as uncertainties about the policies or regulations to be adopted by the Brazilian government with respect to these factors may adversely affect us, including our activities and financial performance.

Inflation in Brazil: Brazil has historically experienced extremely high rates of inflation. Inflation and several measures taken by the Federal Government in order to control it, combined with speculation about possible government measures, had significant negative effects on the Brazilian economy.

Inflationary pressures may result in governmental interventions in the economy, including policies that could adversely affect the general performance of the Brazilian economy, which, in turn, could adversely affect our business operations in Brazil. Inflation may also increase our costs and expenses, and we may be unable to transfer such costs to our customers, reducing our profit margins and net income. In addition, inflation could also affect us indirectly, as our customers may also be affected and have their financial capacity reduced. Any decrease in our net sales or net income, as well as any reduction in our financial performance, may also result in a reduction in our net operating margin. Our customers and suppliers may be affected by high inflation rates and such effects on our customers and suppliers may adversely affect us.

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

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

Adverse judicial determinations: Coca-Cola Andina Brasil is part of a series of tax, judicial and administrative procedures involving very significant total sums. Adverse judgments or determinations in one or more of these procedures, or changes in how certain tax rules are currently interpreted, could not only have very significant adverse effects for our Company, but could also require that we change our way of doing business, implying a significant increase in the costs required to operate.

CHI

Risks Relating to Chile

Economic conditions in Chile: 40.7% of our assets as of December 31, 2017 and 29.8% of our net sales for the year ended December 31, 2017 corresponded to our operations in Chile. Thus, our financial condition and operating results depend significantly on economic conditions prevailing in Chile.

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

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

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

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

PAR

Risks Relating to Paraguay

Economic conditions in Paraguay: 12.5% of our assets as of December 31, 2017 and 7.6% of our net sales for the year ended December 31, 2017 corresponded to our operations in Paraguay. Because demand for soft drinks and beverage products is generally related to the economic conditions prevailing in the local market which, in turn, depend on the macroeconomic and political conditions of the country, our financial situation and our operating results could be adversely affected by changes in these factors over which we have no control.

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

Inflation in Paraguay: An increase in inflation in Paraguay could decrease the purchasing power of our consumers in the country, which could adversely affect our volumes and impact our sales income. We cannot assure you that inflation in Paraguay will not increase significantly, although it has remained stable at around 5% during the last five years.

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

Risk Factors Relating to the ADRs and Common Stock

Preemptive rights: according to the Ley de Sociedades Anónimas N° 18,046 and the Reglamento de Sociedades Anónimas (collectively, the "Chilean Companies Law"), whenever we issue new shares for cash, we are required to grant preemptive rights to holders of our shares (including shares represented by ADRs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADRs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares unless a registration statement under the U.S. Securities Act of 1933, as amended, is effective with respect to such rights and shares, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, is available.

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

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

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

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

Pursuant to Law N° 19,705, enacted in December 2000, the controlling shareholders of an open stock corporation can only sell their controlling shares via a tender offer issued to all shareholders in which the bidder would have to buy all the offered shares up to the percentage determined by it, when the price paid is substantially higher than the market price (that is, when the price paid was higher than the average market price of a period starting 90 days before the proposed transaction and ending 30 days before such proposed transaction, plus 10%).

Liquidity and volatility: the Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. The lack of liquidity is explained, in part, to the relatively small size of the Chilean securities markets and may have a material adverse effect on the trading prices of our shares. Because the market for our ADRs depends, in part, on investors' perception of the value of our underlying shares, this lack of liquidity for our shares in Chile may have a significant effect on the trading prices of our ADRs.

Facilities

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

ARGENTINA	Main use	(m^2)	Property
EMBOTELLADORA DEL ATLÁNTICO S.A.			
Azul	Distribution Centers / Warehouses	600	Third Parties
Bahía Blanca	Offices / Production of Soft Drinks / Distribution Center / Warehouses	102,708	Own
Bahía Blanca	Warehouses	6,000	Leased
Bahía Blanca	Commercial Offices	576	Leased
Bahía Blanca	Real Estate	73150	Own
Bariloche	Offices / Distribution Centers / Warehouses	1870	Leased
Bialet Masse	Real Estate	880	Own
Bolivar	Warehouses	700	Third Parties
Bragado	Commercial Offices	42	Leased
Carlos Casares	Warehouses	345	Third Parties
Carlos Paz	Commercial Offices	30	Leased
Carmen de Patagones	Offices / Distribution Centers / Warehouses	1,600	Leased
Chacabuco	Offices / Distribution Centers / Warehouses	25,798	Own
Chivilcoy	Distribution Centers / Warehouses	1,350	Third Parties
Comodoro Rivadavia	Offices / Distribution Centers / Warehouses	7,500	Leased
Concepcion del Uruguay	Commercial Offices	118	Leased
Concordia	Offices / Distribution Centers / Warehouses	1,289	Leased
Córdoba	Offices / Distribution Centers / Warehouses	959,585	Own
Córdoba (H.Primo)	Offices / Distribution Centers / Warehouses	1,173	Leased
Córdoba (San Isidro)	Offices / Distribution Centers / Warehouses	8,880	Own
Córdoba	Warehouses	s/d	Leased
Córdoba	Warehouses	s/d	Leased
Córdoba	Warehouses	6200	Leased
Coronel Pringles	Warehouses	675	Third Parties
Coronel Suarez	Offices / Distribution Centers / Warehouses	1,000	Leased
Embalse	Warehouses	600	Third Parties
General Pico	Offices / Distribution Centers / Warehouses	15,525	Own
General Roca	Distribution Centers / Warehouses	2,548	Third Parties
Gualeguaychu	Offices / Distribution Centers / Warehouses	1,471	Leased
Junin (Mendoza)	Commercial Offices	100	Leased
Mendoza	Offices / Distribution Centers / Warehouses	36,452	Own
Monte Hermoso	Terreno	300	Own
Neuquén	Offices / Distribution Centers / Warehouses	10,157	Own
Olavarria	Offices / Distribution Centers / Warehouses	1,974	Leased
Paraná	Commercial Offices	318	Leased
Pehuajo	Offices / Distribution Centers / Warehouses	1,060	Leased

1. Encumbrance free properties

Facilities

ARGENTINA	Main use	(m^2)	Property
Pergamino	Oficinas / Cross Docking	15,700	Own
Puerto Madryn	Commercial Offices	115	Leased
Rafaela	Warehouses	1,000	Third Parties
Rio Gallegos	Distribution Centers / Warehouses	2,491	Leased
Rio Grande	Offices / Distribution Centers / Warehouses	4,518	Leased
Río IV	Vivienda	1,914	Own
Río IV	Pasillo Privado	5,170	Own
Río IV	Cross Docking	7,482	Own
Río IV	Commercial Offices	93	Leased
Rio Tercero	Warehouses	600	Third Parties
Rivadavia (Mendoza)	Warehouses	782	Own
Rosario	Offices / Distribution Centers / Warehouses	27,814	Own
San Francisco	Commercial Offices	63	Leased
San Francisco	Cross Docking	800	Leased
San Juan	Offices / Distribution Centers / Warehouses	48,036	Own
San Luis	Offices / Distribution Centers / Warehouses	5,205	Own
San Martin de los Andes	Offices / Distribution Centers / Warehouses	70	Third Parties
San Nicolas	Cross Docking	1,320	Leased
San Nicolas	Commercial Offices	30	Leased
San Rafael	Commercial Offices	58	Leased
Santa Fe	Commercial Offices	238	Leased
Santa Rosa	Distribution Centers / Warehouses	1,100	Third Parties
Santo Tomé	Offices / Distribution Centers / Warehouses	88,309	Own
Trelew	Offices / Distribution Centers / Warehouses	51,000	Own
Trelew	Warehouses	1,500	Leased
Trenque Lauquen	Cross Docking	s/d	Leased
Tres Arroyos	Offices / Distribution Centers / Warehouses	1,548	Leased
Ushuaia	Offices / Distribution Centers / Warehouses	1,360	Leased
Ushuaia	Commercial Offices	94	Leased
Venado Tuerto	Offices / Distribution Centers / Warehouses	2,449	Leased
Villa Maria	Commercial Offices	125	Leased
Villa Maria	Cross Docking	1,200	Leased
Villa Mercedes	Commercial Offices	70	Leased
Villa Mercedes	Cross Docking	600	Leased
ANDINA EMPAQUES ARGENTINA S.A.			
Buenos Aires	Production of PET bottles, Preforms and Caps	27,043	Own
Buenos Aires	Warehouses	1,041	Leased

1. Encumbrance free properties

Facilities



BRAZIL	Main use	(m2)	Property
RIO DE JANEIRO REFRESCOS LTDA.			
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Center / Warehouses	249,470	Own
Duque de Caxias	Land to build a Plant	2,243,953	Own
Nova Iguaçu	Distribution Centers / Warehouses	82,618	Own
Bangu	Distribution Centers	44,389	Own
Campos	Distribution Centers	36,083	Own
Cabo Frio	Distribution Centers	1,985	Own
São Pedro da Aldeia 1	Distribution Centers	10,139	Grant
Itaperuna	Cross Docking	2,500	Leased
Caju 1	Distribution Centers	4,866	Own
Caju 2	Distribution Centers	8,058	Own
Caju 3	Parking lot	7,400	Own
Vitória (Cariacica)	Distribution Centers	93,320	Own
Cachoeiro do Itapemirim	Cross Docking	8,000	Leased
Linhares	Cross Docking	1,500	Leased
Ribeirão Preto	Offices / Production of Soft Drinks / Distribution Center / Warehouses	238,096	Own
Ribeirão Preto	Real Estate	279,557	Own
Franca	Distribution Centers	32,500	Own
Mococa	Distribution Centers	33,669	Leased
Araraquara	Distribution Centers	11,658	Leased
São Paulo	Real Estate	69	Own
São João da Boa Vista, Araraquara,São Paulo	Cross Docking	20,773	Own
São Pedro da Aldeia 2	Parking lot	6,400	License
Itaipu	Commercial Offices	750	Leased
Nova Friburgo	Commercial Offices	350	Leased

1. Encumbrance free properties

Facilities




CHILE	Main use	(m2)	Property
EMBOTELLADORA ANDINA S.A.			
Renca	Offices / Production of Soft Drinks / Distribution Center / Warehouses	380,833	Own
Carlos Valdovinos	Distribution Centers / Warehouses	106,820	Own
Puente Alto	Distribution Centers / Warehouses	68,682	Own
Maipú	Distribution Centers / Warehouses	45,833	Own
Rancagua	Distribution Centers / Warehouses	25,920	Own
San Antonio	Distribution Centers / Warehouses	19,809	Own
Antofagasta	Offices / Production of Soft Drinks / Distribution Center / Warehouses	34,729	Own
Calama	Distribution Centers / Warehouses	10,700	Own
Taltal	Distribution Centers / Warehouses	975	Own
Tocopilla	Distribution Centers / Warehouses	562	Own
Coquimbo	Offices / Production of Soft Drinks / Distribution Center / Warehouses	31,383	Own
Copiapó	Distribution Centers / Warehouses	26,800	Own
Ovalle	Distribution Centers / Warehouses	6,223	Own
Vallenar	Distribution Centers / Warehouses	5,000	Own
Illapel	Distribution Centers / Warehouses	s/d	Leased
Punta Arenas	Offices / Production of Soft Drinks / Distribution Center / Warehouses	109,517	Own
Coyhaique	Distribution Centers / Warehouses	5,093	Own
Puerto Natales	Distribution Centers / Warehouses	850	Leased
VITAL JUGOS S.A.			
Renca	Offices / Production of Juices	40,000	Own
VITAL AGUAS S.A.			
Rengo	Offices / Production of Waters	544,600	Own
ENVASES CENTRAL S.A.			
Renca	Offices / Production of Soft Drinks	50,100	Own

PARAGUAY	Main use	(m2)	Property
PARAGUAY REFRESCOS S.A.			
San Lorenzo	Offices / Production of Soft Drinks / Warehouses	275,292	Own
Coronel Oviedo	Offices / Warehouses	32,911	Own
Encarnación	Offices / Warehouses	12,744	Own
Ciudad del Este	Offices / Warehouses	14,620	Own

1. Encumbrance free properties

Subsidiaries and Equity Investees

Argentina

EMBOTELLADORA DEL ATLÁNTICO S.A.°

Address
Ruta Nacional 19,
Km 3,7, Córdoba

Argentine Tax Id N°
30-52913594/3

Telephone
(54-351) 496 8888

Shareholders' Equity (at 12/31/17)
Th$ 3,782,900

% the investment represents in the Parent Company's assets
3.43

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	0.92
Indirectly	99.07

Corporate Purpose
Manufacture, bottle, distribute and commercialize non-alcoholic beverages. Manufacture, bottle and sell any other beverage and derivatives.

Commercial Relationship
Coca-Cola bottler in Argentina.

Board of Directors / Management Council
Gonzalo Manuel Soto[3]
Fabián Castelli[2]
Jaime Cohen[1]
Laurence Paul Wiener (A)

General Manager
Fabián Castelli[2]

ANDINA EMPAQUES ARGENTINA S.A.°

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

Argentine Tax Id N°
30-71213488-3

Telephone
(54-11) 4715 8000

Shareholders' Equity (at 12/31/17)
Th$ 2,472,553

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	99.98

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

Commercial Relationship
Supplier of plastic bottles and preforms.

Board of Directors / Management Council
Gonzalo Manuel Soto[3]
Fabián Castelli[2]
Jaime Cohen[1]
Laurence Paul Wiener (A)

General Manager
Daniel Caridi

ALIMENTOS DE SOJA S.A.

Address
25 de Mayo 555, Piso 1,
Buenos Aires

Argentine Tax Id N°
33-715-23028-9

Telephone
(54-11) 5196 8300

Shareholders' Equity (at 12/31/17)
Th$ 19,471,970

% the investment represents in the Parent Company's assets
0.40

% that the Parent Company holds in the capital of the subsidiary or equity investee°

Directly	-
Indirectly:	12.96

Corporate Purpose
On its account, or that of third parties or associated with third parties, in this Republic or abroad, perform the following activities: manufacture, marketing, import, export, processing, fractionation, packaging, distribution of food products for human consumption and beverages in general and their raw materials and respective related products and by-products, in their different stages and processes.

Commercial Relationship
Produces products based on soy for Coca-Cola bottlers in Argentina.

Board of Directors / Management Council
Gerardo Beramendi
Roberta Valenca
Jose Maria Cagliolo
Roberto Chavez
Guillermo Aponte Gonzalez
Juan Felix Alba Loaiza
Fabián Castelli [2]
Javier Sanchez Carranza
David Lee
Mercedes Rodriguez Canedo (A)
Maria Sol Jares Canovas (A)
Francisco Jeldres (A)
Omar Kiriadre (A)
Jorge Luis Lopez (A)
Ruben Sergio Coronel (A)
Fernando Ramos Meneghetti (A)
Teodoro Federico Kundig (A)
Esteban Eduardo Mele (A)

General Manager
José Marquina

Subsidiaries and Equity Investees

Brazil

RIO DE JANEIRO REFRESCOS LTDA.

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

Brazilian Tax Id N°
00.074.569/0001-00

Telephone
(55-21) 2429 1779

Shareholders' Equity (at 12/31/17)
Th$ 119,168,159

% the investment represents in the Parent Company's assets
12.68

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	99.99

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

Commercial Relationship
Coca-Cola bottler in Brazil.

Board of Directors / Management Council
Renato Barbosa[2]
Fernando Fragata[2]
Rodrigo Klee[2]
David Parkes[2]
Antonio Rui de Lima Barreto Coelho[2]

General Manager
Renato Barbosa[2]

KAIK PARTICIPAÇÕES LTDA.

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

Brazilian Tax Id N°
40.441.792/0001-54

Telephone
(55-11) 2102 5563

Shareholders' Equity (at 12/31/17)
Th$ 186

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	11.32

Corporate Purpose
Invest in other companies with own resources.

Commercial Relationship
-

Board of Directors / Management Council
Luiz Eduardo Tarquinio
Carlos Eduardo Correa
Ricardo Vontobel
Francisco Miguel Alarcón
Renato Barbosa[2]

LEÃO ALIMENTOS E BEBIDAS LTDA.

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

Brazilian Tax Id N°
72.114.994/0001-88

Telephone
(55-11) 3809 5000

Shareholders' Equity (at 12/31/17)
Th$ 212,339,742

% the investment represents in the Parent Company's assets
1.05

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	8.82

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

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

Board of Directors / Management Council
Sandor Hagen
Flavio Camelier
Emerson Vontobel
Henrique Braun
Alexander Fernandes Delgado
Renato Barbosa[2]
Marcelo Izzo
Ricardo Vontobel
Ian Craig
Ruben Lahyr Schneider Filho
Axel de Meeus D'Argenteuil

General Manager
Axel de Meeus

SOROCABA REFRESCOS LTDA.

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

Brazilian Tax Id N°
45.913.696/0001-85

Telephone
(55-15) 3229 9930

Shareholders' Equity (at 12/31/17)
Th$ 10,876,206

% the investment represents in the Parent Company's assets
1.09

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	40

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

Commercial Relationship
Coca-Cola bottler in Brazil.

Board of Directors / Management Council
Renato Barbosa[2]
Cristiano Biagi
Giordano Biagi
Miguel Ángel Peirano[1]
Cláudio Sergio Rodrigues
Luiz Lacerda Biagi

General Manager
Cristiano Biagi

TROP FRUTAS DO BRASIL LTDA.

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

Brazilian Tax Id N°
07.757.005/0001-02

Shareholders' Equity (at 12/31/17)
Th$ 73,055,641

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly:	7.,52

Corporate Purpose
Manufacture, commercilaize and export natural fruit pulp and coconut water.

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

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

SRSA PARTICIPAÇÕES LTDA.

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

Brazilian Tax Id N°
10.359.485/0001-68

Telephone
(55-15) 3229 9906

Shareholders' Equity (at 12/31/17)
Th$ 3,717

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	40

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

Commercial Relationship
Business supporting company.

Board of Directors / Management Council
Renato Barbosa[2]
Cristiano Biagi
Giordano Biagi
Miguel Ángel Peirano[1]
Cláudio Sergio Rodrigues
Luiz Lacerda Biagi

General Manager
Cristiano Biagi

UBI 3 PARTICIPAÇÕES LTDA.

Address
Avenida Prefeito Olavo Gomes de Oliveira n° 3.701, Sala Repensar, Jardim Mariosa, Pouso Alegre, Minas Gerais.

Brazilian Tax Id N°
27.158.888/0001-41

Telephone
(55-21) 2559.1032

Shareholders' Equity (at 12/31/17)
Th$ 71,153,656

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

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

Directly	-
Indirectly	8.50

Corporate Purpose
Invest in other companies with own resources. Purchase and sale of real estate investments and property management.

Commercial Relationship
Produces products based on soy for Coca-Cola bottlers in Brazil.

Board of Directors / Management Council
Paulo Mendes de Oliveira Júnior
Neuri Amabile Firgotto Pereira
Rodrigo Mattos Assunção

Subsidiaries and Equity Investees
Chile

EMBOTELLADORA ANDINA CHILE S.A.°

Address
Av. Miraflores 9153, Renca, Santiago

Chilean Tax Id N°
76.070.406-7

Telephone
(56-2) 2611 5838

Shareholders' Equity (at 12/31/17)
Th$ 36,569,067

% the investment represents in the Parent Company's assets
1.62

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	99.99995
Indirectly	0.00005

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

Commercial Relationship
Leasing of productive infrastructure.

Board of Directors / Management Council
Miguel Ángel Peirano[2]
Andrés Wainer[2]
Jaime Cohen[2]

General Manager
José Luis Solórzano[2]

VITAL JUGOS S.A.°

Address
Av. Américo Vespucio 1651, Renca, Santiago

Chilean Tax Id N°
93.899.000-K

Telephone
(56-2) 2620 4100

Shareholders' Equity (at 12/31/17)
Th$ 20,675,167

% the investment represents in the Parent Company's assets
0.81

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	15.00
Indirectly	50.00

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

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

Board of Directors / Management Council
José Luis Solórzano[2]
Jaime Cohen[2]
Cristián Hohlberg
José María Sánchez[2]
Carlos Gálvez[2] (A)
José Domingo Jaramillo (A)
Andrés Wainer[2] (A)

General Manager
Alberto Moreno

VITAL AGUAS S.A.°

Address
Camino a la Vital 1001, Comuna de Rengo

Chilean Tax Id N°
76.389.720-6

Telephone
(72) 512206- 680016

Shareholders' Equity (at 12/31/17)
Th$ 4,331,154

% the investment represents in the Parent Company's assets
0.2

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	66.5
Indirectly	-

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

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

Board of Directors / Management Council
José Luis Solórzano[2]
Jaime Cohen[2]
José Domingo Jaramillo
José María Sánchez[2]
Carlos Gálvez[2] (A)
Matias Mackenna (A)
Andrés Wainer[2] (A)

General Manager
Alberto Moreno

COCA-COLA DEL VALLE NEW VENTURES S.A.°

Address
Av. Miraflores 8755, Renca, Santiago

Chilean Tax Id N°
76.572.588-7

Shareholders' Equity (at 12/31/17)
Th$ 44,310,000

% the investment represents in the Parent Company's assets
0.72

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	35
Indirectly	-

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

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

Board of Directors / Management Council
Miguel Ángel Peirano[2]
José Luis Solórzano[2]
Sebastian Tagle[2]
Cristián Hohlberg
José Domingo Jaramillo
Joao Santos
Roberta Cabral
Dino Troni
Gerardo Beramendi
Roberto Chávez
Tomás Vedoya[2] (A)
Alejandro Zalaquett[2] (A)
Rodolfo Peña[2] (A)
Matías Mackenna (A)
Juan Paulo Valdés (A)
Mercedes Rodríguez (A)
Maria Sol Jares (A)
Daniel Vercelli (A)
Francisco Jeldres (A)
Omar Carlos Kiriadre (A)

General Manager
Fernando Jaña

TRANSPORTES ANDINA REFRESCOS LTDA.°°°

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

Chilean Tax Id N°
78.861.790-9

Telephone
(56-2) 2611 5838

Shareholders' Equity (at 12/31/17)
Th$ 12,620,628

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	99.9959
Indirectly	0.0041

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

Commercial Relationship
Provides ground transportation services.

Board of Directors / Management Council
No Aplica

TRANSPORTES POLAR S.A.°

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

Chilean Tax Id N°
96.928.520-7

Telephone
(56-2) 2611 5838

Shareholders' Equity (at 12/31/17)
Th$ 1,619,315

% the investment represents in the Parent Company's assets
0.15

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	99.99
Indirectly	0.01

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

Commercial Relationship
Provides ground transportation services.

Board of Directors / Management Council
José Luis Solórzano[2]
Rodolfo Peña[2]
Alejandro Zalaquett[2]

General Manager
Alejandro Vargas[2]

SERVICIOS MULTIVENDING LTDA.°°°

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

Chilean Tax Id N°
78.536.950-5

Telephone
(56-2) 2611 5838

Shareholders' Equity (at 12/31/17)
Th$ 862,248

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

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.90
Indirectly 0.09

Corporate Purpose
Commercialize products through equipment and vending machines.

Commercial Relationship
Provides product sales through vending machines.

Board of Directors / Management Council
No Aplica

ENVASES CMF S.A.°

Address
La Martina 0390, Pudahuel, Santiago

Chilean Tax Id N°
86.881.400-4

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 12/31/17)
Th$ 32,981,986

% the investment represents in the Parent Company's assets
0.89

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly -
Indirectly 50.00

Corporate Purpose
Manufacture and sale of plastic products and bottling services and beverage containers.

Commercial Relationship
Supplier of plastic bottles, preforms and caps.

Board of Directors / Management Council
Salvador Said[1]
Andrés Vicuña
Cristián Hohlberg
Matías Mackenna
Andrés Wainer[2]
Tomás Vedoya[2]

General Manager
Christian Larraín

ENVASES CENTRAL S.A.°

Address
Av. Miraflores 8755, Renca, Santiago

Chilean Tax Id N°
96.705.990-0

Telephone
(56-2) 2599 9300

Shareholders' Equity (at 12/31/17)
Th$ 7,562,354

% the investment represents in the Parent Company's assets
0.38

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 59.27
Indirectly -

Corporate Purpose
Manufacture and packaging of all kinds of beverages, and commercialize all kinds of packaging.

Commercial Relationship
Produces cans and some small formats for Coca-Cola bottlers in Chile.

Board of Directors / Management Council
Diego González
José Luis Solórzano[2]
José María Sánchez[2]
Alberto Moreno
Cristián Hohlberg
José Jaramillo
Diana Rosas (A)
Carlos Gálvez[2] (A)
Jaime Cohen[2] (A)
Andrés Wainer[2] (A)
Matías Mackenna (A)
Juan Paulo Valdés (A)

General Manager
Patricio Delpiano

ANDINA BOTTLING INVESTMENTS S.A.°

Address
Av. Miraflores 9153, piso 7, Renca, Santiago

Chilean Tax Id N°
96.842.970-1

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 12/31/17)
Th$ 234,490,447

% the investment represents in the Parent Company's assets
18.36

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.90
Indirectly 0.10

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

Commercial Relationship
Investment vehicle

Board of Directors / Management Council
Miguel Ángel Peirano[2]
Andrés Wainer[2]
Jaime Cohen[2]
Tomás Vedoya[2] (A)
Gonzalo Muñoz[2] (A)
Carlos Gálvez[2] (A)

General Manager
Miguel Ángel Peirano[2]

ANDINA BOTTLING INVESTMENTS DOS S.A.°

Address
Av. Miraflores 9153, piso 7, Renca, Santiago

Chilean Tax Id N°
96.972.760-9

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 12/31/17)
Th$ 8,513,734

% the investment represents in the Parent Company's assets
7.13

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.90
Indirectly 0.10

Corporate Purpose
Carryout exclusively foreign permanent investments or lease all kinds of real estate.

Commercial Relationship
Investment vehicle

Board of Directors / Management Council
Miguel Ángel Peirano[2]
Andrés Wainer[2]
Jaime Cohen[2]
Tomás Vedoya[2] (A)
Gonzalo Muñoz[2] (A)
Carlos Gálvez[2] (A)

General Manager
Miguel Ángel Peirano[2]

ANDINA INVERSIONES SOCIETARIAS S.A.°

Address
Av. Miraflores 9153, piso 7, Renca, Santiago

Chilean Tax Id N°
96.836.750-1

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 12/31/17)
Th$ 30,082,325

% the investment represents in the Parent Company's assets
1.58

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.9998
Indirectly 0.0001

Corporate Purpose
Invest in all types of companies and commercialize food products in general.

Commercial Relationship
Investment vehicle

Board of Directors / Management Council
Miguel Ángel Peirano[2]
Andrés Wainer[2]
Jaime Cohen[2]
Tomás Vedoya[2] (A)
Gonzalo Muñoz[2] (A)
Carlos Gálvez[2] (A)

General Manager
Miguel Ángel Peirano[2]

INVERSIONES LOS ANDES LTDA.°°°

Address
Av. Miraflores 9153, piso 7, Renca, Santiago

Chilean Tax Id N°
96.971.280-6

Telephone
(56-2) 2338 0520

Shareholders' Equity (at 12/31/17)
Th$ 77,237,135

% the investment represents in the Parent Company's assets
12.44

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.9981
Indirectly 0.000019

Corporate Purpose
Invest in all kinds of goods and real estate for its own account or on behalf of third parties.

Commercial Relationship
Investment vehicle

Board of Directors / Management Council
No Aplica

RED DE TRANSPORTES COMERCIALES LTDA.°°°

Address
Av. Miraflores 9153, piso 4 Renca , Santiago

Chilean Tax Id N°
76.276.604-3

Telephone
(56-2) 2611 5838

Shareholders' Equity (at 12/31/17)
Th$ 2,200,313

% the investment represents in the Parent Company's assets
0.07

% that the Parent Company holds in the capital of the subsidiary or equity investee*
Directly 99.85
Indirectly 0.15

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

Commercial Relationship
Provides services of ground transportation and products comercialization

Board of Directors / Management Council
No Aplica

Subsidiaries and Equity Investees
Paraguay

PARAGUAY REFRESCOS S.A.°

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

Paraguayan Tax Id N°
80.003.400-7

Telephone
(595) 21 959 1000

Shareholders' Equity (at 12/31/17)
Th$ 9,904,604

% the investment represents in the Parent Company's assets
1.08

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	0.076
Indirectly	97.75

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

Commercial Relationship
Coca-Cola bottler in Paraguay.

Board of Directors / Management Council
Andrés Wainer[1]
Francisco Sanfurgo[2]
Jaime Cohen[1]
Gonzalo Muñoz[1]

General Manager
Francisco Sanfurgo[2]

Subsidiaries and Equity Investees
British Virgin Islands

ABISA CORP.

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

BVI Registration N°
512410 / RUT 59.144.140-K

Telephone
(1-284) 494 5959

Shareholders' Equity (at 12/31/17)
Th$ 12,594,313

% the investment represents in the Parent Company's assets
14.96

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	-
Indirectly	100

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

Commercial Relationship
Investment company.

Board of Directors / Management Council
Miguel Ángel Peirano[1]
Andrés Wainer[1]
Jaime Cohen[1]
Tomás Vedoya[1]

ACONCAGUA INVESTING LTD.

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

BVI Registration N°
569101

Telephone
(1-284) 494 5959

Shareholders' Equity (at 12/31/17)
Th$ 523,599

% the investment represents in the Parent Company's assets
0.03

% that the Parent Company holds in the capital of the subsidiary or equity investee*

Directly	0.70
Indirectly	99.3

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

Commercial Relationship
Investment company.

Board of Directors / Management Council
Jaime Cohen[1]
Andrés Wainer[1]
Miguel Angel Peirano[1]

NOTES ARGENTINA
°Non-traded corporation
* Ownership interest has not had variations during the last year
1 Embotelladora Andina S.A. officer
2 Embotelladora del Atlántico S.A. officer
3 External Counsel
(A) Alternate

NOTES BRAZIL
* Ownership interest has not had variations during the last year
Ω Company incorporated in 2017
1 Embotelladora Andina S.A. officer
2 Rio de Janiero Refrescos Ltda. officer

NOTES CHILE
* Ownership interest has not had variations during the last year
° Non-traded corporation
°°° Limited responsibility companies in which management corresponds to the partner Embotelladora Andina S.A. through its legal or specially appointed representatives
1 Director and Member of the Controlling Group of Embotelladora Andina S.A.
2 Embotelladora Andina S.A. officer
(A) Alternate

NOTES PARAGUAY
°Non-traded corporation
* Ownership interest has not had variations during the last year
1 Embotelladora Andina S.A. officer
2 Paraguay Refrescos S.A. officer
(A) Alternate

NOTES BRITISH VIRGIN ISLANDS
* Ownership interest has not had variations during the last year
1 Embotelladora Andina S.A. officer

Controlling Group

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

1

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

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

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

2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Playa Amarilla: Inversiones Playa Amarilla SpA (previously Inversiones Las Gaviotas Dos Limitada), R.U.T. N° 76.273.887-2, 100% owned by Las Gaviotas SpA whose final controller (as representative for management) is Mr. Andrés Herrera Ramírez.

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

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

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

10. Los Robles: Inversiones Los Robles Limitada, R.U.T. N° 76.273.886-4, 78.740150% owned by María Carolina Chadwick Claro, 1.114596% owned by Inveraray Investments Corp., 0.107735% owned by Felipe Tomás Cruzat Chadwick, 0.107735% owned by Carolina María Errázuriz Chadwick, 0.107735% owned by Jacinta María Errázuriz Chadwick, 6.607349411% owned by Inversiones Bocaleón Limitada (99.9902% controlled by Felipe Tomás Cruzat Chadwick), 6.607349411% owned by Inversiones Las Dalias Limitada (99.993% controlled by Carolina María Errázuriz Chadwick) and 6.607349411% owned by Inversiones Las Hortensias Limitada (99.9903% controlled by Jacinta María Errázuriz Chadwick), whose final controller (as representative for management) is Mrs. María Carolina Chadwick Claro.

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

3

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

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

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

		SERIES A	SERIES B
a	Inversiones Lleuque Limitada[2]	50,001,644	-
b	Inversiones HB S.A.[3]	1,569,731	1,898,212
c	Rentas IMA Limitada[4]	-	38,978,263
d	Alberto Hurtado Fuenzalida	-	49,600
	Ownership interest by Series:	10.8964%	8.6473%

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

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

4

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

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

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

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

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

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

In connection with The Coca-Cola Company's investment in Andina, The Coca-Cola Company and the Controlling Group entered into a Shareholders' Agreement dated September 5, 1996, providing for certain restrictions on the transfer of Andina's capital stock by the Controlling Group. Specifically, the Controlling Group is restricted from transferring its Series A shares without the prior authorization of The Coca-Cola Company. The Shareholders' Agreement also provides for certain corporate governance matters, including The Coca-Cola Company´s right to elect two members among our directors so long as The Coca-Cola Company and its subsidiaries collectively own a certain percentage of Series A shares. In addition, in related agreements, the Controlling Group granted The Coca-Cola Company an option, exercisable upon the occurrence of certain changes in the beneficial ownership of the Controlling Group, to acquire 100% of the Series A shares held by them at a price and in accordance with procedures established in such agreements.

Relevant Changes in Company Share Ownership

During the 2017 fiscal year there were no relevant changes in Company share ownership.

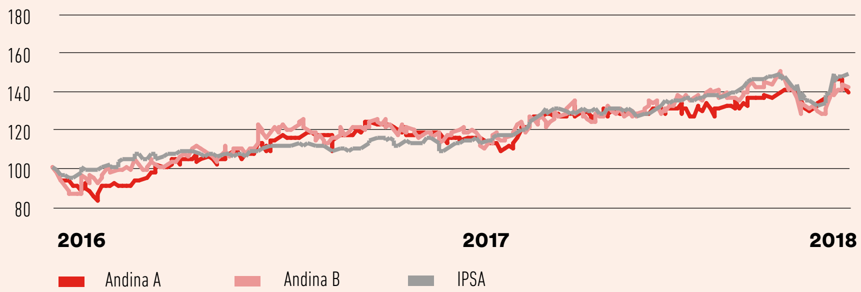
1. Excluding Inversiones Freire S.A.'s nominal ownership interest of 23 Series A shares of Andina and Inversiones Freire Dos S.A.'s 4 Series A shares of Andina.
2. Inversiones Lleuque Limitada, RUT 76.427.893-3, legal successor of Inversiones Chucao pursuant to the merger agreement through a public deed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

* R.U.T. Rol único tributario: Tax identification N°

** C.N.I. Cédula nacional de identidad: National identification card

Stock Market Trading Information **Chile**

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



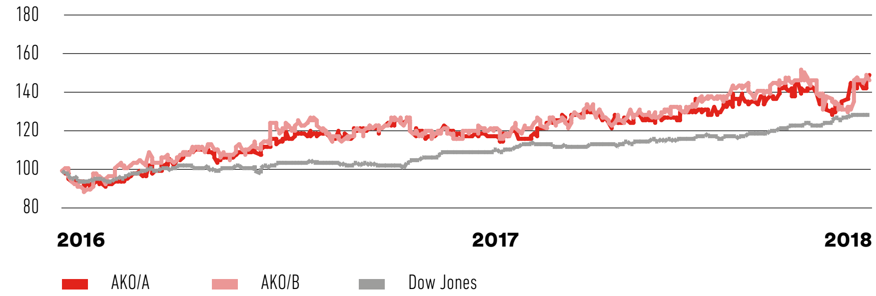
This chart reflects the daily behavior for the two-year period ending December 31, 2017 of Andina's series A and series B shares compared with the Chilean selective price index, IPSA (Base value = 100)

2017		Andina-A			Andina-B		
		Shares Traded (million)	Total traded (millions de $)	Average Price (Ch$)	Shares Traded (million)	Total traded (millions de $)	Average Price (Ch$)
Bolsa de Comercio de Santiago	1st Quarter	9.7	13,807	2,285	16.4	41,872	2,530
	2nd Quarter	8.6	22,067	2,552	19.8	53,830	2,723
	3rd Quarter	6.4	16,740	2,596	33.7	98,395	2,908
	4th Quarter	7.1	22,137	2,699	30.1	89,285	2,972
Bolsa Electrónica de Chile	1st Quarter	6.0	188	2,300	1.6	4,094	2,551
	2nd Quarter	0.2	440	2,553	2.0	5,423	2,708
	3rd Quarter	0.3	869	2,562	5.3	15,612	2,917
	4th Quarter	0.1	168	2,650	3.0	8,966	3,001
Bolsa de Corredores / Bolsa de Valores	1st Quarter		Not Traded			Not Traded	
	2nd Quarter		Not Traded			Not Traded	
	3rd Quarter		Not Traded			Not Traded	
	4th Quarter		Not Traded			Not Traded	

Note: As of December 30, 2017, Andina-A and Andina-B shares had a presence of 62.68% and 100% respectively.

Stock Market Trading Information **New York Stock Exchange**

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



This chart reflects the daily behavior for the two-year period ending December 31, 2017 of Andina's series A and series B ADRs compared with the Dow Jones Industrial index. (Base value = 100)

2017	AKO-A			AKO-B		
	ADRs traded (millones)	Total traded[1] (MUS$)	Average Price (US$)	ADRs traded (millones)	Total traded[1] (MUS$)	Average Price (US$)
1st Quarter	0.21	4.44	21.15	1.15	42.10	23.04
2nd Quarter	0.13	2.96	22.75	1.65	25.08	24.67
3rd Quarter	0.35	8.43	24.08	2.20	29.81	27.00
4th Quarter	0.54	13.79	25.53	1.46	22.01	28.15

1 Total Traded calculated as the Average Price times Volume of Shares Traded

Source: Bloomberg

Compensation
Board of Directors

2017	DIRECTORS' COMPENSATION CH$	EXECUTIVE COMMITTEE CH$	DIRECTORS' AND AUDIT COMMITTEE CH$	TOTAL CH$
Juan Claro González[1]	144,000,000			144,000,000
Arturo Majlis Albala	72,000,000	72,000,000	8,000,000	152,000,000
Gonzalo Said Handal	72,000,000	72,000,000		144,000,000
Jose Antonio Garcés Silva	72,000,000	72,000,000		144,000,000
Salvador Said Somavía	72,000,000	72,000,000	24,000,000	168,000,000
Eduardo Chadwick Claro	72,000,000	72,000,000		144,000,000
Gonzalo Parot Palma[2]	72,000,000		24,000,000	96,000,000
Francisco Crespo[3]	24,000,000			24,000,000
José De Gregorio Rebeco[3]	24,000,000			24,000,000
Juan Andrés Fontaine Talavera	72,000,000			72,000,000
Mariano Rossi	72,000,000			72,000,000
Susana Tonda Mitri	72,000,000			72,000,000
Georges de Bourguignon Arndt	72,000,000			72,000,000
Enrique Rapetti	72,000,000			72,000,000
Karim Yahi[4]	48,000,000			48,000,000
María del Pilar Lamana Gaete[2,4]	48,000,000		16,000,000	64,000,000
Total Gross	**1,080,000,000**	**360,000,000**	**72,000,000**	**1,448,000,000**

1. Includes an additional Ch$72 million as Chairman of the Board of Directors.
2. Independent director of the Company, pursuant to current regulations.
3. Left the Board of Directors in 2017.
4. Joined the Board of Directors in 2017.

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

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

Compensation Principal Officers

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

For the period ended December 31, 2017 the amount of fixed compensations paid to Coca-Cola Andina's principal officers amounted to Ch$4,020 million (Ch$4,121 million in 2016). Likewise, the amount of compensation paid in performance bonuses amounted to Ch$2,769 million (Ch$2,528 million in 2016).

For the period ended December 31, 2017, there were no severance payments for years of services to managers and principal officers of Embotelladora Andina S.A. (Ch$463 million in 2016).

The proportion of average base gross salary of female executives regarding male executives is 68.8%, while the proportion of average base gross salary of female workers regarding male workers is 114.9%.

Statement of Responsibility

The Directors of Embotelladora Andina S.A. and the Chief Executive Officer who have signed this statement, are responsible under oath of the accuracy of the information provided in the 2017 Annual Report, in accordance with the provisions of General Rule N° 346 dated May 3, 2013, of the Chilean Superintendence of Securities and Insurance (Superintendencia de Valores y Seguros).

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

Eduardo Chadwick Claro
Vice Chairman of the Board
Civil Industrial Engineer
Chilean Tax Id N°: 7.011.444-5

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

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

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

Salvador Said Somavía
Business Administrator
Chilean Tax Id N°: 6.379.626-3

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

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

Pilar Lamana Gaete
Business Administrator
Chilean Tax Id. N°: 8.538.550-K

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

Enrique Rapetti
Accountant
Foreign citizen

Mariano Rossi
Business Administrator
Foreign citizen

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

Karim Yahi
Auditor
Foreign citizen

Miguel Ángel Peirano
Chief Executive Officer
Electric Engineer
Chilean Tax Id. N°: 23.836.584-8

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Embotelladora Andina S.A. and Subsidiaries

Consolidated Financial Statements as of December 31, 2017 and December 31, 2016

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Annual Report 2017

Embotelladora Andina S.A. and Subsidiaries

Consolidated Financial Statements as of December 31, 2017 and December 31, 2016

INDEX

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position

ASSETS	NOTE	12.31.2017	12.31.2016
		THCH$	THCH$
Current assets:			
Cash and cash equivalents	4	136,242,116	141,263,880
Other financial assets	5	14,138,161	60,152,627
Other non-financial assets	6.1	5,611,861	8,601,209
Trade and other accounts receivable, net	7	191,284,680	190,524,354
Accounts receivable from related companies	11.1	5,370,232	5,788,683
Inventory	8	131,363,000	144,709,348
Current tax assets	9.2	-	1,702,296
Total Current Assets		**484,010,050**	**552,742,397**
Non-Current Assets:			
Other financial assets	5	74,259,085	80,180,880
Other non-financial assets	6.2	47,394,345	35,246,823
Trade and other receivables	7	2,395,851	3,527,732
Accounts receivable from related parties	11.1	156,492	147,682
Investments accounted for under the equity method	13.1	86,809,069	77,197,781
Intangible assets other than goodwill	14.1	663,272,878	680,996,062
Goodwill	14.2	93,598,217	102,919,505
Property, plant and equipment	10.1	659,750,499	666,150,885
Deferred income tax assets	9.5	3,212,981	-
Total Non-Current Assets		**1,630,849,417**	**1,646,367,350**
Total Assets		**2,114,859,467**	**2,199,109,747**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position

LIABILITIES AND EQUITY	NOTE	12.31.2017	12.31.2016
		THCH$	THCH$
LIABILITIES			
Current Liabilities:			
Other financial liabilities	15	67,981,405	64,800,570
Trade and other accounts payable	16	257,519,477	242,836,356
Accounts payable to related parties	11.2	33,961,437	44,120,335
Provisions	17	2,676,418	682,778
Income taxes payable	9.3	3,184,965	10,828,593
Employee benefits current provisions	12	35,955,643	35,653,431
Other non-financial liabilities	18	27,007,977	20,612,791
Total Current Liabilities		**428,287,322**	**419,534,854**
Other financial liabilities	15	675,767,201	721,570,587
Trade and other payables	16	1,132,926	9,509,827
Provisions	17	62,947,748	72,399,115
Deferred income tax liabilities	9.5	125,204,566	125,608,802
Post-employment benefit liabilities	12	8,286,355	8,157,745
Other non-financial liabilities	18	-	158,790
Non-Current Liabilities:		**873,338,796**	**937,404,866**
Equity:	19		
Issued capital		270,737,574	270,737,574
Retained earnings		335,523,254	295,708,512
Other reserves		185,049,228	254,159,496
Equity attributable to equity holders of the parent		**791,310,056**	**820,605,582**
Non-controlling interests		21,923,293	21,564,445
Total Equity		**813,233,349**	**842,170,027**
Total Liabilities and Equity		**2,114,859,467**	**2,199,109,747**

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 for the periods ended December 31, 2017 and 2016

		01.01.2017	01.01.2016
		12.31.2017	12.31.2016
	NOTE	THCH$	THCH$
Net sales		1,848,878,619	1,777,459,320
Cost of sales	**23**	(1,069,024,964)	(1,033,910,027)
Gross Profit		**779,853,655**	**743,549,293**
Other income	**24**	550,834	1,760,899
Distribution expenses	**23**	(192,927,875)	(183,676,895)
Administrative expenses	**23**	(348,199,321)	(346,202,795)
Other expenses	**25**	(16,701,471)	(22,765,167)
Other (loss) gains	**27**	(2,537,269)	(3,387,377)
Financial income	**26**	11,194,375	9,661,692
Financial expenses	**26**	(55,220,369)	(51,374,971)
Share of profit (loss) of investments in associates and joint ventures accounted for using the equity method	**13.3**	(80,360)	(262,582)
Foreign exchange differences		(1,370,910)	(67,518)
Income by indexation units		(3,762,930)	(6,378,375)
Net income before income taxes		**170,798,359**	**140,856,204**
Income tax expense	**9.4**	(51,797,634)	(48,807,093)
Net income		**119,000,725**	**92,049,111**
Net income attributable to			
Equity holders of the parent		117,835,790	90,525,991
Non-controlling interests		1,164,935	1,523,120
Net income		**119,000,725**	**92,049,111**
EARNINGS PER SHARE, BASIC AND DILUTED		$	$
Earnings per Series A Share	**19.5**	118.56	91.08
Earnings per Series B Share	**19.5**	130.42	100.19

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income for the periods ended December 31, 2017 and 2016

	01.01.2017	01.01.2016
	12.31.2017	12.31.2016
	THCH$	THCH$
Net income	**119,000,725**	**92,049,111**
Other Comprehensive Income:		
Components of other comprehensive income that will not be reclassified to net income for the period, before taxes		
Actuarial losses from defined benefit plans	(329,477)	(29,423)
Components of other comprehensive income that will be reclassified to net income for the period, before taxes		
Gain (losses) from exchange rate translation differences	(68,831,435)	148,686
Gain (losses) from cash flow hedges	(813,844)	(42,836,575)
Income tax related to components of other comprehensive income that will not be reclassified to net income for the period		
Income tax benefit related to defined benefit plans	84,017	7,060
Income tax related to components of other comprehensive income that will be reclassified to net income for the period		
Income tax related to exchange rate translation differences	232,666	(2,431,408)
Income tax related to cash flow hedges	167,348	13,301,186
Total comprehensive income	**49,510,000**	**60,208,637**
Total comprehensive income attributable to:		
Equity holders of the parent	48,725,522	59,704,657
Non-controlling interests	784,478	503,980
Total comprehensive income	**49,510,000**	**60,208,637**

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 as of December 31, 2017 and 2016

		OTHER RESERVES								
	ISSUED CAPITAL	RESERVES FOR EXCHANGE RATE DIFFERENCES	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 as of 01/01/2017	**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**
Changes in Equity										
Changes in Equity										
Net income	-	-	-	-	-	-	117,835,790	117,835,790	1,164,935	119,000,725
Other comprehensive income	-	(68,333,217)	(646,496)	(130,555)	-	(69,110,268)	-	(69,110,268)	(380,457)	(69,490,725)
Comprehensive income	**-**	**(68,333,217)**	**(646,496)**	**(130,555)**	**-**	**(69,110,268)**	**117,835,790**	**48,725,522**	**784,478**	**49,510,000**
Dividends	-	-	-	-	-	-	(78,021,048)	(78,021,048)	(425,630)	(78,446,678)
Total changes in equity	**-**	**(68,333,217)**	**(646,496)**	**(130,555)**	**-**	**(69,110,268)**	**39,814,742**	**(29,295,526)**	**358,848**	**(28,936,678)**
Ending balance as of 12/31/2017	**270,737,574**	**(237,077,572)**	**(3,094,671)**	**(1,915,587)**	**427,137,058**	**185,049,228**	**335,523,254**	**791,310,056**	**21,923,293**	**813,233,349**

	ISSUED CAPITAL	OTHER RESERVES: RESERVES FOR EXCHANGE RATE DIFFERENCES	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 as of 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										
Changes in Equity										
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 as of 12/31/2017	**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**

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

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Direct Cash Flows as of December 31, 2017 and 2016

CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	NOTE	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Cash flows provided by Operating Activities			
Receipts from the sale of goods and the rendering of services (including taxes)		2,388,420,701	2,415,467,366
Payments for Operating Activities			
Payments to suppliers for goods and services (including taxes)		(1,495,009,304)	(1,624,748,620)
Payments to and on behalf of employees		(221,146,637)	(210,545,781)
Other payments for operating activities (value-added taxes on purchases, sales and others)		(333,155,023)	(280,846,689)
Dividend received		1,540,090	745,805
Interest payments		(53,103,434)	(49,931,807)
Interest received		8,240,023	8,610,102
Income tax payments		(40,654,077)	(25,721,727)
Other cash movements (tax on bank debits Argentina and others)		(7,171,991)	(9,582,089)
Net Cash flows provided by (used in) Operating Activities		**247,960,348**	**223,446,560**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Investment in associates	13.2	(15,570,161)	(17,586,575)
Proceeds from sale of Property, plant and equipment		99,421	70,431
Purchase of Property, plant and equipment		(168,857,680)	(128,217,485)
Purchase of intangible		(11,923,449)	-
Proceeds from other long-term assets (term deposits over 90 days)		81,258,426	109,824,298
Purchase of other long-term assets (term deposits over 90 days)		(41,059,494)	(77,789,768)
Payments on forward, term, option and financial exchange agreements		1,374,638	(217,218)
Other payments on acquisition of financial instruments	5.b.2	(14,153,111)	-
Net cash flows used in Investing Activities		**(168,831,410)**	**(113,916,317)**
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES			
Proceeds from short-term loans obtained		71,801,741	22,188,721
Financial lease liability payments		(52,146,995)	(35,864,121
Dividend payments by the reporting entity		(4,745,884)	(5,533,160)
Other inflows (outflows) of cash (Placement and payment of public obligations)		(74,968,175)	(67,591,930)
Net cash flows (used in) generated by Financing Activities		**(18,286,457)**	**(11,424,035)**
Net increase in cash and cash equivalents before exchange differences		**(78,345,770)**	**(98,224,525)**
Effects of exchange differences on cash and cash equivalents		**783,168**	**11,305,718**
Net decrease in cash and cash equivalents		(5,804,932)	797,223
Cash and cash equivalents – beginning of year		**(5,021,764)**	**12,102,941**
Cash and cash equivalents - end of year	4	141,263,880	129,160,939
Efectivo y equivalentes al efectivo al final del período	**4**	**136,242,116**	**141,263,880**

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

NOTE 1 - CORPORATE INFORMATION

Embotelladora Andina S.A. is registered under No. 00124 of the Securities Registry and is regulated by Chile's Financial Market Commission (previously the Superintendence of Securities and Insurance 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. 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 its territories: Chile, Brazil, Argentina and Paraguay. Licenses for the territories in Chile expire in 2018 and 2019. In Argentina in 2022; in Brazil in the renewal process and in Paraguay they expire in 2020. The Coca-Cola Company chooses to grant all these licenses, and they are expected to be renewed under similar conditions on the date of expiration.

As of December 31, 2017, 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: As of December 31, 2017, and December 31, 2016.

Consolidated Income Statements by Function and Comprehensive Income: For the periods between January 1 and December 31, 2017 and 2016.

Consolidated Statements of Direct Cash Flows: For the periods between January 1 and December 31, 2017 and 2016.

Consolidated Statements of Changes in Equity: Balance and movements between January 1 and December 31, 2017 and 2016.

2.2 Basis of preparation

The Company's Consolidated Financial Statements for the period ended December 31, 2017 and December 31, 2016 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 and derivative financial instruments.

These Consolidated Financial Statements reflect the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries as of December 31, 2017 and December 31, 2016, and the results of operation, changes in equity and statements of cash flows for the periods between January 1 and December 31, 2017 and 2016, which were approved by the Board of Directors on February 27, 2018.

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.

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, 2017 and December 31, 2016, and results of operations for the periods between January 1 and December 31, 2017 and 2016, and cash flows for the periods between January 1 and December 31, 2017 and 2016. Income or losses from subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition through the effective date of 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 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 the consolidated statement of changes in equity and the consolidated statement of income by function under "Non-Controlling Interest" and "Earnings attributable to non-controlling interests", respectively.

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:

TAXPAYER ID	NAME OF THE COMPANY	HOLDING CONTROL (PERCENTAGE)					
		12.31.2017			12.31.2016		
		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
78.861.790-9	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 and value of the UF 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
12.31.2017	614.75	185.84	32.96	26.798,14	0.110	739.15
12.31.2016	669.47	205.42	42.13	26.347,98	0.116	705.60

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. Revenue 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 the valuation of liabilities at fair value 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
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. Since goodwill is an intangible asset with indefinite useful life, it is recognized separately and tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

Gains and losses on the sale of an entity include the carrying amount of 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/or distribute products under the Coca-Cola brand and other brands 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 the close of each period, the Company assesses if there is evidence of impairment for any asset or group of financial assets. As of December 31, 2017 and December 31, 2016, there are no signs impairment in any of the Company's 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 in 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 fiscal year in which they are generated.

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 and its subsidiaries 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 correspond 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 and its subsidiaries use 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

At the inception of the transaction, the group documents 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 hedginga

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 is 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. As of December 31, 2017 and December 31, 2016, the Company had no implicit derivatives.

Fair value hierarchy

The Company records assets and liabilities as of December 31, 2017 and December 31, 2016, 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 periods 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. Spare parts and production materials are stated at the lower of cost or net realizable value.

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 and other accounts receivable 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 by function.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank balances, time deposits and other short-term highly liquid and low risk of change in value investments and mutual funds with original short-term maturities.

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.

2.15 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.

2.16 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 current non-financial liabilities.

2.17 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.

2.18 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 that are capitalized at the inception of the lease of the item of Property, plant and equipment 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.

2.19 Deposits for returnable containers

This liability comprises 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 number 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.

2.20 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.

2.21 Contributions of The Coca-Cola Company

The Company receives certain discretionary contributions from The Coca-Cola Company (TCCC) mainly related to the financing of advertising and promotional programs for its products in the territories where the Company has distribution licenses. The contribution received from TCCC are recognized in net equity after the conditions agreed with TCCC in order to become a creditor to such incentive have been fulfilled, they are recorded as a reduction in the marketing expenses included in the Administration Expenses account. Given its discretionary nature, the portion of contributions received in one period does not imply it will be repeated in the following period.

2.22 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.

2.23 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.

2.23.1 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 of the Brazilian, Argentinian and Paraguayan subsidiaries.

2.23.2 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.

2.23.3 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.

2.23.4 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.

2.23.5 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.

2.24.1 New accounting standards (Standards, Interpretations and Amendments) effective application for annual periods beginning on or after January 1, 2017.

Standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued, effective at the date of these financial statements, are detailed below. The Company has applied these rules concluding that they will not significantly affect the financial statements.

	AMENDMENTS AND/OR IMPROVEMENTS	MANDATORY APPLICATION DATE
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2017
IAS 7	Statements of Cash Flows	January 1, 2017
IAS 12	Income Tax	January 1, 2017

2.24.2 New accounting standards (Standards, Interpretations and Amendments) effective application for annual periods beginning on or after January 1, 2018.

Standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued, but are still not effective at the date of these financial statements, are detailed below. The Company has not performed an early application of these rules:

	NEW STANDARDS	MANDATORY APPLICATION DATE
IFRS 9	Financial Instruments	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advanced Considerations	January 1, 2018
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

IFRS 9 "Financial Instruments"

The final version of IFRS 9 Financial Instruments was issued in July 2014, incorporating all the phases of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard includes new requirements based on classification and measurement principles, it introduces a "more prospective" model for expected credit losses for impairment accounting and a significantly reformed focus for hedge accounting. Entities will also have the option of early application of accounting for income and losses for changes in fair value regarding "own credit risk" for financial liabilities set at fair value with changes in profit and loss, without applying other IFRS 9 requirements. It is mandatorily effective for periods beginning on or after 1 January 2018.

The adoption of the aforementioned standards, amendments and interpretations do not have a significant impact on the Company's consolidated financial statements.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 Revenue from Contracts with Customers, issued in May 2014 is a new standard applicable to all contracts with customers, except leases, financial instruments and insurance contracts. It is a joint project with the FASB to eliminate differences upon recognizing revenue between IFRS and US GAAP. This new standard pretends to improve inconsistencies and weaknesses of IAS 18 and deliver a model that will facilitate comparability of companies in different industries and regions. It grants a new model for recognizing revenue and more detailed requirements for contracts with multiple elements. It also requires more detailed disclosure. It is mandatorily effective for periods beginning on or after January 1, 2018.

The standard also presents a single comprehensive model for accounting of revenue from customer contracts and replaces the most recent revenue recognition guide, including industry-specific guidance. This comprehensive model introduces a five-step approach to recognizing revenue: 1) identification of the contract; 2) Identify performance obligations in the contract; 3) Determine the price of the transaction; 4) Assign the price of the transaction to each performance obligation in the contract; 5) Recognize revenue when the entity satisfies the performance obligation. Additionally, an entity must disclose sufficient information to allow users of the financial statements to understand the nature, amount, measure of time and uncertainty of revenue and cash flows derived from contracts with customers.

With regards to the reporting segment of Embotelladora Andina, revenue channels are mainly related to the sale of finished product and the delivery of promotional products, which are currently being recognized in the statement of income when the Company transfers these products to the customers. These revenue channels are supported by contracts with different retailers through traditional and modern channels, in which prices with such customers are constantly negotiated due to the high turnover of the Company's products and in order to remain competitive in the market.

The Company has completed the assessment process of the possible impacts that the adoption of IFRS 15 represents for the consolidated financial statements. As part of the process, management has concluded they have no significant impact on the Company's consolidated financial statements. The company will use the modified retrospective transition method.

The Company is defining the best presentation about the municipal gross taxes in the Argentine Operation, which today are presented deducting Revenues. The gross tax amount of the Argentine Operation amounts to Th$15,927,999 and represents 0.87% of Consolidated Revenues. Regarding the recognition and valuation of this tax, we have concluded that there is no impact on the Consolidated Financial Statements.

IFRIC Interpretation 22 "Foreign Currency Transactions and Advanced Considerations"

The Interpretation addresses the way to determine the date of the transaction in order to establish the exchange rate to be used on the initial recognition of the related asset, expense or income (or the corresponding part of these) in the de-recognition of accounts of a non-monetary asset or liability arising from the payment or collection of advanced consideration in foreign currency, for this purpose the date of the transaction corresponds to the moment in which an entity initially recognizes the non-monetary asset or liability arising from the payment or collection of the advanced consideration. If there are multiple advanced payments or collections, the entity shall determine a transaction date for each advanced consideration payment or collection.

This Interpretation will be applied for annual periods beginning January 1, 2018. An entity shall disclose the application of this Interpretation to previous periods.

The adoption of the aforementioned standards, amendments and interpretations do not have a significant impact on the Company's consolidated financial statements.

IFRS 16 "Leases"

In January 2016, the IASB issued IFRS 16 Leases. IFRS 16 sets the definition of a lease agreement and specifies the accounting treatment of assets and liabilities arising from these contracts from the point of view of the lessor and lessee. The new standard does not differ significantly from the preceding standard, IAS 17 Leases, regarding accounting treatment from the point of view of the lessor. However, from the point of view of the lessee, the new standard requires the recognition of assets and liabilities for the majority of leasing contracts. IFRS 16 will be mandatory for annual periods beginning after January 1, 2019. Early application is permitted if adopted together with IFRS 15 Revenue from Contracts with Customers.

The adoption of the aforementioned standards, amendments and interpretations do not have a significant impact on the Company's consolidated financial statements.

IFRIC 23 "Uncertainty over Income Tax Treatments"

In June 2017, the IASB issued IFRIC Interpretation 23, clarifying the application of recognition and measurement criteria required by IAS 12 Income Taxes when there is uncertainty about the tax treatments. This interpretation shall be applied for annual periods beginning after January 1, 2019.

The adoption of the aforementioned standards, amendments and interpretations do not have a significant impact on the Company's consolidated financial statements.

	AMENDMENTS AND IMPROVEMENTS	MANDATORY APPLICATION DATE
IAS 28	Investments in Associates and Joint Ventures	January 1, 2018
IFRS 3	Business Combinations	January 1, 2019
IFRS 9	Financial Instruments	January 1, 2019
IFRS 11	Joint Arrangements	January 1, 2019
IAS 12	Income Taxes	January 1, 2019
IAS 23	Borrowing Costs	January 1, 2019
IAS 28	Investments in Associates	January 1, 2019
IFRS 10	Consolidated Financial Statements	To be defined

IAS 28 "Investments in associates and joint ventures"

The amendment clarifies that an entity that is a venture capital organization, or another qualifying entity, can choose in the initial recognition to assess its investments in associates and joint ventures at fair value with changes in results. If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, it may choose to keep the measurement at fair value applied by its associate. The modifications must be applied retrospectively, and are effective beginning January 1, 2018, allowing early application.

The adoption of the aforementioned standards, amendments and interpretations do not have a significant impact on the Company's consolidated financial statements.

IFRS 3 "Business Combinations"

The amendments clarify that when an entity gets control of an entity that is a joint venture, the requirements for a phased business combination are applicable, including the interests previously held on the assets and liabilities of a joint venture presented at fair value. The amendments must apply to business combinations made after January 1, 2019. Early application is allowed.

The entity will assess the impact of the amendment once it becomes effective.

IFRS 9 "Financial Instruments – Payments with negative compensation"

A debt instrument can be measured at amortized cost, cost or at fair value through another comprehensive result, provided that the contractual cash flows are only principal and interest payments on the outstanding principal capital and the instrument is carried out within the business model for that classification. Amendments to IFRS 9 aim to clarify that a financial asset meets the criterion of only principal plus interest payments regardless of the event or circumstance that causes the anticipated termination of the contract or of which party pays or receives reasonable compensation for early termination of the contract.

Amendments to IFRS 9 shall apply when prepayment is approximate to unpaid capital and interest amounts in such a way as to reflect the change in reference interest rate. This implies that prepayments at fair value or for an amount including the fair value of the cost of an associated hedging instrument will normally satisfy the criterion only principal payments plus interest only if other elements of the change in fair value, such as the effects of credit risk or liquidity are not representative. Application begins January 1, 2019 and will be retrospectively performed with early adoption allowed.

The Company will assess the impact of the amendment once it becomes effective.

IFRS 11 "Joint Arrangements"

The amendment affects joint arrangements on interests previously held in a joint operation. A participating party, but that does not have the joint control of a joint operation could gain control if the joint operation activity constitutes a business as defined by IFRS 3. The amendments clarify that the interests previously maintained in that joint operation are not re-measured at the time of the operation. The amendments shall apply to transactions in which the joint control is acquired after January 1, 2019. Early application is allowed.

The Company will assess the impact of the amendment once it becomes effective.

IAS 12 "Income Taxes"

The amendments clarify that the income tax on dividends generated by financial instruments classified as equity are more directly linked to past transactions or events that generated distribution of profits than distribution to the owners. Therefore, an entity recognizes income tax on dividends in results, other comprehensive income or equity, according to where the entity originally recognized those transactions or past events. The amendments shall apply to dividends recognized after January 1, 2019.

The Company will assess the impact of the amendment once it becomes effective.

IAS 23 "Borrowing Costs"

The amendments clarify that an entity treats any indebtedness originally made to develop a qualified asset as a general loan when substantially all the activities necessary to culminate that asset for use or sale are complete. Amendments should be applied beginning January 1, 2019.

The Company will assess the impact of the amendment once it becomes effective.

IAS 28 Investments in Associates

The amendments clarify that an entity applies IFRS 9 Financial Instruments for long-term investments in associates or joint ventures for those investments that do not apply the equity method but which, in substance, is part of the net investment in the associate or joint venture. This clarification is relevant because it implies that the expected credit loss model, described in IFRS 9, applies to these long-term interests. Entities should apply the amendments retrospectively, with certain exceptions, and shall become effective beginning January 1, 2019. Early application is allowed.

The Company will assess the impact of the amendment once it becomes effective.

IAS 28 "Investment in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements"

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the accounting of the sale or contribution of goods between an investor and its associate or joint venture. The amendments, issued in September 2014, stipulate that when the transaction involves a business (whether in a subsidiary or not), all of the generated gain or loss is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The mandatory date of application of these changes is to be determined because IASB plans a thorough investigation that may result in a simplified accounting of associates and joint ventures. Early adoption is permitted.

The Company will assess the impact of the amendment once it becomes effective.

IFRS 10 "Consolidated Financial Statements"

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of 10 IFRS and IAS 28 (2011) in the treatment of the contribution or sale of goods between an investor and the associate or joint venture. Amendments, issued in September of 2014, established that when the transaction involves a business (both in a subsidiary or not) it recognizes all profit or loss generated. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The date of mandatory application of these modifications is to be determined since IASB plans an in-depth investigation that may result in a simplification of accounting of associates and joint ventures. Immediate adoption is permitted.

The Company will assess the impact of the amendment once it becomes effective.

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 strategic 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 Chile
- Operation Brazil
- Operation Argentina
- Operation Paraguay

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

Expenses and income 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, 2017	CHILE OPERATION	ARGENTINA OPERATION	BRAZIL OPERATION	PARAGUAY OPERATION	INTERCOMPANY ELIMINATIONS	CONSOLIDATED TOTAL
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Net sales	551,873,458	553,788,059	603,897,747	141,277,230	(1,957,875)	1,848,878,619
Cost of sales	(328,579,003)	(294,370,581)	(362,686,353)	(85,346,902)	1,957,875	(1,069,024,964)
Distribution expenses	(54,777,094)	(87,032,428)	(43,483,958)	(7,634,395)	-	(192,927,875)
Administrative expenses	(110,969,260)	(106,504,163)	(109,095,660)	(21,630,238)	-	(348,199,321)
Finance income	19,057,630	2,116,590	6,575,528	257,906	(16,813,279)	11,194,375
Finance expense	(32,594,796)	(4,663,527)	(34,767,713)	(7,612)	16,813,279	(55,220,369)
Interest expense, net*	**(13,537,166)**	**(2,546,937)**	**(28,192,185)**	**250,294**	**-**	**(44,025,994)**
Share of the entity in income of associates	246,084	(243)	(326,201)	-	-	(80,360)
Income tax expense	(16,871,257)	(17,683,875)	(13,719,506)	(3,522,996)	-	(51,797,634)
Other income (loss)	(11,312,509)	(10,441,173)	(1,855,039)	(213,025)	-	(23,821,746)
Net income of the segment reported	**16,073,253**	**35,208,659**	**44,538,845**	**23,179,968**	**-**	**119,000,725**
Depreciation and amortization	42,688,326	17,648,018	27,879,514	10,948,033	-	99,163,891
Current assets	223,245,173	97,529,488	132,815,545	30,419,844	-	484,010,050
Non-current assets	636,482,010	96,532,150	663,556,969	234,278,288	-	1,630,849,417
Segment assets, total	**859,727,183**	**194,061,638**	**796,372,514**	**264,698,132**	**-**	**2,114,859,467**
	33,789,538	-	53,019,531	-	-	86,809,069
Carrying amount in associates and joint ventures	64,480,973	40,347,989	91,198,657	14,476,783	-	210,504,402
accounted for using the equity method, total	169,508,083	105,886,744	135,595,155	17,297,339	-	428,287,321
Capital expenditures and other	463,997,113	1,368,167	393,125,740	14,847,776	-	873,338,796
Segment liabilities, total	**633,505,196**	**107,254,911**	**528,720,895**	**32,145,115**	**-**	**1,301,626,117**
Cash flows provided by in Operating Activities	79,451,122	38,904,028	98,783,329	30,821,869	-	247,960,348
Cash flows (used in) provided by Investing Activities	(49,677,671)	(40,344,994)	(64,331,960)	(14,476,785)	-	(168,831,410)
Cash flows (used in) provided by Financing Activities	(91,800,089)	16,891,759	(3,437,442)	-	-	(78,345,770)

(*) 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, 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	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 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)

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

DESCRIPTION BY ITEM	12.31.2017 THCH$	12.31.2016 THCH$
Cash	139,835	361,797
Bank balances	29,234,531	27,536,924
Time deposits	10,616,688	1,879
Mutual funds	96,251,062	113,363,280
Total cash and cash equivalents	**136,242,116**	**141,263,880**
BY CURRENCY	THCH$	THCH$
Dollar	6,973,298	53,073,628
Euro	17,245	4,926
Argentine Peso	19,681,449	5,105,633
Chilean Peso	80,985,719	48,891,546
Paraguayan Guaraní	6,804,997	8,115,946
Brazilian Real	21,779,408	26,072,201
Total cash and cash equivalents	**136,242,116**	**141,263,880**

4.1 Time deposits

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

PLACEMENT	INSTITUTION	CURRENCY	PRINCIPAL	ANNUAL RATE	12.31.2017
			THCH$		THCH$
12-29-2017	Banco Santander	Chilean pesos	7,500,000	2.52%	7,516,275
12-29-2017	Banco Santander	Chilean pesos	2,700,000	2.40%	2,700,360
12-29-2017	Banco Santander	Chilean pesos	400,000	2.40%	400,053
Total					**10,616,688**

PLACEMENT	INSTITUTION	CURRENCY	PRINCIPAL	ANNUAL RATE	12.31.2016
				%	M$
12-07-2016	Plazo Fijo Banco Galicia	Argentine pesos	1,853	17.00%	1,879
Total					**1,879**

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	12.31.2017	12.31.2016
	THCH$	THCH$
Mutual fund Itaú - Chile	–	1,500,306
Mutual fund Banco Estado - Chile	9,002,000	14,375,037
Fima fund Saving Plus C - Argentina	8,275,073	–
Mutual fund Itaú - Brazil	4,922,923	9,097,387
Mutual fund Santander - Brazil	4,748,368	6,287,332
Mutual fund Bradesco - Brazil	5,046,882	6,299,734
Mutual fund Corporativo Banchile - Chile	17,645,940	6,305,390
Mutual fund Banco Security - Chile	14,242,343	5,214,179
Mutual fund Banco Bice - Chile	–	4,616,379
Fima fund Saving Pesos C - Argentina	8,308,664	–
Mutual fund Banco Santander - Chile	–	8,242,619
Wester Asset Institutional Cash Reserves - USA	3,740,526	46,207,447
Mutual fund Larrain Vial - Chile	6,349,486	–
Mutual fund BTG - Chile	5,823,608	–
Fima fund Primium B - Argentina	1,495,556	3,717,158
Mutual fund Scotiabank - Chile	5,878,523	1,500,312
Citi Institutional Liquid Reserves Limited. (C.GAM)	771,170	–
Total mutual funds	**96,251,062**	**113,363,280**

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 2017

a.1 Time deposits

PLACEMENT	MATURITY	INSTITUTION	CURRENCY	PRINCIPAL THCH$	ANNUAL RATE	12.31.2017 THCH$
08.09.2017	02.12.2018	Banco Santander - Chile	Unidad de fomento	7,000,000	1.04%	7,082,167
09.25.2017	02.26.2018	BCI	Unidad de fomento	1,500,000	1.36%	1,516,454
09.25.2017	05.28.2018	Banco Santander - Chile	Unidad de fomento	5,000,000	0.94%	5,049,376
06.13.2017	03.15.2018	Vatorantim	Brazilian reais	20,013	8.82%	21,145
Subtotal						**13,669,142**

a.2 Rights in Forward Contracts

Rights in Forward Contracts – Forward (see details in Note 20)	469,019
Subtotal	**469,019**
Total other Financial Assets, current	**14,138,161**

b) Non-current 2017

b.1 Rights in forward contracts

	12.31.2017 THCH$
Rights in forward contracts (see note 20)	61,898,833
Sub total	**61,898,833**

b.2 Rights in other companies

	12.31.2017 THCH$
Rights in AdeS(*) manufacturing companies	**14,153,111**
Increase (decrease) in foreign currency exchange	**(1,792,859)**
Subtotal	**12,360,252**
Total Other Financial Assets, non-current	**74,259,085**

(*) On December 27, 2016, Coca-Cola Andina confirmed to The Coca-Cola Company its decision to participate in the "AdeS" business and commercialize said products in all its franchise territories, As a result, the operation materialized on March 28, 2017, and pursuant to the agreements, implied a disbursement of US$39 million, ThCh$14,153,111 were allocated to the purchase of rights in the manufacturing company "AdeS" and ThCh$11,923,449 were allocated to distribution rights of the "AdeS" products. The rights in the acquired companies are distributed as follows:

- Purchase of 13.0% interest in the Argentine company Alimentos de Soya S.A. for ThCh$9,661,283.
- Purchase of 8.5% interest in the Brazilian company UBI 3 Participações Ltda. for ThCh$4,491,828.

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	5,000,000	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 - Brazil	Brazilian 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 Rofex derivative operations – Argentina (1)	1,584,577
Total other Financial Assets, current	**60,152,627**

(1) Corresponds to funds that must be restricted in accordance with the partial results of derivative operations in Argentina.

b) Non-current portion 2016

b.1 Derivative futures contracts

DERIVATIVE FUTURES CONTRACTS	12.31.2016 THCH$
Derivative futures contracts (see Note 20)	80,180,880
Total other non-current financial assets	**80,180,880**

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

Note 6.1 Other current non-financial assets

	12.31.2017	12.31.2016
DESCRIPTION	THCH$	THCH$
Prepaid expenses	4,839,465	5,689,560
Tax credit remainder	169,120	-
Guarantee deposit (Argentina)	6,608	11,226
Disbursements of property, plant & equipment on behalf of Coca-Cola del Valle New Ventures S.A. (1)	-	1,991,167
Other current assets	596,668	909,256
Total	**5,611,861**	**8,601,209**

Note 6.2 Other non-current, non-financial assets

	12.31.2017	12.31.2016
DESCRIPTION	THCH$	THCH$
Judicial deposits (see note 21.2)	18,393,546	19,112,974
Prepaid expenses	1,113,154	1,613,989
Fiscal credits	2,287,051	2,975,706
Advance payment to suppliers of property, plant & equipment (2)	24,269,901	11,173,966
Others	1,330,693	370,188
Total	**47,394,345**	**35,246,823**

(1) Corresponds to disbursements 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 Caxias" bottling plant in Brazil.

NOTE 7 – TRADE AND OTHER RECEIVABLES

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

	12.31.2017			12.31.2016		
TRADE AND OTHER RECEIVABLES	ASSETS BEFORE PROVISIONS	ALLOWANCE FOR DOUBTFUL ACCOUNTS	COMMERCIAL DEBTORS NET ASSETS	ASSETS BEFORE PROVISIONS	ALLOWANCE FOR DOUBTFUL ACCOUNTS	COMMERCIAL DEBTORS NET ASSETS
CURRENT COMMERCIAL DEBTORS	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Trade debtors	157,926,958	(3,521,734)	154,405,224	155,792,966	(3,090,160)	152,702,806
Other current debtors	31,015,390	(2,825,453)	28,189,937	30,923,474	(2,827,678)	28,095,796
Current commercial debtors	**188,942,348**	**(6,347,187)**	**182,595,161**	**186,716,440**	**(5,917,838)**	**180,798,602**
Prepayments suppliers	8,057,544	-	8,057,544	8,776,211	-	8,776,211
Other current accounts receivable	778,901	(146,926)	631,975	1,728,859	(779,318)	949,541
Commercial debtors and other current accounts receivable	**197,778,793**	**(6,494,113)**	**191,284,680**	**197,221,510**	**(6,697,156)**	**190,524,354**
Non-current accounts receivable						
Trade debtors	58,336	-	58,336	83,881	-	83,881
Other non-current debtors	2,335,322	-	2,335,322	3,443,851	-	3,443,851
Other non-current accounts receivable	2,193	-	2,193	-	-	-
Non-current accounts receivable	**2,395,851**	**-**	**2,395,851**	**3,527,732**	**-**	**3,527,732**
Trade and other receivable	**200,174,644**	**(6,494,113)**	**193,680,531**	**200,749,242**	**(6,697,156)**	**194,052,086**

STRATIFICATION OF PORTFOLIO CURRENT AND NON-CURRENT DEBTORS FROM CREDIT OPERATIONS	12.31.2017	12.31.2016
	THCH$	THCH$
Up to date non-securitized portfolio until 30 days	151,275,377	148,694,299
31 and 60 days	908,980	1,463,935
61 and 90 days	1,050,476	567,318
91 and 120 days	331,740	909,985
121 and 150 days	709,400	410,944
151 and 180 days	62,834	155,596
181 and 210 days	82,863	245,947
211 and 250 days	538,081	107,679
More than 250 days	3,025,543	3,321,144
Total	**157,985,294**	**155,876,847**

The Company has an approximate number of 276,000 clients, which may have balances in the different sections of the stratification. The number of clients is distributed geographically with 65,400 in Chile, 89,200 in Brazil, 64,400 in Argentina and 57,000 in Paraguay.

	12.31.2017	12.31.2016
	THCH$	THCH$
Current commercial debtors	157,926,958	155,792,966
Non-current commercial debtors	58,336	83,881
Total	**157,985,294**	**155,876,847**

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

	12.31.2017	12.31.2016
	THCH$	THCH$
Opening balance	**6,697,156**	**5,265,225**
Bad debt expense	2,004,958	4,381,803
Provision application	(1,708,602)	(2,650,520)
Change due to foreign exchange differences	(499,399)	(299,352)
Movement	**(203,043)**	**1,431,931**
Ending balance	**6,494,113**	**6,697,156**

NOTE 8 – INVENTORIES

The composition of inventories is detailed as follows:

DETAILS	12.31.2017	12.31.2016
	THCH$	THCH$
Raw materials (1)	78,216,172	81,841,400
Finished goods	32,097,377	34,304,162
Spare parts and supplies	19,774,056	24,137,074
Work in progress	676,609	670,849
Other inventories	4,134,237	6,668,977
Obsolescence provision (2)	(3,535,451)	(2,913,114)
Total	**131,363,000**	**144,709,348**

The cost of inventory recognized as cost of sales as of December 31, 2017 and 2016, is ThCh$1,069,024,964 and ThCh$1,033,910,027, 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 was ratified by the 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	12.31.2017	12.31.2016
	THCH$	THCH$
Monthly provisional payments	-	1,330,379
Tax credits (1)	-	371,917
Total	**-**	**1,702,296**

(1) Tax credits correspond to income tax credits on training expenses, purchase of Property, plant and equipment, and donations, and additionally income tax recoveries requested by Brazil.

9.3 Current tax liabilities

Current tax payable are detailed as follows:

DESCRIPTION	12.31.2017	12.31.2016
	THCH$	THCH$
Income tax expense	3,184,965	10,828,593
Total	**3,184,965**	**10,828,593**

9.4 Income tax expense

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

ITEM	12.31.2017	12.31.2016
	THCH$	THCH$
Current income tax expense	40,183,261	35,902,002
Current tax adjustment previous period	137,455	534,392
Withholding tax expense foreign subsidiaries	6,730,031	7,645,218
Other current tax expense (income)	(5,733)	92,008
Current income tax expense	**47,045,014**	**44,173,620**
Income (expense) for the creation and reversal of current tax difference	4,752,620	4,633,473
Expense (income) for deferred taxes	**4,752,620**	**4,633,473**
Total income tax expense	**51,797,634**	**48,807,093**

9.5 Deferred income taxes

The net cumulative balances of temporary differences that give rise to deferred tax assets and liabilities are detailed as follows:

	12.31.2017		12.31.2016	
TEMPORARY DIFFERENCES	ASSETS THCH$	LIABILITIES THCH$	ASSETS THCH$	LIABILITIES THCH$
Property, plant and equipment	5,978,377	47,179,903	2,127,336	48,561,147
Obsolescence provision	2,215,341	200,979	1,541,553	-
Employee benefits	5,391,796	-	4,383,007	-
Post-employment benefits	61,155	1,020,522	49,900	1,010,779
Tax loss carried-forwards (1)	10,056,534	-	9,928,940	-
Tax Goodwill Brazil	23,195,957	-	31,926,760	-
Contingency provision	31,177,351	-	36,969,451	-
Foreign exchange differences (2)	7,631,498	-	-	2,124,435
Allowance for doubtful accounts	1,155,542	-	1,031,375	-
Coca-Cola incentives (Argentina)	451,790	-	2,408,651	-
Assets and liabilities for placement of bonds	-	1,297,000	-	669,856
Lease liabilities	1,083,010	-	1,767,944	-
Inventories	350,746	-	1,604,538	806,529
Distribution rights	-	163,850,599	-	168,511,436
Others	3,729,093	920,772	2,689,002	353,077
Subtotal	**92,478,190**	**214,469,775**	**96,428,457**	**222,037,259**
Total liabilities net	**3,212,981**	**125,204,566**	**-**	**125,608,802**
Total net movement fiscal year	**-**	**121,991,585**	**-**	**125,608,802**

(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 in the subsidiary Rio de Janeiro Refrescos Ltda. and which for tax purposes are recognized in Brazil when incurred.

9.6 Deferred tax liability movement

The movement in deferred income tax accounts is as follows:

ITEM	12.31.2017	12.31.2016
	THCH$	THCH$
Opening Balance	**125,608,802**	**130,201,701**
Increase (decrease) in deferred tax	(3,417,011)	(6,409,481)
Increase (decrease) due to foreign currency translation	(200,206)	1,816,582
Movements	**(3,617,217)**	**(4,592,899)**
Ending balance	**121,991,585**	**125,608,802**

9.7 Distribution of domestic and foreign tax expense

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

INCOME TAX	12.31.2017	12.31.2016
	THCH$	THCH$
Current income taxes		
Foreign	(30,258,395)	(24,752,106)
Domestic	(16,786,619)	(19,421,514)
Current income tax expense	**(47,045,014)**	**(44,173,620)**
Deferred income taxes		
Foreign	(4,667,982)	(4,291,287)
Domestic	(84,638)	(342,186)
Deferred income tax expense	**(4,752,620)**	**(4,633,473)**
Income tax expense	**(51,797,634)**	**(48,807,093)**

9.8 Reconciliation of effective rate

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

RECONCILIATION OF EFFECTIVE RATE	12.31.2017	12.31.2016
	THCH$	THCH$
Net income before taxes	**170,798,359**	**140,856,204**
Tax expense at legal rate (25.5%)	**(43,553,581)**	**-**
Tax expense at legal rate (24.0%)	**-**	**(33,805,489)**
Effect of a different tax rate in other jurisdictions	**(4,971,103)**	**(9,214,270)**
Permanent differences:		
Non-taxable revenues	9,645,068	6,068,410
Non-deductible expenses	(4,020,729)	(419,761)
Effect of tax on excess tax provision previous periods	125,021	86,731
Effect of tax monetary restatement Chilean companies	(1,465,753)	(1,875,343)
Foreign subsidiaries tax withholding expense and other legal tax debits and credits	(7,556,557)	(9,647,371)
Adjustments to tax expense	**(3,272,950)**	**(5,787,334)**
Tax expense at effective rate	**(51,797,634)**	**(48,807,093)**
Effective rate	**30.6%**	**34.7%**

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

	RATE	
COUNTRY	2017	2016
Chile	25.5%	24.0%
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:

	PROPERTY, PLANT AND EQUIPMENT, GROSS		CUMULATIVE DEPRECIATION AND IMPAIRMENT		PROPERTY, PLANT AND EQUIPMENT, NET	
ITEM	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Construction in progress	84,118,716	49,986,111	-	-	84,118,716	49,986,111
Land	96,990,155	91,961,876	-	-	96,990,155	91,961,876
Buildings	222,101,850	230,355,844	(59,716,002)	(57,282,683)	162,385,848	173,073,161
Plant and equipment	431,876,945	453,359,655	(276,043,865)	(262,957,030)	155,833,080	190,402,625
Information technology	20,697,750	19,683,777	(16,070,425)	(13,560,865)	4,627,325	6,122,912
Fixed facilities and accessories	32,990,387	32,616,284	(13,400,510)	(12,150,171)	19,589,877	20,466,113
Vehicles	52,587,886	44,629,827	(23,324,621)	(20,733,402)	29,263,265	23,896,425
Leasehold improvements	115,768	734,100	(108,355)	(543,577)	7,415	190,523
Other Property, plant and equipment (1)	395,823,718	397,539,405	(288,888,898)	(287,488,266)	106,934,818	110,051,139
Total	**1,337,303,175**	**1,320,866,879**	**(677,552,676)**	**(654,715,994)**	**659,750,499**	**666,150,885**

(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	12.31.2017	12.31.2016
	THCH$	THCH$
Bottles	51,876,569	64,020,146
Marketing and promotional assets	42,798,282	38,834,104
Other Property, plant and equipment	12,259,967	7,196,889
Total	**106,934,818**	**110,051,139**

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, Neuquén, Comodoro Rivadavia, Trelew, and Tierra del Fuego

Brazil : Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo, Vitoria, part of São 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	LAND	BUILDINGS, NET	PLANT AND EQUIPMENT, NET	IT EQUIPMENT, NET	FIXED FACILITIES AND ACCESSORIES, NET	VEHICLES, NET	LEASEHOLD IMPROVEMENTS, NET	OTHER	PROPERTY, PLANT AND EQUIPMENT, NET
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Opening balance at January 1, 2017	**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**
Additions	89,392,003	4,955,929	1,674,734	4,992,508	945,827	(4,161)	1,512,162	13,529	44,451,636	147,934,167
Disposals	-	-	(300,079)	(700,973)	(1,062,530)	-	(173,190)	-	(790,242)	(3,027,014)
Transfers between items of Property, plant and equipment	(41,957,409)	-	3,450,060	24,250,647	1,133,684	2,548,441	2,253,061	-	8,321,516	-
Depreciation expense	-	-	(5,880,770)	(36,026,939)	(2,190,107)	(2,112,681)	(5,303,332)	(61,033)	(45,746,096)	(97,320,958)
Increase (decrease) due to foreign currency translation differences	(13,319,346)	72,350	(9,538,737)	(20,492,851)	(320,634)	(1,307,835)	7,441,057	(34,272)	(7,670,229)	(45,170,497)
Other increase (decrease) (1)	17,357	-	(92,521)	(6,591,937)	(1,827)	-	(362,918)	(101,332)	(1,682,906)	(8,816,084)
Total movements	**34,132,605**	**5,028,279**	**(10,687,313)**	**(34,569,545)**	**(1,495,587)**	**(876,236)**	**5,366,840**	**(183,108)**	**(3,116,321)**	**(6,400,386)**
Ending balance at December 31, 2017	**84,118,716**	**96,990,155**	**162,385,848**	**155,833,080**	**4,627,325**	**19,589,877**	**29,263,265**	**7,415**	**106,934,818**	**659,750,499**

(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	PROPERTY, PLANT AND EQUIPMENT, NET
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$	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) (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	12.31.2017	12.31.2016
					THCH$	THCH$
96.891.720-K	Embonor S.A.	Related to Shareholder	Chile	Chilean pesos	4,220,936	5,283,410
96.517.210-2	Embotelladora Iquique S.A.	Related to Shareholder	Chile	Chilean pesos	303,866	307,848
76.572.588-7	Coca Cola del Valle New Ventures S.A.	Associate	Chile	Chilean pesos	647,342	180,000
96.919.980-7	Cervecería Austral S.A.	Related to director	Chile	Dollars	16,674	13,827
77.755.610-k	Comercial Patagona Ltda.	Related to director	Chile	Chilean pesos	-	3,598
Foreign	Servicios y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Argentine pesos	181,414	-
Total					**5,370,232**	**5,788,683**

11.1.2 Non-current:

TAXPAYER ID	COMPANY	RELATIONSHIP	COUNTRY OF ORIGIN	CURRENCY	12.31.2017	12.31.2016
					THCH$	THCH$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	156,492	147,682
Total					**156,492**	**147,682**

11.2 Accounts payable:

11.2.1 Current:

TAXPAYER ID	COMPANY	RELATIONSHIP	COUNTRY OF ORIGIN	CURRENCY	12.31.2017	12.31.2016
					THCH$	THCH$
Foreign	Recofarma do Industrias Amazonas Ltda,	Related to Shareholder	Brazil	Brazilian real	15,891,797	17,345,806
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Argentine pesos	-	10,275,931
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	12,458,055	7,284,499
Foreign	Leão Alimentos e Bebidas Ltda.	Associate	Brazil	Brazilian real	2,539,052	3,571,514
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean pesos	2,807,572	5,338,180
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Chilean pesos	193,685	304,405
Foreign	Alimentos de Soja S.A.U.	Related to Shareholder	Argentina	Argentine pesos	71,276	-
Total					**33,961,437**	**44,120,335**

11.3 Transactions:

TAXPAYER ID	COMPANY	RELATIONSHIP	COUNTRY OF ORIGIN	DESCRIPTION OF TRANSACTION	CURRENCY	CUMULATIVE 12.31.2017
						THCH$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of concentrates	Chilean pesos	140,609,445
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean pesos	1,823,190
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Lease of water fountain	Chilean pesos	2,989,115
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and other	Chilean pesos	2,163,225
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean pesos	20,865,624
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of raw materials	Chilean pesos	12,617,540
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of caps	Chilean pesos	477,188
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase services and others	Chilean pesos	357,456
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale services and others	Chilean pesos	14,944
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging	Chilean pesos	2,960,894
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of packaging and raw materials	Chilean pesos	2,942,690
96.891.720-K	Embonor S.A.	Related to Shareholder	Chile	Sale of finished products	Chilean pesos	42,561,124
96.517.310-2	Embotelladora Iquique S.A.	Related to Shareholder	Chile	Sale of finished products	Chilean pesos	2,650,329
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Purchase of raw materials and materials	Chilean pesos	1,676,013
94.627.000-8	Parque Arauco S.A.	Related to director	Chile	Rent of spaces	Chilean pesos	90,032
99.279.000-8	Euroamerica Seguros de Vida S.A.	Related to director	Chile	Purchase of insurance policies	Chilean pesos	312,231
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Purchase of concentrates	Chilean pesos	196,738,018
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to Shareholder	Brazil	Refund and other purchases	Chilean pesos	5,099,040
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Purchase of concentrates	Argentine pesos	272,541,272
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	Advertising participation payment	Argentine pesos	12,584,231
Foreign	KAIK Participações	Associate	Brazil	Refund and other purchases	Brazilian real	6,614
Foreign	Leão Alimentos e Bebidas Ltda.	Associate	Brazil	Purchase of products	Brazilian real	104,103
Foreign	Coca-Cola Peru	Related to Shareholder	Peru	Purchase of concentrate and marketing recovery	U.S. dollar	7,147,534
Foreign	Sorocaba Refrescos S.A.	Associate	Brazil	Purchase of products	Brazilian real	574,881
89862200-2	Latam Airlines Group S.A.	Related to director	Chile	Sale of products	Chilean pesos	652,588
76.572.588-7	Coca Cola Del Valle New Ventures SA	Common Shareholder	Chile	Sale of services and others	Chilean pesos	1,444,162
Foreign	Trop Frutas do Brasil Ltda.	Associate	Brazil	Purchase of products	Brazilian real	317,565
Foreign	Alimentos de Soja S.A.U.	Related to Shareholder	Argentina	Payment of fees and services	Argentine pesos	538,546

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 concentrate	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	Leão 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.	Related to director	Chile	Advertising participation payment	Argentine pesos	1,751,011
Foreign	Coca-Cola Peru	Related to director	Peru	Purchase of raw materials	Chilean pesos	4,188,812

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	12.31.2017	12.31.2016
	THCH$	THCH$
Executive wages, salaries and benefits	6,454,846	6,255,806
Director allowances	1,513,100	1,492,088
Termination of employment contracts benefits	-	79,027
Accrued benefit in last five years and paid during fiscal year	334,477	314,288
Total	**8,302,423**	**8,141,209**

NOTE 12 – CURRENT AND NON-CURRENT EMPLOYEE BENEFITS

Employee benefits are detailed as follows:

DESCRIPTION	12.31.2017	12.31.2016
	THCH$	THCH$
Accrued vacations	20,769,275	19,828,622
Employee remuneration payable	15,186,368	15,824,809
Indemnities for years of service	8,286,355	8,157,745
Total	**44,241,998**	**43,811,176**

	THCH$	THCH$
Current	35,955,643	35,653,431
Non-current	8,286,355	8,157,745
Total	**44,241,998**	**43,811,176**

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	12.31.2017	12.31.2016
	THCH$	THCH$
Opening balance	**8,157,745**	**8,230,030**
Service costs	1,727,905	2,059,799
Interest costs	300,755	182,328
Net actuarial losses	(530,059)	536,105
Benefits paid	(1,369,991)	(2,850,517)
Total	**8,286,355**	**8,157,745**

12.1.1 Assumptions

The actuarial assumptions used are detailed as follows:

ASSUMPTIONS	12.31.2017	12.31.2016
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 Financial Market Commission (CMF).

12.2 Personnel expenses

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

DESCRIPTION	12.31.2017	12.31.2016
	THCH$	THCH$
Wages and salaries	215,715,214	218,944,639
Employee benefits	50,127,117	50,174,153
Severance and post-employment benefits	7,410,936	8,252,502
Other personnel expenses	14,205,259	10,921,843
Total	**287,458,526**	**288,293,137**

12.3 Number of Employees (unaudited)

NUMBER OF EMPLOYEES (UNAUDITED)	12.31.2017	12.31.2016
Number of employees	15,924	16,296
Number of average employees	15,784	16,009

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:

		COUNTRY OF	FUNCTIONAL	CARRYING VALUE		PERCENTAGE INTEREST	
TAXPAYER ID	NAME	INCORPORATION	CURRENCY	12.31.2017	12.31.2016	12.31.2017	12.31.2016
				THCH$	THCH$	%	%
86.881.400-4	Envases CMF S.A. (1)	Chile	Chilean peso	18,528,567	18,693,851	50.00%	50.00%
Foreign	Leão Alimentos e Bebidas Ltda. (2)	Brazil	Brazilian real	22,163,333	19,559,114	8.82%	8.82%
Foreign	Kaik Participações Ltda. (2)	Brazil	Brazilian real	1,228,350	1,364,444	11.32%	11.32%
Foreign	SRSA Participações Ltda.	Brazil	Brazilian real	189,290	258,928	40.00%	40.00%
Foreign	Sorocaba Refrescos S.A.	Brazil	Brazilian real	23,079,130	26,091,690	40.00%	40.00%
Foreign	Trop Frutas do Brasil Ltda. (2)	Brazil	Brazilian real	6,359,428	6,069,003	7.52%	7.52%
76.572.588-7	Coca Cola del Valle New Ventures S.A. (3)	Chile	Chilean peso	15,260,971	5,160,751	35.00%	35.00%
Total				**86,809,069**	**77,197,781**		

(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	12.31.2017	12.31.2016
	THCH$	THCH$
OPENING BALANCE	77,197,781	54,190,546
Other investment increases in associates (Capital Contribution Leão Alimentos e Bebidas Ltda.).	15,570,161	17,586,575
Dividends received	(1,540,090)	(750,806)
Share in operating income	932,340	396,764
Unrealized income	85,268	85,266
Increase (Decrease) due to foreign currency translation differences	(5,436,391)	5,689,436
Ending Balance	**86,809,069**	**77,197,781**

The main movements for the twelve- months ended December 2017 and fiscal year ended December 31, 2016, are the following:

- During fiscal year 2017 and 2016, Leão Alimentos e Bebidas Ltda. carried out capital increases. Rio de Janeiro Refrescos Ltda. participated in these capital increases regarding its ownership interest for amounts of ThCh$5,385,161 and ThCh$6,105,732, respectively.

- During fiscal year 2016, because of corporate 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. holds a 7.52% direct ownership interest in that company through a capital contribution of ThCh$ 6,157,150.

- During fiscal year 2017, Embotelladora Andina S.A. has made capital contributions to Coca-Cola del Valle New Ventures S.A. in the amount of ThCh$10,185,000 (ThCh$ 5,323,693 as of December 31, 2016).

- During the fiscal year 2017 and 2016, Envases CMF S.A. declared ThCh$1,540,090 and ThCh$745,806 in dividends, respectively. Of the dividends declared for the year 2017 only ThCh$770,045 have been paid.

- During the twelve months period ended December 31, 2017and fiscal year ended December 2016, Sorocaba Refrescos S.A. did not distribute dividends.

13.3 Reconciliation of share of profit in investments in associates:

DETAILS	12.31.2017	12.31.2016
	THCH$	THCH$
Share of profit of investment accounted for using the equity method	932,340	396,764
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)	(1,097,968)	(744,612)
Amortization of Fair Value in Vital Jugos S.A.	85,268	85,266
Income Statement Balance	**(80,360)**	**(262,582)**

13.4 Summary financial information of associates:

The following table presents summarized information regarding the Company´s equity investees as of December 31, 2017:

	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	74,308,406	111,697,833	10,851,460	473,226	282,895,158	88,327,243	48,190,779
Total liabilities	36,654,412	54,000,005	35	-	79,689,080	11,407,361	4,594,3080
Total revenue	49,924,142	52,507,920	(137,002)	469,509	198,216,570	3,345,146	-
Net income (loss) of associate	2,405,060	(1,541,788)	(137,002)	469,509	(157,266)	1,927,448	(248,532)
Reporting date	12/31/2017	12/31/2017	12/31/2017	12/31/2017	12/31/2017	12/31/2017	11/30/2017

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:

	12.31.2017			12.31.2016		
	GROSS	CUMULATIVE	NET	GROSS	CUMULATIVE	NET
DETAIL	AMOUNT	AMORTIZATION	AMOUNT	AMOUNT	AMORTIZATION	AMOUNT
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Distribution rights (1)	656,411,004	(116,387)	656,294,617	674,920,063	-	674,920,063
Software	27,595,084	(21,087,741)	6,507,343	24,954,998	(19,349,917)	5,605,081
Water rights	511,470	(40,552)	470,918	522,748	(51,830)	470,918
Total	**684,517,558**	**(21,244,680)**	**663,272,878**	**700,397,809**	**(19,401,747)**	**680,996,062**

(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 indefinite 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: except for the Monster rights that are amortized in the term of the agreement which is 4 years.

DISTRIBUTION RIGHTS	12.31.2017	12.31.2016
	THCH$	THCH$
Chile (excluding Metropolitan Region, Rancagua and San Antonio)	305,086,276	301,127,305
Brazil (Rio de Janeiro, Espirito Santo, Ribeirão Preto and the investments in Sorocaba and Leão Alimentos e Bebidas Ltda.)	187,695,738	207,469,759
Paraguay	162,825,074	165,295,516
Argentina (North and South)	803,916	1,027,483
Total	**656,411,004**	**674,920,063**

The movement and balances of identifiable intangible assets are detailed as follows:

	01.01.2017 TO 12.31.2017					01.01.2016 TO 12.31.2016				
DETAILS	DISTRIBUTION RIGHTS		RIGHTS	SOFTWARE	TOTAL	DISTRIBUTION RIGHTS		RIGHTS	SOFTWARE	TOTAL
	THCH$		THCH$	THCH$	THCH$	THCH$		THCH$	THCH$	THCH$
Opening balance	674,920,063		470,918	5,605,081	680,996,062	658,625,624		476,643	6,564,388	665,666,655
Additions (1)	11,923,449	(1)	-	2,907,715	14,831,164	821,577	(2)	975	2,842,314	3,664,866
Amortization	(116,387)		-	(1,842,933)	(1,959,320)	-		(4,575)	(3,207,309)	(3,211,884)
Other increases (decreases) (3)	(30,432,508)		-	(162,520)	(30,595,028)	15,472,862		(2,125)	(594,312)	14,876,425
Total	**656,294,617**		**470,918**	**6,507,343**	**663,272,878**	**674,920,063**		**470,918**	**5,605,081**	**680,996,062**

(1) Corresponds to distribution rights paid in Argentina, Paraguay and Chile resulting from the transaction in which The Coca-Cola Company acquired the "AdeS" business described in previous notes.

(2) During the second quarter of 2016 Embotelladora Andina S.A. began distributing Monster products

(3) 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: (investment in the associate Sorocaba)
- Brazil: (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 2017 was estimated with the Capital Asset Pricing Model, which 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	
	2017	2016
Argentina	17.1%	20.5%
Chile	7.2%	7.9%
Brazil	9.6%	11.9%
Paraguay	9.1%	10.7%

Management carries out the annual goodwill impairment test as of December 31 of each year 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 the 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 150 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 for 2017, no impairments have been identified in any of the CGUs assuming conservative EBITDA margin projections and in line with the markets' history. As of December 31, 2017, there have been no signs of impairment.

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 as of December 31, 2017 and December 31, 2016 is detailed as follows:

OPERATING SEGMENT	01.01.2017	ADDITIONS	DISPOSALS OR IMPAIRMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES WHERE FUNCTIONAL CURRENCY IS DIFFERENT FROM PRESENTATION CURRENCY	12.31.2017
	THCH$	THCH$	THCH$	THCH$	THCH$
Chilean operation	8,503,023	-	-	-	8,503,023
Brazilian operation	81,145,834	-	-	(7,636,754)	73,509,080
Argentine operation	5,972,515	-	-	(1,299,544)	4,672,971
Paraguayan operation	7,298,133	-	-	(384,990)	6,913,,143
Total	**102,919,505**	**-**	**-**	**(9,321,288)**	**93,598,217**

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**

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

CURRENT	12.31.2017	12.31.2016
	THCH$	THCH$
Bank loans	31,470,003	20,609,887
Bonds payable	20,156,295	26,729,828
Deposits in guarantee	13,849,504	13,446,077
Derivative contract obligations (see note 20)	445,278	1,229,354
Leasing agreements	2,060,325	2,785,424
Total	**67,981,405**	**64,800,570**
NON-CURRENT	12.31.2017	12.31.2016
	THCH$	THCH$
Bank loans	13,057,542	17,736,697
Bonds payable	648,228,554	685,684,184
Leasing agreements	14,481,105	18,149,706
Total	**675,767,201**	**721,570,587**

The fair value of financial assets and liabilities as of December 31, 2017 and December 31, 2016 is presented below:

CURRENT	BOOK VALUE 12.31.2017	FAIR VALUE 12.31.2017	BOOK VALUE 12.31.2016	FAIR VALUE 12.31.2016
	THCH$	THCH$	THCH$	THCH$
Cash and cash equivalents (3)	136,242,116	136,242,116	141,263,880	141,263,880
Other financial assets (3)	14,138,161	14,138,161	55,474,284	55,474,284
Trade and other accounts receivable (3)	191,284,680	191,284,680	190,524,354	190,524,354
Accounts receivable from related companies (3)	5,370,232	5,370,232	5,788,683	5,788,683
Bank loans (1)	31,470,003	31,006,898	20,609,887	20,932,073
Bonds payable (2)	20,156,295	22,484,452	26,729,828	29,338,170
Deposits in guarantee (3)	13,849,504	13,849,504	13,446,077	13,446,077
Derivative contract obligations (see note 20)	445,278	445,278	1,229,354	1,229,354
Leasing agreements (3)	2,060,325	2,060,325	2,785,424	2,785,424
Trade and other accounts payable (3)	257,519,477	257,519,477	242,836,356	242,836,356
Accounts payable from related companies (3)	33,961,437	33,961,437	44,120,335	44,120,335
NON-CURRENT	12.31.2017	12.31.2017	12.31.2016	12.31.2016
	THCH$	THCH$	THCH$	THCH$
Other financial assets (3)	74,259,085	75,259,085	80,180,880	80,180,880
Accounts receivable from related companies (3)	156,492	156,492	147,682	147,682
Bank loans (1)	13,057,542	11,588,575	17,736,697	14,365,502
Bonds payable (2)	648,228,554	722,044,324	685,684,184	752,078,561
Leasing agreements (3)	14,481,105	14,481,105	18,149,706	18,149,706

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 is classified as Level 1 fair value measurements based on quoted prices for the Company's obligations.

3) The fair value approximates book value considering the nature and term of the obligations.

15.1.1 Bank obligations, current

										MATURITY		TOTAL	
	INDEBTED ENTITY			CREDITOR ENTITY			TYPE	EFFECTIVE	NOMINAL	UP TO	90 DAYS	AT	AT
TAX ID,	NAME	COUNTRY	TAX ID,	NAME	COUNTRY	CURRENCY	AMORTIZATION	RATE	RATE	90 DAYS	TO 1 YEAR	12.31.2017	12.31.2016
										M$	M$	THCH$	THCH$
91.144.000-8	Embotelladora Andina S.A.	Chile	97032000-8	Banco Bilbao Viscaya Argentaria,	Chile	Chilean pesos	Monthly	3.64%	3.64%	-	300,000	300,000	-
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	Unidad de fomento	Semiannually	2.13%	2.13%	-	709,794	709,794	655,752
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de la Nación Argentina	Argentina	Argentine pesos	Monthly	20.00%	20.00%	75,863	9,889,270	9,965,133	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia y Bs. As.	Argentina	Argentine pesos	Monthly	20.00%	20.00%	55,994	3,296,423	3,352,417	336,062
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de la Nación Argentina	Argentina	Argentine pesos	Monthly	15.25%	15.25%	-	-	-	39,942
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	BBBVA Banco Frances	Argentina	Argentine pesos	Monthly	15.25%	15.25%	-	-	-	34,861
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Dollars	Monthly	2.992%	2.992%	-	-	-	12,017,942
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	7.48%	7.48%	11,688	286,768	298,456	-
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	6.63%	6.63%	592,682	766,789	1,359,471	954,556
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Quarterly	7.15%	7.15%	278,803	1,332,944	1,611,747	2,839,713
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Semiannually	4.50%	4.50%	1,905,762	635,254	2,541,016	3,731,059
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Semiannually	6.24%	6.24%	-	11,331,969	11,331,969	-
Total												**31,470,003**	**20,609,887**

15.1.2 Bank obligations, non-current December 31, 2017

										MATURITY					
	INDEBTED ENTITY			CREDITOR ENTITY											
TAX ID	NAME	COUNTRY	TAX ID	NAME	COUNTRY	CURRENCY	TYPE AMORTIZATION	EFFECTIVE RATE	NOMINAL RATE	1 YEAR UP TO 2 YEARS	MORE 2 YEARS UP TO 3 YEARS	MORE 3 YEARS UP TO 4 YEARS	MORE 4 YEARS UP TO 5 YEARS	MORE 5 YEARS	AT 12.31.2017
										THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	Unidad de fomento	Semiannually	2.1%	2.1%	2,092,245	-	-	-	-	2,092,245
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Alfa	Brazil	Brazilian real	Monthly	7.48%	7.5%	125,461	125,461	125,461	627,305	-	1,003,688
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Itaú	Brazil	Brazilian real	Monthly	6.6%	6.6%	504,700	197,779	44,639	128,887	-	876,005
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Santander	Brazil	Brazilian real	Monthly	7.2%	7.2%	1,593,608	1,202,096	663,779	2,449,851	-	5,909,334
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Quarterly	4.5%	4.5%	3,176,270	-	-	-	-	3,176,270
Total															**13,057,542**

15.1.2 Bank obligations, non-current December 31, 2016

										MATURITY					
	INDEBTED ENTITY			CREDITOR ENTITY											
TAX ID	NAME	COUNTRY	TAX ID	NAME	COUNTRY	CURRENCY	TYPE AMORTIZATION	EFFECTIVE RATE	NOMINAL RATE	1 YEAR UP TO 2 YEARS	MORE 2 YEARS UP TO 3 YEARS	MORE 3 YEARS UP TO 4 YEARS	MORE 4 YEARS UP TO 5 YEARS	MORE 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	Unidad de fomento	Semiannually	3.43%	3.43%	933,549	-	-	-	-	933,549
Total															**17,736,697**

15.2.1 Bonds payable

	CURRENT		NON-CURRENT		TOTAL	
COMPOSITION OF BONDS PAYABLE	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Bonds (face value)	20.547.117	27.112.986	651.459.940	690.150.930	672.007.057	717.263.916
Expenses of bond issuance and discounts on placement	(390.822)	(383.158)	(3.231.386)	(4.466.746)	(3.622.208)	(4.849.904)
Net balance presented in statement of financial position	**20.156.295**	**26.729.828**	**648.228.554**	**685.684.184**	**668.384.849**	**712.414.012**

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	FACE AMOUNT	UNIT OF ADJUSTMENT	INTEREST RATE	FINAL MATURITY	INTEREST PAYMENT	DATE AMORTIZATION OF CAPITAL	12.31.2017	12.31.2016
BONDS, CURRENT PORTION								THCH$	THCH$
CMF Registration N°640 CMF 08.23.2010	A	-	UF	3.0%	08-15-2017	Semiannually	02-15-2017	-	6,660,552
CMF Registration N°254 CMF 06.13.2001	B	2,333,646	UF	6.5%	06-01-2026	Semiannually	06-01-2018	6,071,687	5,656,922
CMF Registration N°641 08.23.2010	C	1,500,000	UF	4.0%	08-15-2031	Semiannually	02-15-2021	597,049	587,020
CMF Registration N°759 08.20.2013	C	750,000	UF	3.5%	08-16-2020	Semiannually	02-16-2018	6,959,157	6,929,828
CMF Registration N°760 08.20.2013	D	4,000,000	UF	3.8%	08-16-2034	Semiannually	02-16-2032	1,502,299	1,487,844
CMF Registration N°760 04.02.2014	E	3,000,000	UF	3.75%	03-01-2035	Semiannually	09-01-2032	998,409	978,933
Bonds USA	-	575,000,000	US$	5.0%	10-01-2023	Semiannually	10-01-2023	4,418,516	4,811,887
Total current portion								**20,547,117**	**27,112,986**
BONDS NON-CURRENT PORTION									
CMF Registration N°254 CMF 06.13.2001	B	2,333,646	UF	6.5%	06-01-2026	Semiannually	06-01-2018	56,795,423	61,486,857
CMF Registration N°641 08.23.2010	C	1,500,000	UF	4.0%	08-15-2031	Semiannually	02-15-2021	40,197,210	39,521,970
CMF Registration N°759 08.20.2013	C	750,000	UF	3.5%	08-16-2020	Semiannually	02-16-2018	13,399,069	19,760,985
CMF Registration N°760 08.20.2013	D	4,000,000	UF	3.8%	08-16-2034	Semiannually	02-16-2032	107,192,560	105,391,920
CMF Registration N°760 04.02.2014	E	3,000,000	UF	3.75%	03-01-2035	Semiannually	09-10-2032	80,394,428	79,043,948
Bonds USA	-	575,000,000	US$	5.0%	10-01-2023	Semiannually	10-01-2023	353,481,250	384,945,250
Bonds non-current portion								**651,459,940**	**690,150,930**

Accrued interest included in the current portion of bonds totaled ThCh$8,105,642 and ThCh$8,646,270 at December 31, 2017 and December 31, 2016, respectively.

15.2.3 Non-current maturities

		YEAR OF MATURITY				TOTAL NON-CURRENT
	SERIES	MORE THAN 1 TO 2	MORE THAN 2 TO 3	MORE THAN 3 TO 4	MORE THAN 5	12.31.2017
		THCH$	THCH$	THCH$	THCH$	THCH$
CMF Registration N°254 06.13.2001	B	6,115,168	6,512,654	6,935,977	37,231,622	56,795,421
CMF Registration N°641 08.23.2010	C	-	-	3,654,292	36,542,918	40,197,210
CMF Registration N°759 08.20.2013	C	6,699,535	6,699,535	-	-	13,399,070
CMF Registration N°760 08.20.2013	D	-	-	-	107,192,561	107,192,561
CMF Registration N°760 04.02.2014	E	-	-	-	80,394,428	80,394,428
Bonds USA	-	-	-	-	353,481,250	353,481,250
Total		**12,814,703**	**13,212,189**	**10,590,269**	**614,842,779**	**651,459,940**

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating as of December 31, 2017:

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, 2017, 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 5.0% 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.

The outstanding series as of December 31, 2017, 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, 2017 is UF 2,333 million.

Series B was issued with charge to the bonds line registered with the Securities Registered under number 254 dated September 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, 2017, indebtedness level is 0.84 times of Consolidated Equity.

The breakdown of accounts with the respective amounts used for the previous calculation is detailed as follows (in thousand Chilean pesos):

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS INDICATOR ARE THE FOLLOWING:	THCH$
Other current financial liabilities	67,981,405
Other non-current financial liabilities	675,767,201
(-) Other non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Equity	813,233,349

- 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, 2017, this index is 1.62 times.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS RESTRICTION ARE THE FOLLOWING:	THCH$
Consolidated assets free of collateral, mortgages or other liens	2,064,208,143
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**2,002,309,310**
Consolidated liabilities payable not guaranteed	1,301,626,118
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Unsecured Consolidated Liabilities Payable (adjusted)	**1,239,727,285**

Restrictions regarding bond lines registered in the Securities Registered under number 641.

Because 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 1.5 million of Series C bonds due 2031, bearing an annual interest rate of 4.00%. As of December 31, 2017, the balance of outstanding capital is UF 1.5 million.

Series C was issued with charge to the Bond Lines registered with the Securities Registrar, under number 641, on August 23, 2010.

Regarding 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, 2017, Net Financial Debt was 0.65 times.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS RESTRICTION ARE THE FOLLOWING:	THCH$
Other current financial liabilities	67,981,405
Other non-current financial liabilities	675,767,201
(-) Cash and cash equivalent	(136,242,116)
(-) Other current financial assets	(14,138,161)
(-) Other non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Equity	813,233,349

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 correspond 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, 2017, this index is 1.62 times.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS RESTRICTION ARE THE FOLLOWING:	THCH$
Consolidated assets free of collateral, mortgages or other liens	2,064,208,143
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**2,002,309,310**
Consolidated liabilities payable not guaranteed	1,301,626,118
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Unsecured Consolidated Liabilities Payable (adjusted)	**1,239,727,285**

- 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, 2017 Net Financial Coverage level is 7.30 times.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS INDICATOR ARE THE FOLLOWING:	THCH$
(+) Consolidated Ebitda between January 1 and December 31, 2017	321,188,879
(+) Consolidated financial income between January 1 and December 31, 2017	11,194,375
(-) Consolidated Ebitda between January 1 and September 30, 2016	(55,220,369)

(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 issuances were structured into three series.

- Series C outstanding as of December 31, 2017, 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, 2017, is UF 0.750 million.

- Series D and E outstanding as of December 31, 2017, 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 as of December 31, 2017, 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, 2017, Indebtedness Level is 0.65 times of Consolidated Equity.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS RESTRICTION ARE THE FOLLOWING:	THCH$
Other current financial liabilities	67,981,405
Other non-current financial liabilities	675,767,201
(-) Cash and cash equivalent	(136,242,116)
(-) Other current financial assets	(14,138,161)
(-) Other non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Equity	813,233,349

- 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, 2017, this index is 1.62 times.

The accounts with the respective amounts used for the previous calculation are detailed as follows:

AS OF DECEMBER 31, 2017, THE VALUES OF ITEMS INCLUDED IN THIS RESTRICTION ARE THE FOLLOWING:	THCH$
Consolidated assets free of collateral, mortgages or other liens	2,064,208,143
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Consolidated Assets free of pledges, mortgages or other liens (adjusted)	**2,002,309,310**
Consolidated liabilities payable not guaranteed	1,301,626,118
(-) Other current and non-current financial assets (hedge derivatives)	(61,898,833)
Unsecured Consolidated Liabilities Payable (adjusted	**1,239,727,285**

- 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, 2017, and December 31, 2016, 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 as of 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. As of December 31, 2017, 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 has been recorded in other comprehensive income.

15.3.1 Derivative contract obligations

Please see details in Note 20.

15.4.1 Current liabilities for leasing agreements

INDEBTED ENTITY			CREDITOR ENTITY						MATURITY		TOTAL	
NAME	COUNTRY	TAX ID	NAME	TYPE	CURRENCY	AMORTIZATION TYPE	EFFECTIVE RATE	NOMINAL RATE	UP TO 90 DAYS	90 DAYS TO 1 YEAR	AT 31.12.2017	AT 31.12.2016
									THCH$	THCH$	THCH$	THCH$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Itaú	Brazil	Brazilian real	Monthly	10.215%	10.227%	9,767	31,700	41,467	110,732
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Santander	Brazil	Brazilian real	Monthly	9.65%	9.47%	183,761	321,054	504,815	1,016,705
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Citibank	Brazil	Brazilian real	Monthly	8.54%	8.52%	146,251	382,550	528,801	872,247
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeração Light Esco	Brazil	Brazilian real	Monthly	13.00%	12.28%	156,946	500,664	657,610	674,127
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	25,541	302,091	327,632	103,314
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Bradesco	Brazil	Brazilian real	Monthly	9.39%	9.38%	-	-	-	8,299
Total											**2,060,325**	**2,785,424**

15.4.2 Non-current liabilities for leasing agreements December 31, 2017

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 31.12.2017
									THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Itaú	Brazil	Brazilian real	Monthly	10.21%	10.22%	11,764	-	-	-	-	11,764
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Santander	Brazil	Brazilian real	Monthly	9.65%	9.47%	73,799	-	-	-	-	73,799
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Citibank	Brazil	Brazilian real	Monthly	8.54%	8.52%	105,807	-	-	-	-	105,807
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeração Light Esco	Brazil	Brazilian real	Monthly	13.00%	12.28%	743,100	839,703	948,864	1,072,216	10,685,852	14,289,735
Total														**14,481,105**

15.4.3 Non-current liabilities for leasing agreements December 31, 2016

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 31.12.2016
									THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeração Light Esco	Brazil	Brazilian real	Monthly	13.00%	12.28%	2,476,445	2,234,004	2,138,183	2,138,183	7,535,257	16,522,072
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Santander	Brazil	Brazilian real	Monthly	9.65%	9.47%	591,576	-	-	-	-	591,576
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Itaú	Brazil	Brazilian real	Monthly	10.21%	10.22%	54,327	-	-	-	-	54,327
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Citibank	Brazil	Brazilian real	Monthly	8.54%	8.52%	624,937	-	-	-	-	624,937
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	Dollars	Monthly	12.00%	12.00%	356,794	-	-	-	-	356,794
Total														**18,149,706**

NOTE 16 – TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Trade and other current accounts payable are detailed as follows:

ITEM	12.31.2017	12.31.2016
	THCH$	THCH$
Trade accounts payable	187,872,116	179,246,672
Withholdings tax	49,857,086	45,504,119
Accounts payable Inamar Ltda. (1)	356,221	8,312,403
Others	20,566,980	19,282,989
Total	**258,652,403**	**252,346,183**
Current	257,519,477	242,836,356
Non-current	1,132,926	9,509,827
Total	**258,652,403**	**252,346,183**

The Company maintains commercial lease agreements for forklifts, vehicles, properties and machinery. These lease agreements have an average duration of one to eight years excluding renewal options.

Accruable liabilities pursuant to the Company's operating leasing agreements are detailed as follows:

	THCH$
Maturity within one year	5,530,653
Maturity between one and five years	1,201,980
Maturity more than five years	1,944,717
Total	**8,677,350**

Total expenses related to operating leases maintained by the Company as of December 31, 2017 amount to ThCh$1,671,534.

(1) On December 3, 2015, property was purchased from Industrias Metalurgicas Inamar Ltda. for an amount of ThCh$17,292,040 equivalent to UF 675,000, of which there is an approximate balance of ThUF 303. To guarantee the payment of this obligation the land has been mortgaged to in favor of Industrias Metalurgicas Inamar Ltda.

NOTE 17 – CURRENT AND NON-CURRENT PROVISIONS

17.1 Balances

This account is detailed as follows:

DESCRIPTION	12.31.2017	12.31.2016
	THCH$	THCH$
Litigation (1)	65,624,166	73,081,893
Total	**65,624,166**	**73,081,893**

(1) Corresponds to the provision for probable fiscal, labor and trade contingency losses based on the opinion of our legal advisors, detailed as follows:

DETAIL (SEE NOTE 21.1)	12.31.2017	12.31.2016
	THCH$	THCH$
Tax Contingencies	49,185,234	63,543,782
Labor Contingencies	10,468,704	7,940,428
Civil Contingencies	5,970,228	1,597,683
Total	**65,624,166**	**73,081,893**

17.2 Movements

Movement of provisions is detailed as follows:

	12.31.2017			12.31.2016		
DESCRIPTION	LITIGATION	OTHERS	TOTAL	LITIGATION	OTHERS	TOTAL
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Opening Balance as of January 01	**73,081,893**	**-**	**73,081,893**	**64,301,817**	**-**	**64,301,817**
Additional provisions	2,493,968	-	2,493,968	1,047,308	-	1,047,308
Increase (decrease) in existing provisions	(19,083,499)	-	(19,083,499)	(1,519,800)	-	(1,519,800)
Payments	22,985,793	-	22,985,793	4,276,851	-	4,276,851
Reverse unused provision (*)	(6,769,384)	-	(6,769,384)	(2,774,703)	-	(2,774,703)
Increase (decrease) due to foreign exchange differences	(7,084,605)	-	(7,084,605)	7,750,420	-	7,750,420
Total	**65,624,166**	**-**	**65,624,166**	**73,081,893**	**-**	**73,081,893**

(*) During the years 2017 and 2016 there has been a reversal of provisions amounting to Th$6,769,384 and Th$2,774,703, respectively, which resulted from fines demanded by the Brazilian Treasury on the use of IPI tax credits in the Free Zone of Manaus, because of favorable rulings on the subject for Rio de Janeiro Refrescos Ltda. from the Superior Chamber of Fiscal Resources (SCFR).

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	12.31.2017	12.31.2016
	THCH$	THCH$
Dividend payable	21,679,922	19,358,263
Other	5,328,055	1,413,318
Total	**27,007,977**	**20,771,581**
Current	27,007,977	20,612,791
Non-current	-	158,790
Total	**27,007,977**	**20,771,581**

NOTE 19 – EQUITY

19.1 Number of shares:

	NUMBER OF SHARES SUBSCRIBED		NUMBER OF SHARES PAID IN		NUMBER OF VOTING SHARES	
SERIES	2017	2016	2017	2016	2017	2016
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:

	SUBSCRIBED CAPITAL		PAID-IN CAPITAL	
SERIES	2017	2016	2017	2016
	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: Elects 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 2017, the shareholders agreed to pay out of the 2016 earnings are final dividend to complete the 30% required by the Law 18,046 which was paid in May 2017, and an additional dividend was paid in August 2017.

Pursuant to Circular Letter N° 1,945 of the Chilean Financial Market Commission (CMF) 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.

Accumulated earnings at the date of IFRS adoption as of January 1, 2009, amounted to ThCh$ 19,260,703, of which ThCh$ 8,600,015 have been realized as of December 31, 2017, 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 12.31.2017	AMOUNT OF ACCUMULATED EARNINGS AT 12.31.2017
		THCH$	THCH$	THCH$
Revaluation of assets parent Company	Sale or impairment	14,800,384	(11,907,228)	2,893,156
Foreign currency translation differences of investments in related companies and subsidiaries	Sale or impairment	4,653,301	2,805,255	7,458,556
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	(637,827)	308,976
Deferred taxes complementary accounts parent Company	Amortization	(1,444,960)	1,444,960	-
Total		**19,260,703**	**(8,600,015)**	**10,660,688**

The dividends declared and paid per share are presented below:

DIVIDEND PAYMENT DATE		DIVIDEND TYPE	PROFITS IMPUTABLE TO DIVIDENDS	CH$ PER SERIES A SHARE	CH$ PER SERIES B SHARE
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
2017	January	Interim	2016	19.00	20.90
2017	May	Final	2016	19.00	20.90
2017	August	Additional	Retained Earnings	19.00	20.90
2017	October	Interim	2017	19.00	20.90
2017	December (*)	Interim	2017	21.50	23.65

(*) This dividend is pending payment as of the closing date.

19.3 Reserves

The balance of other reserves includes the following:

DESCRIPTION	12.31.2017	12.31.2016
	THCH$	THCH$
Polar acquisition	421,701,520	421,701,520
Foreign currency translation reserves	(237,077,572)	(168,744,355)
Cash flow hedge reserve	(3,094,671)	(2,448,175)
Reserve for employee benefit actuarial gains or losses	(1,915,587)	(1,785,032)
Legal and statutory reserves	5,435,538	5,435,538
Total	**185,049,228**	**254,159,496**

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., which was the value of the capital increase notarized in legal terms.

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

The balance of other reserves is established through the following concept:

In accordance with Official Circular No. 456 issued by the Chilean Financial Market Commission (CMF), 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 as of 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. Translation reserves are detailed as follows:

DETAILS	12.31.2017	12.31.2016
	THCH$	THCH$
Brazil	(90,156,924)	(58,306,230)
Argentina	(128,348,112)	(108,386,213)
Paraguay	(4,862,332)	10,545,453
Exchange rate differences in related companies	(13,710,204)	(12,597,365)
Total	**(237,077,572)**	**(168,744,355)**

The movement of this reserve for the fiscal years ended December 31, 2017 and December 31, 2016, is detailed as follows:

DETAILS	12.31.2017	12.31.2016
	THCH$	THCH$
Brazil	(31,850,694)	30,138,065
Argentina	(19,961,899)	(23,472,215)
Paraguay	(15,407,785)	(11,183,004)
Exchange rate differences in related companies	(1,112,839)	3,219,956
Total	**(68,333,217)**	**(1,297,198)**

19.4 Non-controlling interests

This is the recognition of the portion of equity and income from subsidiaries owned by third parties. As of December 31, 2017 and December 31, 2016, this account is detailed as follows:

NON-CONTROLLING INTERESTS						
	OWNERSHIP %		SHAREHOLDERS' EQUITY		INCOME	
			DECEMBER	DECEMBER	DECEMBER	DECEMBER
DETAILS	2017	2016	2017	2016	2017	2016
			THCH$	THCH$	THCH$	THCH$
Embotelladora del Atlántico S.A.	0.0171	0.0171	13,765	12,209	5,590	5,502
Andina Empaques Argentina S.A.	0.0209	0.0209	2,213	2,062	711	785
Paraguay Refrescos S.A.	2.1697	2.1697	5,045,792	5,337,687	502,945	504,806
Vital S.A.	35.0000	35.0000	9,261,108	9,054,947	283,327	319,858
Vital Aguas S.A.	33.5000	33.5000	2,117,098	2,027,879	151,647	23,744
Envases Central S.A.	40.7300	40.7300	5,483,331	5,129,661	220,715	668,425
Total			**21,923,307**	**21,564,445**	**1,164,935**	**1,523,120**

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	12.31.2017		
	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	56,112,755	61,723,035	117,835,790
Average weighted number of shares	473,289,301	473,281,303	946,570,604
Earnings per basic and diluted share (in Chilean pesos)	**118.56**	**130.42**	**124.49**

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**

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 dates as of December 31, 2017 and December 31, 2016, the Company held the following derivative instruments:

20.1 Derivatives accounted for as cash flow hedges:

a) Cross Currency Swaps associated with US Bonds

At December 31, 2017, 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, 2017 amounted to ThCh$61,898,833. 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$2,875,365 and has been recognized within other equity reserves as of December 31, 2017. The ineffective portion for ThCh$2,112,608 in losses associated with this hedge was recorded in other gains and losses as of December 31, 2017.

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$ 13,443,698 as of December 31, 2017.

20.2 Forward currency transactions expected to be very likely:

During 2017 and 2016, the Company entered into foreign currency forward contracts to hedge its exposure to expected future raw materials purchases in US Dollars during these years. The total amount of outstanding forward contracts was US$62.8 million as of December 31, 2017 (US$61.1 million as of December 31, 2016). These agreements were recorded at fair value, resulting in a net loss due to hedge recycling of ThCh$3,655,493 for the period ended December 31, 2017, and a hedge liability of ThCh$445,278 and an asset for the same concept of ThCh$ 469,019 as of December 31, 2017 (liability of ThCh$1,229,354 as of December 31, 2016). The agreements that ensure future flows of foreign currency have been designated as hedge as of December 31, 2017; there is a balance of ThCh$219,306 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

As of December 31, 2017, the Company had total assets related to its foreign exchange derivative contracts for ThCh$62,244,284 (ThCh$84,859,223 as of December 31, 2016) and liabilities related to its foreign exchange derivative contracts for ThCh$445,278 (ThCh$1,229,354 as of December 31, 2016). 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, 2017				
	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	OBSERVABLE MARKET DATA (LEVEL 2)	UNOBSERVABLE MARKET DATA	TOTAL
	THCH$	THCH$	THCH$	THCH$
Assets				
Current assets				
Other current financial assets				
Current financial assets	-	469,019	-	469,019
Other non-current financial assets	-	61,898,833	-	61,898,833
Total assets	**-**	**62,367,852**	**-**	**62,367,852**
Liabilities				
Current liabilities				
Other current financial liabilities	-	445,278	-	445,278
Total liabilities	**-**	**445.278**	**-**	**445.278**

FAIR VALUE MEASUREMENTS AT DECEMBER 31, 2016				
	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	OBSERVABLE MARKET DATA (LEVEL 2)	UNOBSERVABLE MARKET DATA (LEVEL 3)	TOTAL
	THCH$	THCH$	THCH$	THCH$
Assets				
Current assets				
Other current financial assets	-	4,678,343	-	4,678,343
Other non-current financial assets	-	80,180,880	-	80,180,880
Total assets	**-**	**84,859,223**	**-**	**84,859,223**
Liabilities				
Current liabilities				
Other current financial liabilities	-	1,229,354	-	1,229,354
Total liabilities	**-**	**1,229,354**	**-**	**1,229,354**

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$1,340,027. 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$663,274 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$56,607,721. 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 legal guarantees as of December 31, 2017 and December 31, 2016, amounted to ThCh$31,953,725 and ThCh$103,351,097 respectively.

To ensure fulfillment of the obligations arising from judicial proceedings faced in Brazil, Rio de Janeiro Refrescos Ltda., has taken guarantee insurance and guarantee letters amounting to R$682,849,162 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 September 2014, one of these trials for R$598,745,218, was settled in favor of the Company, and additionally during 2017 several trials were settled in favor of the Company in the amount for R$135,282,155 however, there are new lawsuits arising after the purchase of ex-Companhia de Bebidas Ipiranga (October 2013) that amount to R$331,045,690

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 criterion, from a total of identified contingencies amounting R$1,082,396,664 (including readjustments of current lawsuits), the Company recorded a provision R$159,293,486 equivalent to ThCh$29,602,682.

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, according to its legal counsel, 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 criterion, an initial provision has been made in the business combination accounting for an amount of R$37.2 million equivalent to ThCh$ 6,916,453.

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$7,616,340. Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.

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 ThCh60,078. Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.

21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets are detailed as follows:

Guarantees that compromise assets including in the financial statements:

	PROVIDED BY			COMMITTED ASSETS	BALANCE PENDING PAYMENT ON THE CLOSING DATE OF THE FINANCIAL STATEMENTS	
GUARANTEE IN FAVOR OF	NAME	RELATIONSHIP	GUARANTEE	TYPE	12.31.2017	12.31.2016
					THCH$	THCH$
Industria Metalúrgica Inamar Ltda.	Embotelladora Andina S.A.	Parent Company	Land	Property, plant and equipment	17,991,202	17,777,078
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	-	6,924
Hospital Militar	Servicios Multivending	Subsidiary	Cash and cash equivalents	Trade and other receivables	4,727	4,648
Parque Arauco	Servicios Multivending	Subsidiary	Cash and cash equivalents	Trade and other receivables	5,345	-
Aeropuerto Nuevo Pudahuel	Servicios Multivending	Subsidiary	Cash and cash equivalents	Other receivables	10,129	-
Hospital FACH	Servicios Multivending	Subsidiary	Cash and cash equivalents	Other receivables	697	-
Inmob. E Invers. Supetar Ltda	Transportes Polar S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	4,579	4,579
Bodegas San Francisco Ltda.	Transportes Polar S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	6,483	-
Maria Lobos Jamet	Transportes Polar S.A.	Subsidiary	Cash and cash equivalents	Trade and other receivables	2,565	2,565
Reclamaciones Trabajadores	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	4,626,086	3,833,788
Reclamaciones Civiles Y Tributarias	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	13,104,186	14,304,401
Instituciones Gubernamentales	Rio de Janeiro Refrescos Ltda.	Subsidiary	Property, plant and equipment	Property, plant and equipment	14,223,453	85,212,908
Distribuidora Baraldo S.H.	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	659	843
Acuña Gomez	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	989	1,264
Municipalidad San Martin Mza	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	-	15,167
Nicanor López	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	707	904

Labarda	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	12	15
Municipalidad Bariloche	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	38,315	230,599
Municipalidad San Antonio Oeste	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	72,768	93,005
Municipalidad Carlos Casares	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	2,943	3,761
Municipalidad Chivilcoy	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	455,104	581,668
Otros	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	140	179
Granada Maximiliano	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	5,934	7,584
Cicsa	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, non-financial assets	8,249	23,468
Locadores Varios	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, non-financial assets	53,900	47,397
Aduana De EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, non-financial assets	6,608	11,226
Municipalidad De Junin	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	5,755	7,356
Almada Jorge	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	8,853	11,315
Municipalidad De Picun Leufu	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	128	163
Farias Matias Luis	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	1,226	20,367
Gomez Alejandra Raquel	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	62	79
Lopez Gustavo Gerardo C/Inti Saic Y Otros	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current, non-financial assets	403	516
Fondo Fima Ahorro Plus C	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other current, financial assets	-	588,485
Fondo Firma Ahorro Pesos C	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	-	588,299
Tribunal Superior De Justicia De La Provincia De Córdoba	Embotelladora del Atlántico S.A.	Subsidiary	Cash and cash equivalents	Other non-current, non-financial assets	519	-
Marcus A.Peña	Paraguay Refrescos	Subsidiary	Building	Property, plant and equipment	3,782	4,017
Mauricio J Cordero C	Paraguay Refrescos	Subsidiary	Building	Property, plant and equipment	800	871
José Ruoti Maltese	Paraguay Refrescos	Subsidiary	Building	Property, plant and equipment	715	755
Alejandro Galeano	Paraguay Refrescos	Subsidiary	Building	Property, plant and equipment	1,107	-
Ana Maria Mazó	Paraguay Refrescos	Subsidiary	Building	Property, plant and equipment	1,054	-
Fondo Fuma Premium B	Fondo Fuma Premium B	Subsidiary	Judicial deposit	Other current, financial assets	-	407,792
Total					**50,651,324**	**123,795,126**

Guarantees provided without obligation of assets included in the financial statements:

	PROVIDED BY		COMMITTED ASSETS		AMOUNTS INVOLVED	
WARRANTY CREDITOR	NAME	RELATIONSHIP	GUARANTEE	TYPE	12.31.2017	12.31.2016
					THCH$	THCH$
Importadora Casa y Regalos	Trans-Heca S.A.	Subsidiary	Guarantee insurance	Compliance lease contract	2,050	2,050
Inmobiliaria e Inversiones Gestion Activa Ltda	Trans-Heca S.A.	Subsidiary	Guarantee insurance	Compliance lease contract	4,585	4,585
Inmobiliaria Portofino	Red de Transportes comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee bond	900	900
Teléfonica Chile S.A.	Red de Transportes comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee bond	1,000	1,000
Inmobiliaria San Martin Logista S.A	Red de Transportes comerciales Ltda.	Subsidiary	Guarantee insurance	Guarantee bond	3,461	3,461
Procesos trabajadores	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	1,496,862	1,236,439
Procesos administrativos	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	7,185,511	4,885,075
Gobierno Federal	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	91,903,312	87,773,855
Gobierno Estadual	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	20,527,817	14,674,244
HSBC	Sorocaba Refrescos S.A.	Associate	Loan	co-signers	3,716,747	4,108,312
Otros	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guarantee insurance	Judicial action	2,449,103	2,682,170
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Bond insurance	Faithful fulfillment of contract	63,777	1,142,642
Aduana de Ezeiza	Andina Empaques S.A.	Subsidiary	Bond insurance	Faithful fulfillment of contract	347,990	369,963

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. A description of the primary policies established by the Company to manage financial risks are provided below:

Interest Rate Risk

As of December 31, 2017, 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 UF11.58 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.

Insurance net credit balances as of December 31, 2017 amounted to Th$220,693.

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 Compañía 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$66,872,384. A provision of ThCh$973,696 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, 2017, the Company maintains a net investment of ThCh$86,806,727 in Argentina, composed by the recognition of assets amounting to ThCh$190,848,657 and liabilities amounting to Ch$104,041,930. These investments accounted for 29.9% of the Company's consolidated sales revenues

As of December 31, 2017, the Argentine peso devalued by 21.8% 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 Argentine Peso devalued an additional 5% with respect to the Chilean Peso, the Company would have lower income from the operation in Argentina of ThCh$1,676,795 and a decrease in equity for ThCh$3,034,568, originated by lower asset recognition of ThCh$7,976,544 and by lower liabilities recognition of ThCh$4,941,976.

a.2 Investment in Brazil

As of December 31, 2017, the Company maintains a net investment of ThCh$267,651,617 in Brazil, composed by the recognition of assets amounting to ThCh$796,372,514 and liabilities amounting to ThCh$528,720,897. These investments accounted for 32.6% of the Company's consolidated sales revenues.

As of December 31, 2017, the Brazilian Real devalued by 9.5% with respect to the Chilean peso.

If the exchange rate of the Brazilian Real devalued an additional 5% with respect to the Chilean Peso, the Company would have lower income from the operation in Brazil of ThCh$2,012,627 and a decrease in equity of ThCh$11,455,756, originated by lower asset recognition of ThCh$34,892,774 and by lower liabilities recognition of ThCh$23,437,018.

a.3 Investment in Paraguay

As of December 31, 2017, the Company maintains a net investment of ThCh$232,553,018 in Paraguay, composed by the recognition of assets amounting to ThCh$264,698,133 and liabilities amounting to ThCh$32,145,115. These investments accounted for 7.6% of the Company's consolidated sales revenues.

As of December 31, 2017, the Paraguayan Guarani appreciated by 5.3% with respect to the Chilean peso.

If the exchange rate of the Paraguayan Guaraní devalued by 5% with respect to the Chilean Peso, the Company would have lower income from the operations in Paraguay of ThCh$1,103,808 and a decrease in equity of ThCh$11,082,603 originated by lower asset recognition of ThCh$12,580,330 and lower liabilities recognition of ThCh$1,497,727.

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, 2017, the Company maintains a net liability position totaling ThCh$351,254,100, basically composed of bonds payable and leasing liabilities for ThCh$358,227,398 offset partially by financial assets denominated in dollars for ThCh$6,973,298.

Of total U.S. dollar liabilities, ThCh$327,632 correspond to leasing liabilities in Argentina. On the other hand, ThCh$357,899,766 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, 2017, to foreign currency over existing assets and liabilities, discounting the derivatives contracts, is an asset position of ThCh$4,095,112.

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, 2017, US$62.8 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$6,533,169 as of December 31, 2017. Currently, the Company has contracts to hedge this effect in Chile, Argentina, Paraguay 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$9,603,715 in earnings for the period ended December 31, 2017. 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 THAN 1 YEAR UP TO 2	MORE THAN 2 YEARS UP TO 3	MORE THAN 3 UP TO 4	MORE THAN 4 YEARS
	THCH$	THCH$	THCH$	THCH$	THCH$
Bank debt	32,732,672	6,138,862	2,249,305	1,542,559	3,206,042
Bond payable	60,165,940	43,047,365	42,814,906	39,559,134	734,352,340
Operating lease obligations	10,606,875	9,875,310	9,035,715	8,988,245	24,872,335
Purchase obligations	34,884,104	6,634,305	974,124	150,495	297,867
Total	**138,389,591**	**65,695,842**	**55,074,050**	**50,240,433**	**762,728,584**

NOTE 23 – EXPENSES BY NATURE

Other expenses by nature are:

	01.01.2017	01.01.2016
DETAILS	12.31.2017	12.31.2016
	THCH$	THCH$
Direct production costs	815,455,280	776,824,622
Payroll and employee benefits	287,458,526	288,293,137
Transportation and distribution	163,361,088	153,675,961
Marketing	29,209,904	39,981,813
Depreciation and amortization	99,163,891	97,334,452
Repairs and maintenance	34,253,824	34,511,508
Other expenses	181,249,647	173,168,224
Total	**1,610,152,160**	**1,563,789,717**

(1) Corresponds to the addition of cost of sales, administration expenses and distribution cost.

NOTE 24 – OTHER INCOME

Other income by function is detailed as follows:

DETAILS	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Gain on disposal of Property, plant and equipment	312,470	318,771
PIS/CONFINS Leasing tax recovery	-	1,034,040
Others	238,364	408,088
Total	**550,834**	**1,760,899**

NOTE 25 – OTHER EXPENSES

Other expenses are detailed as follows:

DETAIL	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Contingencies and Non-operating fees	12,146,574	9,959,181
Tax on bank debits	7,669,234	7,006,261
Disposal and write-off of Property, plant and equipment	3,025,497	4,800,278
Decrease Purchase Price Allocation (PPA) in RP -Brazil (See note 17.2)	(6,769,384)	-
Others	629,550	999,447
Total	**16,701,471**	**22,765,167**

NOTE 26 – FINANCIAL INCOME AND EXPENSES

Financial income and expenses are detailed as follows:

a) Finance income

DETAIL	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Interest income	8,370,338	8,466,177
Other interest income	2,824,037	1,195,515
Total	**11,194,375**	**9,661,692**

b) Finance expenses

DETAIL	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Bond interest	42,178,816	41,652,154
Bank loan interest	5,553,485	3,990,853
Other interest costs	7,488,068	5,731,964
Total	**55,220,369**	**51,374,971**

NOTE 27 – OTHER (LOSSES) AND GAIN

Other (losses) and gains are detailed as follows:

DETAILS	01.01.2017 12.31.2017 THCH$	01.01.2016 12.31.2016 THCH$
Gains (loss) on derivative transactions	-	(1,466)
(Losses) gains on ineffective portion of hedge derivatives	(2,536,079)	(3,378,484)
Other income and (expenses)	(1,190)	(7,427)
Total	**(2,537,269)**	**(3,387,377)**

NOTE 28 – LOCAL AND FOREIGN CURRENCY

Local and foreign currency balances as of December 31, 2017 and December 31, 2016, are the following:

CURRENT ASSETS	12.31.2017	12.31.2016
	THCH$	THCH$
Cash and cash equivalents	**136,242,116**	**141,263,880**
US Dollars	6,973,298	53,073,628
Euros	17,245	4,926
Chilean pesos	80,985,719	48,891,546
Brazilian Real	21,779,408	26,072,201
Argentine Pesos	19,681,449	5,105,633
Paraguayan Guarani	6,804,997	8,115,946
Other financial assets	**14,138,161**	**60,152,627**
Unidad de Fomento	13,647,997	53,868,075
Brazilian Real	366,595	4,699,975
Argentine Pesos	123,569	-
Paraguayan Guarani	-	1,584,577
Other non-financial assets	**5,611,861**	**8,601,209**
US Dollars	70,975	37,052
Unidad de Fomento	9,790	
Chilean pesos	3,049,402	5,830,276
Brazilian Real	1,447,790	1,773,583
Argentine Pesos	632,428	370,574
Paraguayan Guarani	401,476	589,724
Trade and other accounts receivable, net	**191,284,680**	**190,524,354**
US Dollars	541,579	1,265,303
Euros	112,763	308,578
Unidad de Fomento	1,673,147	2,354,310
Chilean pesos	75,797,942	71,977,019
Brazilian Real	75,387,122	74,902,213
Argentine Pesos	30,870,192	33,859,436
Paraguayan Guarani	6,901,935	5,857,495
Accounts receivable from related companies	**5,370,232**	**5,788,683**
US Dollars	16,674	-
Chilean pesos	5,172,144	5,788,683
Argentine Pesos	181,414	-
Inventory	**131,363,000**	**144,709,348**
US Dollars	3,046,600	5,469,362
Euros	262,204	6,634
Chilean pesos	39,750,597	34,276,101
Brazilian Real	33,834,631	41,670,656
Argentine Pesos	43,857,361	51,163,685
Paraguayan Guarani	10,611,607	12,122,910

Current tax assets	**-**	**1,702,296**
Brazilian Real	-	-
Total Current Assets	-	1,702,296
US Dollars	**484,010,050**	**552,742,397**
US$ Dolares	10,649,127	59,845,345
Euros	392,211	320,138
Unidad de Fomento	15,330,934	56,222,385
Chilean pesos	204,755,804	166,763,625
Brazilian Real	132,815,546	150,820,924
Argentine Pesos	95,346,413	92,083,905
Paraguayan Guarani	24,720,015	26,686,075

NON-CURRENT ASSETS	12.31.2017	12.31.2016
	THCH$	THCH$
Other financial assets	**74,259,085**	**80,180,880**
Chilean pesos	2,212,688	16,697,871
Brazilian Real	63,531,839	63,483,009
Argentine Pesos	8,514,558	-
Other non-financial assets	**47,394,345**	**35,246,823**
Unidad de Fomento	-	269,333
Chilean pesos	395,857	188,472
Brazilian Real	45,334,405	32,660,854
Argentine Pesos	1,626,255	2,079,079
Paraguayan Guarani	37,828	49,085
Trade and other receivables	**2,395,851**	**3,527,732**
Unidad de Fomento	2,335,322	3,436,831
Chilean pesos	-	7,021
Argentine Pesos	2,193	5,425
Paraguayan Guarani	58,336	78,455
Accounts receivable from related parties	**156,492**	**147,682**
Chilean pesos	156,492	147,682
Investments accounted for under the equity method	**86,809,069**	**77,197,781**
Chilean pesos	33,789,538	23,854,602
Brazilian Real	53,019,531	53,343,179
Argentine Pesos	-	-
Intangible assets other than goodwill	**663,272,878**	**680,996,062**
US Dollars	3,959,421	-
Chilean pesos	307,165,028	306,067,525
Brazilian Real	188,401,129	208,399,580
Argentine Pesos	922,226	1,233,441
Paraguayan Guarani	162,825,074	165,295,516
Goodwill	**93,598,217**	**102,919,505**
Chilean pesos	9,523,767	9,523,767
Brazilian Real	72,488,336	80,125,090

Argentine Pesos	4,672,971	5,972,515
Paraguayan Guarani	6,913,143	7,298,133
Property, plant and equipment	**659,750,499**	**666,150,885**
US Dollars	190,365	1,038,400
Euros	5,362,096	5,787,857
Chilean pesos	271,391,436	277,939,125
Brazilian Real	240,781,729	221,111,732
Argentine Pesos	77,580,966	89,379,062
Paraguayan Guarani	64,443,907	70,894,709
Deferred income tax assets	**3,212,981**	**-**
Argentine Pesos	3,212,981	-
Total Non-Current Assets	**1,630,849,417**	**1,646,367,350**
US Dollars	4,149,786	1,038,400
Euros	5,362,096	5,787,857
Unidad de Fomento	2,335,322	3,706,164
Chilean pesos	624,634,806	634,426,065
Brazilian Real	663,556,969	659,123,444
Argentine Pesos	96,532,150	98,669,522
Paraguayan Guarani	234,278,288	243,615,898

	AS OF DECEMBER 31, 2017			AS OF DECEMBER 31, 2016		
CURRENT LIABILITIES	UNTIL 90 DAYS	MORE 90 DAYS UNTIL 1 YEAR	TOTAL	UNTIL 90 DAYS	MORE 90 DAYS UNTIL 1 YEAR	TOTAL
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Other financial liabilities	**13,536,530**	**54,444,874**	**67,981,405**	**12,287,632**	**52,512,938**	**64,800,570**
US Dollars	25,540	4,563,131	4,588,671	24,684	6,020,277	6,044,961
Unidad de Fomento	6,735,155	9,892,144	16,627,299	10,035,543	12,637,744	22,673,287
Chilean peso	-	10,342,404	10,342,404	-	9,148,589	9,148,589
Brazilian real	5,084,725	15,589,691	20,674,417	1,816,540	22,376,912	24,193,452
Argentine peso	1,691,110	13,185,694	14,876,803	410,865	1,590,238	2,001,103
Paraguayan Guaraní	-	871,811	871,811	-	739,178	739,178
Trade and other accounts payable	**251,551,666**	**5,967,811**	**257,519,477**	**240,350,658**	**2,485,698**	**242,836,356**
US Dollars	11,716,262	29,728	11,745,990	8,331,196	-	8,331,196
Euros	2,202,581	80,070	2,282,651	4,958,363	-	4,958,363
Unidad de Fomento	2,198,131	-	2,198,131	8,312,403	-	8,312,403
Chilean peso	82,576,800	5,823,291	88,400,091	68,190,344	2,466,116	70,656,460
Brazilian real	74,524,169	-	74,524,169	58,354,740	-	58,354,740
Argentine peso	69,859,508	52,403	69,911,911	85,051,314	19,582	85,070,896
Paraguayan Guaraní	8,472,550	(17,681)	8,454,869	7,152,298	-	7,152,298
Other Currency	1,665	-	1,665	-	-	-
Trade and other accounts payable to related companies	**33,728,629**	**232,808**	**33,961,437**	**44,120,335**	**-**	**44,120,335**
Chilean peso	15,297,780	232,808	15,530,588	12,927,085	-	12,927,085
Brazilian real	18,430,849	-	18,430,849	20,917,319	-	20,917,319
Argentine peso	-	-	-	10,275,931	-	10,275,931
Provisions	**2,616,340**	**60,078**	**2,676,418**	**622,993**	**59,785**	**682,778**
Chilean peso	2,616,340	-	2,616,341	622,993	-	622,993
Paraguayan Guaraní	-	60,078	60,078	-	59,785	59,785

CURRENT LIABILITIES	AS OF DECEMBER 31, 2017 UNTIL 90 DAYS	MORE 90 DAYS UNTIL 1 YEAR	TOTAL	AS OF DECEMBER 31, 2016 UNTIL 90 DAYS	MORE 90 DAYS UNTIL 1 YEAR	TOTAL
	THCH$	THCH$	THCH$	THCH$	THCH$	THCH$
Income taxes payable	**543,874**	**2,641,091**	**3,184,965**	**-**	**10,828,593**	**10,828,593**
Chilean peso	184,406	-	184,406	-	2,785,425	2,785,425
Brazilian real	359,468	359,468	718,936		–	–
Argentine peso	-	2,155,680	2,155,680	-	7,613,012	7,613,012
Paraguayan Guaraní	-	125,943	125,943	-	430,156	430,156
Employee benefits current provisions	**-**	**35,955,643**	**35,955,643**	**-**	**35,653,431**	**35,653,431**
Chilean peso	-	6,365,543	6,365,543	-	6,177,733	6,177,733
Brazilian real	-	16,412,363	16,412,363	-	17,117,494	17,117,494
Argentine peso	-	12,371,827	12,371,827	-	11,640,535	11,640,535
Paraguayan Guaraní	-	805,911	805,911	-	717,669	717,669
Other non-financial liabilities	**648,171**	**26,359,806**	**27,007,977**	**1,705,768**	**18,907,023**	**20,612,791**
Unidad de Fomento	-	-	-	204,724	-	204,724
Chilean peso	190,529	26,111,396	26,301,926	1,198,755	18,729,079	19,927,834
Argentine peso	457,642	-	457,642	302,289	-	302,289
Paraguayan Guaraní	-	248,410	248,410	-	177,944	177,944
Total current liabilities	**302,625,210**	**125,662,112**	**428,287,322**	**299,087,386**	**120,447,468**	**419,534,854**
US Dollars	11,741,801	4,592,859	16,334,660	8,355,880	6,020,277	14,376,157
Euros	2,202,581	80,070	2,282,651	4,958,363	-	4,958,363
Unidad de Fomento	8,933,286	9,892,144	18,825,430	18,552,670	12,637,744	31,190,414
Chilean peso	100,865,856	48,875,441	149,741,297	82,939,177	39,306,942	122,246,119
Brazilian real	98,399,211	32,361,522	130,760,733	81,088,599	39,494,406	120,583,005
Argentine peso	72,008,260	27,765,604	99,773,864	96,040,399	20,863,367	116,903,766
Paraguayan Guaraní	8,472,550	2,094,472	10,567,022	7,152,298	2,124,732	9,277,030
Other Currency	1,665	-	1,665	–	–	–

NON-CURRENT LIABILITIES	AS OF DECEMBER 31, 2017				AS OF DECEMBER 31, 2016			
	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	**8,185,760**	**8,153,246**	**659,428,194**	**675,767,201**	**45,118,483**	**30,672,918**	**645,779,186**	**721,570,587**
US$ Dollars	513,788	-	350,016,750	349,502,962	-	-	379,760,266	379,760,266
Unidad de Fomento	-	2,092,245	298,725,592	300,817,836	25,399,983	23,132,311	258,325,173	306,857,467
Brazilian real	8,699,549	6,061,002	10,685,852	25,446,403	19,361,706	7,540,607	7,693,747	34,596,060
Argentine peso	-	-	-	-	356,794	-	-	356,794
Trade and other payables	**1,132,926**	**-**	**-**	**1,132,926**	**9,509,827**	**-**	**-**	**9,509,827**
US$ Dollars	748,565	-	-	748,565	1,200,187	-	-	1,200,187
Unidad de Fomento	-	-	-	-	8,003,199	-	-	8,003,199
Chilean peso	356,221	-	-	356,221	304,124	-	-	304,124
Argentine peso	28,140	-	-	28,140	2,317	-	-	2,317
Provisions	**62,947,748**	**-**	**-**	**62,947,748**	**72,399,115**	**-**	**-**	**72,399,115**
Chilean peso	5,000,000			5,000,000				
Brazilian real	56,607,720	-	-	56,607,720	71,115,841	-	-	71,115,841
Argentine peso	1,340,028	-	-	1,340,028	1,283,274	-	-	1,283,274
Deferred income tax liabilities	**19,317,807**	**91,769**	**105,794,989**	**125,204,566**	**13,035,795**	**14,627,908**	**97,945,099**	**125,608,802**
Chilean peso	252,448	91,769	92,319,662	92,663,879	-	-	97,945,099	97,945,099
Brazilian real	19,065,360	-	-	19,065,360	16,659,246	-	-	16,659,246
Argentine peso	-	-	-	-	(3,623,451)	-	-	(3,623,451)
Paraguayan Guaraní	-	-	13,475,327	13,475,327	-	14,627,908	-	14,627,908
Post-employment benefit liabilities	**359,760**	**62,742**	**7,863,853**	**8,286,355**	**364,502**	**-**	**7,793,243**	**8,157,745**
Chilean peso	163,756	62,742	7,863,853	8,090,351	181,257	-	7,793,243	7,974,500
Paraguayan Guaraní	196,004	-	-	196,004	183,245	-	-	183,245

NON-CURRENT LIABILITIES	AS OF DECEMBER 31, 2017				AS OF DECEMBER 31, 2016			
	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 non-financial liabilities	**-**	**-**	**-**	**-**	**158,790**	**-**	**-**	**158,790**
Brazilian real	-	-	-	-	158,790	-	-	158,790
Total non-current liabilities	**91,944,002**	**8,307,759**	**773,87,036**	**873,338,796**	**140,586,512**	**45,300,826**	**751,517,528**	**937,404,866**
US$ Dollars	234,777	-	350,016,750	350,251,527	1,200,187	-	379,760,266	380,960,453
Unidad de Fomento	-	2,092,246	298,725,592	300,817,837	33,403,182	23,132,311	258,325,173	314,860,666
Chilean peso	5,772,425	154,511	100,183,515	106,110,451	485,381	-	105,738,342	106,223,723
Brazilian real	84,372,628	6,061,002	10,685,852	101,119,482	107,295,583	7,540,607	7,693,747	122,529,937
Argentine peso	1,368,168	-	-	1,368,168	(1,981,066)	-	-	(1,981,066)
Paraguayan Guaraní	196,004	-	13,475,327	13,671,331	183,245	14,627,908	-	14,811,153

NOTE 29 – THE ENVIRONMENT (unaudited)

The Company has made disbursements totaling ThCh$ 2,184,723 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 2017		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	1,061,569	-	-	-
Argentina	357,999	-	-	-
Brazil	464,022	69,689	-	-
Paraguay	64,216	167,228	7,061	18,389
Total	**1,947,806**	**236,917**	**7,061**	**18,389**

NOTE 30 - AUDITORS' FEES

Details of the fees paid to the external auditors are detailed as follows:

DESCRIPTION	12,31,2017	12,31,2016
	THCH$	THCH$
Remuneration of the Auditor for auditing services	805,381	845,770

NOTE 31 – SUBSEQUENT EVENTS

A stock purchase and sale agreement (the "Agreement") has been entered into on January 5, 2018, by and between Embotelladora Andina S.A., Embonor S.A., Coca-Cola del Valle New Ventures, S.A., and Coca-Cola de Chile S.A., as buyers, and Inversiones Siemel S.A. as seller,

In this Agreement the parties agreed to the terms and conditions for transferring 100% ownership of the shares of Comercializadora Novaverde S.A. ("Novaverde") dedicated to the processing and commercialization of fruits, ice cream, vegetables and food in general, mainly under the Guallarauco brand, The Transaction does not contemplate the acquisition of the business lines of avocado sales and General Mills,

Pursuant to the Agreement materialization will occur after certain preceding conditions, including but not limited to, the authorization of the transaction by Chile's National Economic Prosecutor's Office,

Should the transaction materialize, the purchase price of 100% of the shares of Novaverde would be around the equivalent of 1,785,374 Unidades de Fomento, less the value of the financial debt of Novaverde at the time the transaction materializes. This price may be amended based on the purchase price adjustments set forth in the Agreement,

Once the sale has been perfected, the shareholdings in Novaverde will be as follows: (i) Coca-Cola del Valle New Ventures, S.A. will own 2,999,994 shares, (ii) Coca-Cola de Chile S.A. will own 3 shares, (iii) Embotelladora Andina S.A. will own 2 shares; and (iv) Coca-Cola Embonor S.A. will own 1 share, As Embotelladora Andina S.A. is a shareholder of Coca-Cola del Valle New Ventures, S.A., its direct and indirect ownership in the equity capital of Novaverde, would be approximately 35%,

Except for the aforementioned, there are no subsequent events that may significantly affect the Company's consolidated financial position as of December 31, 2017,

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Independent Auditor's Report

To
Shareholders and Directors
Embotelladora Andina S.A.

We have audited the accompanying consolidated financial statements of Embotelladora Andina S.A. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Embotelladora Andina S.A. and its subsidiaries as of December 31, 2017 and the result of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements of Embotelladora Andina S.A. and its subsidiaries for the year ended December 31, 2016 were audited by other auditors who issued their report without any observations on February 28, 2017.

Albert Oppenländer L.

EY Audit SpA.

Santiago February 27, 2018

Material events for the period January 1 through December 31, 2017

The following was resolved, among other matters, at a Company's Regular Board of Directors' Meeting held February 28, 2017:

I. To convene a Regular Shareholders' Meeting (the "Meeting") for April 26, 2017, at 10:00 a.m., at Company's offices located at Av. Miraflores N°9153, Borough of Renca, Santiago.

II. The following matters will be discussed at the Regular Shareholders Meeting:

1) The Annual Report, Balance and Financial Statements for the year 2016; as well as the Report of Independent Auditors with respect to the Financial Statements;

2) Earnings distribution and dividend payments;

3) Present Company dividend distribution policy and inform about the distribution and payment procedures utilized;

4) To revoke and renew the Board of Directors in its entirety;

5) Determine the compensation for directors, Directors' Committee members pursuant to article 50 bis of Chilean Corporation's Law and of the members of the Audit Committee required by Sarbanes & Oxley Act of the United States; their annual reports and expenses incurred by both Committees;

6) Appoint the Company's independent auditors for the year 2017;

7) Appoint the Company's rating agencies for the year 2017;

8) Report on Board agreements which took place after that last Shareholders Meeting, relating to operations referred to by article 146 and following of Chilean Corporation's Law;

9) Determine the newspaper where regular and special shareholder meetings notices and invitations shall be published; and

10) In general, to resolve every other matter under its competency and any other matter of Company interest.

III. Propose to Shareholders the distribution of a Final Dividend charged against 2016 fiscal year, for the following amounts:

a) Ch$19.0 (Nineteen and 0/100 Chilean Pesos) per Series A Shares and;

b) Ch$20.9 (Twenty and 9/100 Chilean Pesos) per Series B Shares.

If the Shareholders' Meeting approves payment of these dividends, they will be paid beginning on May 30, 2017. The Shareholders' Registry would close on the fifth business day prior to the payment date, for payment of these dividends.

Propose to Shareholders the distribution of an Additional Dividend charged to accumulated earnings, for the following amounts:

a) Ch$19.0 (Nineteen and 0/100 Chilean Pesos) per Series A Shares; and

b) Ch$20.9 (Twenty and 9/100 Chilean Pesos) per Series B Shares.

If the Shareholders' Meeting approves payment of these additional dividends, they will be paid beginning on August 31, 2017. The Shareholders' Registry would close on the fifth business day prior to the payment date, for payment of these dividends.

The following was approved at a Company's Regular Board of Directors' Meeting held April 26, 2017:

1) Appoint Mr. Juan Claro González as Chairman and Mr. Eduardo Chadwick Claro as Vice-Chairman of the Board of Directors.

2) Appoint Mrs. Pilar Lamana Gaete and Mr. Gonzálo Parot Palma, as Independent Directors, and Mr. Salvador Said Somavia as members of the Directors' Committee established by article 50 bis of the Chilean Corporate Law.

The following resolutions were adopted at the General Shareholders' Meeting held on April 26, 2017, among others:

1. The approval of the Annual Report, Statements of Financial Position and Financial Statements for the year 2016; as well as the Report of Independent Auditors with respect to the previously mentioned Financial Statements;

2. The approval of earnings distribution and dividend payments;

3. The approval of Company dividend distribution policy and the distribution and payment procedures utilized;

4. To revoke and renew the Board of Directors in its entirety, being composed by the following members:

Series A:	Series B:
• Juan Claro González	• Georges de Bourguignon
• Eduardo Chadwick Claro	• Mariano Rossi
• Juan Andrés Fontaine Talavera	
• José Antonio Garcés Silva	
• Pilar Lamana Gaete. Independiente	
• Arturo Majlis Albala	
• Gonzalo Parot Palma. Independiente	
• Enrique Rapetti	
• Gonzalo Said Handal	
• Salvador Said Somavía	
• Susana Tonda Mitri	
• Karim Yahi	

5. The approval of compensation for Directors and members of the Directors' Committee pursuant to Chilean Corporate Law and members of the Audit Committee established pursuant to the Sarbanes-Oxley Act; their annual report and expenses incurred by both Committees;

6. The appointment of Ernst & Young as the Company's independent auditors for the year 2017;

7. The appointment of Fitch Ratings Clasificadora de Riesgos Limitada and ICR as the Company's local rating agencies and Fitch Rating and Standard & Poors as the Company's international rating agencies, for the year 2017;

8. The approval of the report on Board agreements in accordance with articles 146 and forward of Chilean Corporate Law, regarding operations that took place after the last General Shareholders' Meeting; and,

9. The appointment of El Mercurio from Santiago, as the newspaper where Company notices and shareholders' meetings announcements should be published.

Regarding paragraph 2 above, the Shareholders' Meeting approved payment of a Final Dividend charged to 2016 Fiscal Year and an Additional dividend charged to accumulated earnings in the following amounts:

Final Dividend:

- Ch$19.0 (nineteen point zero Chilean pesos) per each Series A Shares; and
- Ch$20.9 (twenty point nine Chilean pesos) per each Series B Shares.

Payment of this final dividend will be available beginning May 30, 2017. The Shareholders' Registry will close on the fifth business day prior to payment date.

Additional Dividend:

- Ch$19.0 (nineteen point zero Chilean pesos) per each Series A Shares; and
- Ch$20.9 (twenty point nine Chilean pesos) per each Series B Shares.

Payment of this final dividend will be available beginning August 31, 2017. The Shareholders' Registry will close on the fifth business day prior to payment date.

As authorized by the Regular Shareholders' Meeting held April 26, 2017, the Board of Directors during session held September 27, 2017, agreed to distribute the following amounts as interim dividend:

Interim Dividend:

- Ch$19.0 (nineteen point zero Chilean pesos) per each Series A Shares; and
- Ch$20.9 (twenty point nine Chilean pesos) per each Series B Shares.

This dividend will be paid charged to income from the 2017 fiscal year and will be available to shareholders beginning October 26, 2017. The Shareholders' Registry will close on the fifth business day prior to that date, for payment of this dividend.

As authorized by the Regular Shareholders' Meeting held April 26, 2017, the Board of Directors during session held December 21, 2017, agreed to distribute the following amounts as interim dividend:

- a) Ch$21.50 (twenty-one point fifty Chilean pesos) per each Series A Shares; and
- b) Ch$23.65 (twenty-three point sixty-five Chilean pesos) per each Series B Shares.

This dividend will be paid charged to income from the 2017 fiscal year and will be available to shareholders beginning January 25, 2018. The Shareholders' Registry will close on the fifth business day prior to that date, for payment of this dividend.

On January 5, 2018, Embotelladora Andina S.A., Embonor S.A., Coca-Cola del Valle New Ventures S.A., and Coca-Cola de Chile S.A., as buyers, and Inversiones Siemel S.A. as seller, have entered into a stock purchase agreement (the "Agreement").

In this Agreement the parties agreed to the terms and conditions for transferring 100% ownership of the shares of Comercializadora Novaverde S.A. ("Novaverde"), a Chilean company dedicated to produce and commercialize juices, ice cream, and food in general, mainly under the brand Guallarauco. The transaction does not include the acquisition of the business line of avocado sales and General Mills representation.

The transaction is subject to certain conditions precedent, including but not limited to, the authorization of the transaction by the Chilean Antitrust Authorities.

The purchase price of the 100% of the shares of would be around the equivalent in Chilean Pesos of 1,785,374 Unidades de Fomento, less the value of Novaverde's financial debt at the time the transaction materializes. The previously mentioned price may be modified based on certain adjustments set forth in the Agreement.

Once materialized, the property of Novaverde will be as follows: (i) Coca-Cola del Valle New Ventures S.A. will own 2,999,994 shares, (ii) Coca-Cola de Chile S.A. will own 3 shares, (iii) Embotelladora Andina S.A. will own 2 shares; and (iv) Embonor S.A. will own 1 share. Since Embotelladora Andina S.A. is a shareholder of Coca-Cola del Valle New Ventures S.A., its direct and indirect ownership in the equity capital of Novaverde, will be approximately 35%.

EMBOTELLADORA ANDINA S.A.

ANALYSIS OF THE RESULTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

ENDED DECEMBER 31, 2017

Figures included in this analysis are set according to IFRS, in nominal Chilean Pesos. All variations are calculated regarding the same quarter or accumulated period of the previous year, respectively. For a better understanding of the analysis per country, we include quarterly and accumulated figures in nominal local currency.

- Consolidated Sales Volume for the quarter was 221.0 million unit cases, growing 1.4% regarding the same quarter of the previous year. Accumulated consolidated Sales Volume reached 756.3 million unit cases, decreasing 2.9% with respect to the previous year.

- Consolidated Net Sales for the quarter amounted to Ch$524,298 million, growing 1.0% regarding the same quarter of the previous year. Accumulated Consolidated Net Sales reached Ch$1,848,879 million, representing a 4.0% increase regarding the previous year.

- Consolidated Operating Income[1] for the quarter reached Ch$82,094 million, increasing 13.0% regarding the same quarter of the previous year. Accumulated consolidated Operating Income reached Ch$238,726 million, an 11.7% increase with respect to the previous year.

- Consolidated EBITDA[2] increased 8.1% with respect to the same quarter of the previous year and reached Ch$106,431 million during the quarter. EBITDA margin reached 20.3%, an expansion of 134 basis points with respect to the same quarter of the previous year. Consolidated Accumulated EBITDA reached Ch$337,890 million, increasing 8.6% with respect to the previous year. EBITDA Margin for the period reached 18.3%, an expansion of 78 basis points with respect to the previous year.

- Net Income attributable to the controllers for the quarter reached Ch$44,109 million, representing a 21.2% increase with respect to the same quarter of the previous year. Net margin reached 8.4%, an expansion of 141 basis points with respect to the same quarter of the previous year. Accumulated Net Income attributable to the controllers reached Ch$117,836 million, increasing 30.2% with respect to the previous year. Net Margin for the period reached 6.4%, an expansion of 128 basis points with respect to the previous year.

1 Operating Income considers Net Sales, Cost of Sales, Distribution Costs, and Administrative Expenses included in the Financial Statements filed with the Chilean Superintendence of Securities and Insurance and determined in accordance to IFRS.

2 EBITDA: Operating Income + Depreciation

Comment by Mr. Miguel Ángel Peirano, Chief Executive Officer

"Despite the complex macroeconomic scenario faced by the countries in which we operate, during 2017 we showed positive financial results in the four operations of the company. These results are the consequence of the quality of execution of our operators, a constant review and ability to adjust our pricing and packaging strategies to different changing realities of the environments where we operate and a continuous search of improving the efficiency of our processes. Thus, the company's consolidated EBITDA grew 8.6% over the previous year and EBITDA margin was 18.3%, an expansion of 78 base points at a consolidated level, with expansions in our main operations. Additionally, income attributable to the company's controllers grew 30.2%. Financial results were also positive during the fourth quarter: consolidated EBITDA grew by 8.1%, consolidated EBITDA margin expanded 134 basis points reaching 20.3%, and income attributable to the Company's controllers increased by 21.2%. On the other hand, we have been focused on market execution, which generated increased market shares in all our franchises during this period.

At the end of 2017 we launched the Coca-Cola Full Red campaign, starting to serve the market with Coca-Cola Sin Azúcar, in line with The Coca-Cola Company's global strategy for the brand. This is a product that allows us to accompany the choice of consumers who want to continue enjoying the original taste of

Coca-Cola, but without sugar. In addition, we have continued to work on reducing the weight of our packaging, an example of which is the launch of Vital ecoflex in December 2017 in Chile, which will allow us to reduce by 30% the amount of resin used by our mineral water bottles, which is equivalent to a reduction of more than 217 tons of plastic per year. We are convinced that initiatives of social, economic and environmental impact such as these, better known as triple impact initiatives, contribute to the sustainable development of our business."

CONSOLIDATED SUMMARY

All figures included in this analysis are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2016 are in nominal terms. On average during the quarter, the Argentine Peso depreciated by 13.6% against the U.S. Dollar, while the Brazilian Real, the Chilean Peso and the Paraguayan Guaraní appreciated against the U.S. Dollar by 1.4%, 4.9% and 1.5%, respectively. The Argentine Peso, the Brazilian Real and the Paraguayan Guaraní depreciated against the Chilean Peso by 16.3%, 3.6% and 3.5%, respectively, generating a negative accounting impact due to the conversion of figures. On average during the full year the Argentine Peso, depreciated against the U.S. Dollar by 12.1%, while the Brazilian Real, the Chilean Peso and the Paraguayan Guaraní appreciated by 8.6%, 4.2 %, and 0.9%, respectively. The Argentine Peso and the Paraguayan Guaraní depreciated against the Chilean Peso by 14.5% and 3.3%, respectively, generating a negative accounting impact due to the conversion of figures. While the Brazilian Real appreciated by 4.9% generating a positive accounting impact upon conversion of figures.

4th Quarter 2017 vs. 4th Quarter 2016

Consolidated Sales Volume for the quarter reached 221.0 million unit cases, growing 1.4% with respect to the same period of 2016, mainly explained by the increase of volume of our operations in Brazil and Paraguay, and partially offset by the volume decrease in Chile.

Consolidated Net Sales reached Ch$524,298 million, a 1.0% growth, explained by the previously mentioned increase in volumes and by price increases in Argentina and Paraguay. This was partially offset by the negative effect upon translation of figures from all our subsidiaries.

Consolidated Cost of Sales decreased by 1.1%, which is mainly explained by (i) the devaluation of the Argentine Peso, the Brazilian Real and the Paraguayan Guarani against the Chilean Peso, (ii) the positive effect over dollarized costs of the appreciation of the Brazilian Real, the Chilean Peso and the Paraguayan Guaraní against the U.S. Dollar, and (iii) the decreased use of sugar resulting from the reformulations we have performed. This was partially offset by (i) the higher cost of U.S. dollar denominated raw materials (ii) the shift in the mix towards products that carry a higher unit cost.

Consolidated Selling, General and Administrative Expenses (SG&As) decreased by 0.7%, which is mainly explained by (i) the devaluation of the Argentine Peso, the Brazilian Real and the Paraguayan Guarani against the Chilean Peso, and (ii) lower advertising expenses in Brazil and Chile. This was partially offset by (i) inflation in Argentina that impacts costs such as labor, freight and services provided by third parties, (ii) higher freight expenses in Brazil and Paraguay, and (iii) greater marketing expenses in Argentina.

The foregoing mentioned impacts, led to a Consolidated Operating Income of Ch$82,094 million, a 13.0% growth. Operating Margin was 15.7%.

Consolidated EBITDA amounted to Ch$106,431 million, growing 8.1%. EBITDA Margin was 20.3%.

Net Income attributable to the controllers for the quarter was Ch$44,109 million, a 21.2% growth and net margin reached 8.4%.

Full Year ended December 31, 2017 vs. Full Year ended December 31, 2016

Consolidated Sales Volume reached 756.3 million unit cases, representing a 2.9% decrease with respect to the same period of 2016, mainly explained by the volume contraction of our franchises in Brazil, Argentina and Chile. Consolidated Net Sales reached Ch$1,848,879 million, a 4.0% growth.

Consolidated Cost of Sales increased 3.4%, mainly explained by (i) the greater cost of sugar, (ii) increased revenues that has a direct incidence of the cost of concentrate, and (iii) greater labor costs in Argentina. This was partially offset by (i) lower costs resulting from lower volumes sold, and (ii) the appreciation of the Brazilian Real and the Chilean Peso which has a positive effect over our dollarized costs.

Consolidated Selling, General and Administrative Expenses (SG&As) increased 2.1% which is mainly explained by (i) the effect of inflation in Argentina over expenses such as labor, freight and services provided by third parties, and (ii) the greater cost of labor. This was partially offset by (i) the effect upon translation of figures from our subsidiaries in Argentina and Brazil, (ii) lower marketing expenses in Brazil, and (iii) and lower freight costs in Brazil.

The foregoing mentioned impacts, led to a Consolidated Operating Income of Ch$238,726 million, an increase of 11.7%. Operating Margin was 12.9%.

Consolidated EBITDA amounted to Ch$337,890 million, an 8.6% growth. EBITDA Margin was 18.3%.

Net Income attributable to the controllers was Ch$117,836 million, a 30.2% growth and net margin reached 6.4%.

SUMMARY BY COUNTRY: ARGENTINA

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2016 are in nominal terms. On average during the quarter, the Argentine Peso depreciated against the U.S. Dollar by 13.6%, which has a negative effect over our costs in dollars. With respect to the Chilean peso it depreciated by 16.3% generating a negative accounting impact on the conversion of figures upon consolidation. On average during 2017 the Argentine Peso depreciated against the U.S. Dollar by 12.1% which has a negative effect over our costs in dollars. With respect to the Chilean peso, it depreciated by 14.5%, therefore generating a negative accounting impact on the conversion of figures upon consolidation. For a better understanding of Argentine Operations, we include figures in local nominal currency.

4th Quarter 2017 vs. 4th Quarter 2016

Sales Volume for the quarter increased 0.7%, reaching 63.0 million unit cases, explained by the volume growth of the juice category, which was partially offset by the volume reduction in the water category. The aforementioned Sales Volume considers sales to other bottlers in Argentina. Isolating this effect, Sales Volume would have grown 2.6% during the period. Our market share in the soft drinks segment reached 63.1 points, increasing 130 basis points with respect to the same period of the previous year and 90 basis points with respect to the last quarter.

Net Sales reached Ch$161,438 million a 2.2% increase explained by the implementation of price increases that was partially offset by the negative effect of the depreciation of local currency regarding the reporting currency upon consolidation of figures. Net Sales in local currency increased by 21.8%.

Cost of Sales decreased 4.3%, mainly explained by the effect upon translation of figures. In local currency they increased by 14.1% which is mainly explained by (i) increased revenues having a direct incidence over concentrate costs, (ii) increased labor costs, mainly resulting from high local inflation, (iii) greater cost of PET resin, and (iv) the effect of the devaluation of the Argentine Peso over our costs expressed in U.S. Dollars.

SG&As increased 12.0% in the reporting currency and in local currency these expenses increased 33.6%, mainly explained by (i) expenses such as freight, labor, and services provided by third parties which have increased above local inflation, and (ii) greater marketing expenses.

The foregoing effects led to an Operating Income of Ch$19,153 million, a 3.7% increase. Operating Margin was 11.9%. In local currency Operating Income increased 23.7%.

EBITDA amounted to Ch$23,468 million, reflecting a 3.6% growth. EBITDA Margin was 14.5% an expansion of 21 basis points. On the other hand, in local currency, EBITDA increased 23.8%.

El EBITDA ascendió a $23.468 millones, un crecimiento de 3,6%. El Margen EBITDA fue 14,5%, una expansión de 21 puntos base. Por su parte, el EBITDA en moneda local creció 23,8%.

Full Year ended December 31, 2017 vs. Full Year ended December 31, 2016

Sales Volume reached 211.4 million unit cases, decreasing 3.4%. Net Sales reached Ch$553,788 million, a 7.1% increase explained by the implementation of price increases, which was partially offset by the negative effect of the depreciation of local currency regarding the reporting currency upon the consolidation of figures. In local currency, Net Sales increased 25.2%, which was explained by the implementation of price increases and partially offset by the drop in volumes.

Costs of Sale increased 5.4%, which is mainly explained by the effect of translation of figures. In local currency they increased by 22.9%, which is mainly explained by (i) increased revenues, which has a direct incidence over concentrate costs, (ii) increased labor costs, mainly resulting from high local inflation, (iii) a greater cost of sugar, and (iv) the effect of the devaluation of the Argentine peso over our U.S. Dollar denominated costs.

SG&As increased 8.0% in the reporting currency. In local currency they increased 26.5% which is mainly explained by the effect of local inflation over expenses such as freight, labor, and services provided by third parties.

The foregoing mentioned impacts, led to an Operating Income of Ch$61,823 million, an increase of 12.7%. Operating Margin was 11.2%. In local currency Operating Income increased 32.6%.

EBITDA amounted to Ch$79,471 million, an 11.5% growth. EBITDA Margin was 14.4% an expansion of 56 basis points. On the other hand, EBITDA Margin in local currency grew by 30.9%.

SUMMARY BY COUNTRY: BRAZIL

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2016 are in nominal terms. On average during the quarter, the Brazilian Real appreciated by 1.4% against the U.S. Dollar, having a direct slight positive impact over our costs expressed in U.S. Dollars. Regarding the Chilean Peso it depreciated by 3.6%. On average during 2017 the Brazilian Real appreciated against the U.S. Dollar by 8.6%, having a direct positive impact over our costs expressed in U.S. Dollars. With respect to the Chilean peso, it appreciated by 4.9%, therefore generating a positive accounting impact on the conversion of figures upon consolidation. For a better understanding of Brazilian Operations, we include figures in local nominal currency.

4th Quarter 2017 vs. 4th Quarter 2016

Sales Volume during the quarter reached 71.9 million unit cases, a 2.9% increase, explained by the increase in volumes of all categories, except for the juice category. Soft drinks market share in our franchises in Brazil reached 64.1 points, 90 basis points higher regarding the same period of the previous year.

Net Sales reached Ch$164,438 million, a 0.6% decrease explained mainly by the effect upon translation of figures. In local currency, Net Sales increased 3.0%, which is mainly explained by the increase in sales volume.

Cost of Sales decreased 2.9% in the reporting currency, mainly explained by the effect upon translation of figures. In local currency it increased 0.7% which is mainly explained by (i) greater volumes sold, and (ii) the greater cost of sugar and Pet. This was partially offset by (i) the appreciation of the Brazilian Real against the U.S. Dollar, which has a positive impact over our U.S. Dollar denominated costs and (ii) lower use of sugar due to the reformulations we have performed.

SG&As decreased 9.2% in the reporting currency. In local currency, these decreased 6.0% which is mainly explained by lower marketing expenses which was partially offset by greater freight costs resulting from the increased volume sold.

The aforementioned effects led to an Operating Income of Ch$28,622 million, a 26.6% growth. Operating Margin was 17.4%. In local currency, Operating Income increased 31.0%.

EBITDA amounted to Ch$35,161 million, an increase of 20.7% compared to the previous year. EBITDA Margin was 21.4%, an expansion of 377 basis points. In local currency EBITDA increased by 25.0%.

Full Year ended December 31, 2017 vs. Full Year ended December 31, 2016

Sales Volume reached 248.9 million unit cases, decreasing by 6.5%. Net Sales reached Ch$603,898 million, a 2.3% growth explained by the positive effect of the appreciation of the of local currency with respect to the reporting currency upon consolidation of figures. In local currency, Net Sales decreased by 2.0% regarding the same period of the previous year, explained by the already mentioned volume reduction which was not able to be offset by the implementation of price increases.

Cost of Sales increased 1.0%, which is mainly explained by the effect upon translation of figures. In local currency it decreased by 3.3%, which is mainly explained by (i) decreased revenues which has a direct incidence over the cost of concentrate, (ii) lower volume sold, and (iii) the appreciation of the Brazilian Real against the U.S. Dollar, which has a positive effect over our U.S. Dollar denominated costs. These effects were partially offset by (i) the shift in the mix towards products carrying a higher unit cost, and (ii) the greater cost of sugar.

SG&As decreased 1.4% in the reporting currency and 5.4% in local currency mainly explained by (i) lower marketing expenses, and (ii) lower freight costs resulting from lower volumes sold. This was partially offset by greater labor costs.

The foregoing mentioned impacts, led to an Operating Income of Ch$83,811 million, a 17.6% increase. Operating Margin was 13.9%. In local currency, Operating Income increased 12.2%.

EBITDA reached Ch$111,690 million, an increase of 15.2% regarding the previous year. EBITDA Margin was 18.5% an expansion of 207 basis points. In local currency EBITDA increased by 10.0%.

SUMMARY BY COUNTRY: CHILE

The following figures are set according to IFRS, in nominal Chilean Pesos. All variations regarding 2016 are in nominal terms. On average during the quarter, the Chilean Peso appreciated by 4.9% against the U.S. Dollar, which has a positive impact over our costs expressed in U.S. Dollars. On average during 2017 the Chilean peso appreciated against the U.S. Dollar by 4.2% which has a positive impact over our costs expressed in U.S. Dollars.

4th Quarter 2017 vs. 4th Quarter 2016

Sales Volume during the quarter reached 67.2 million unit cases, representing a 0.7% decrease. On the other hand, volume market share for soft drinks reached 68.2 points during the period, increasing 30 basis points compared to the third quarter of the year, and increasing 30 basis points compared to the same quarter of the previous year.

Net Sales reached Ch$158,834 million decreasing 0.3%, in part explained by the aforementioned reduction in sales volume.

Cost of Sales decreased by 0.1%, mainly explained by (i) the positive effect of the appreciation of the Chilean Peso over our dollarized costs, and (ii) lower use of sugar due to the reformulations we have performed. This was partially offset by (i) the shift in the mix towards products that are low in sugar or sugar free, which have a higher cost of concentrate, and (ii) the greater cost of sugar.

SG&As decreased 8.5%, which is mainly explained by other operating income classified under this item. Isolating this effect, SG&As would have decreased by 1.1%, which is mainly explained by lower advertising expenses.

The aforementioned effects led to an Operating Income of Ch$28,591 million, 12.4% higher when compared to the previous year. Operating Margin was 18.0%.

EBITDA reached Ch$39,382 million, a 4.2% increase. EBITDA Margin was 24.8%, an expansion of 107 basis points

Full Year ended December 31, 2017 vs. Full Year ended December 31, 2016

Sales Volume reached 231.0 million unit cases, representing a 0.5% decrease explained by the drop in the soft drinks category and partially offset by the increase of the water category. Net Sales reached Ch$551,873 million, a 2.1% growth, explained by the increase in average prices.

Cost of Sales increased 2.9%, which is mainly explained by (i) the shift in the mix towards products low in sugar or sugar free, which have a greater concentrate cost, (ii) the greater cost of sugar, and (iii) the shift in the mix towards product that carry a higher unit cost. This was partially offset by the appreciation of the Chilean peso which has a positive impact over costs expressed in U.S. Dollars.

SG&As decreased 1.3% which is mainly explained by other operating income classified under this item. Isolating this effect, SG&As would have increased 0.9%, which is mainly explained by greater labor expenses.

The foregoing mentioned impacts, led to an Operating Income of Ch$72,890 million, 5.8% higher when compared to the previous year. Operating Margin was 13.2%.

EBITDA amounted to Ch$115,579 million, increasing 2.7%. EBITDA Margin was 20.9% an expansion of 13 basis points.

SUMMARY BY COUNTRY: PARAGUAY

The following figures are set according to IFRS, in nominal Chilean Pesos. All 2016 variations are nominal. On average during the quarter, the Paraguayan Guaraní appreciated 1.5% with respect to the U.S. Dollar, which has a positive impact over our costs expressed in U.S. Dollars. Regarding the Chilean Peso it depreciated by 3.5%, generating a negative accounting impact on the conversion of figures upon consolidation. On average during 2017, the Paraguayan Guaraní appreciated 0.9% against the U.S. Dollar which has a positive effect over our costs expressed in U.S. Dollars. Regarding the Chilean Peso it depreciated 3.3%, originating a negative accounting impact on the conversion of figures upon consolidation. For a better understanding of Paraguayan Operations, we include figures in local nominal currency.

4th Quarter 2017 vs. 4th Quarter 2016

Sales Volume during the quarter reached 18.9 million unit cases, representing a 5.7% growth, explained by the growth in sales volume of all categories. Our volume market share for soft drinks reached 70.1 points during the quarter, 330 basis points higher compared to the same quarter of the previous year.

Net Sales reached Ch$40,168 million, an increase of 8.7%. In local currency Net Sales increased 12.5%, which was explained by the implementation of price increases during the quarter and by volume growths.

Cost of Sales increased 16.5% and in local currency it increased 20.5% mainly explained by (i) an increase in the cost of sugar, (ii) greater volume sold, and (iii) greater cost of maintenance and repairs. This was partially offset by the shift in the mix towards products carrying a lower unit cost.

SG&As increased 1.5% and in local currency they increased 5.6% mainly explained by (i) greater labor costs, and (ii) greater freight expenses. This was partially offset by (i) lower depreciation charges, and (ii) lower marketing expenses.

The aforementioned effects led to an Operating Income of Ch$7,141 million, a decrease of 5.1 % compared to the previous year. Operating Margin was 17.8%. In local currency Operating Income decreased 2.6%.

EBITDA reached Ch$9,833 million, a 4.0% decrease and EBITDA Margin was 24.5%. In local currency EBITDA decreased 1.2%.

Full Year ended December 31, 2017 vs. Full Year ended December 31, 2016

Sales Volume reached 65.0 million unit cases, representing a 4.8% growth, explained by volume growths of all categories. Net Sales reached Ch$141,277 million, reflecting a 7.0% growth. In local currency Net Sales increased 10.8%, which is explained by the implementation of price increases during the period and the already mentioned growth in Sales Volume.

Cost of Sales increased 8.8%, and in local currency it increased 12.7%. This is mainly explained by (i) an increase in the cost of sugar, (ii) greater volume sold, and (iii) greater maintenance and repair costs. This was partially offset by the shift in the mix towards products that carry a lower unit cost.

SG&As increased 2.2% in the reporting currency. In local currency they increased 5.8%, explained mainly by (i) greater labor costs, and (ii) greater distribution freights, which were partially offset by lower depreciation charges.

The aforementioned effects led to an Operating Income of Ch$25,422 million, an increase of 7.1% compared to the previous year. Operating Margin was 18.5%. In local currency Operating Income increased 10.7%.

EBITDA reached Ch$36,370 million a 2.9% increase compared to the previous year and EBITDA Margin was 25.7%. In local currency EBITDA increased 6.4%.

Other information

- • Net Financial Income and Expense account recorded a Ch$11,264 million expense, which is compared to the Ch$10,982 million expense for the same quarter of the previous year, mainly explained by (i) the restatement of contingency provisions in Argentina, and (ii) a greater indebtedness level of our subsidiary in Argentina. This was partially offset by (i) greater financial income, and (ii) the effect on translation of figures.

- • Results by Investment in Related Companies account went from a Ch$307 million loss to a Ch$431 million loss, which is mainly explained by lower earnings from our equity investee CMF.

- • Other Income and Expenses account recorded a Ch$4,256 million loss compared to the Ch$6,738 million loss reported during the same quarter of the previous year. This is mainly explained by lower contingency provisions in Brazil.

- • Results by Adjustment Units and Exchange Rate Differences account went from a Ch$899 million loss to a Ch$2,539 million loss. This loss is mainly explained by the appreciation of the reporting currency with respect to local currencies, in the restatement of accounts receivable and the financial investment of the subsidiaries.

- Income Tax went from -Ch$16,966 million to -Ch$19,001 million, mainly due to the effect from higher operating results.

Analysis of Financial Assets and Liabilities

- • Total financial assets, amounted to US$345.3 million. Excluding the mark-to-market effects of Cross Currency Swaps ("CCS"), financial assets amounted to US$244.6 million, which are invested in time deposits and short-term fixed income money markets. Excluding CCS in terms of currency exposure financial assets are 53.9% denominated in Chilean Pesos, 14.7% in Brazilian Real, 13.3% in Argentine Pesos, 9.2% in UFs, 5.8% in Paraguayan Guaraní, and 3.1% in U.S. Dollars.

- • Financial debt level reached US$1,209.8 million, US$575 million of which correspond to a bond on the international market, US$512.7 million to bonds in the local Chilean market and US$122.1 million correspond to bank debt. Financial debt, including the CCS effect, is 65.2% denominated in UFs, 30.5% in Brazilian Real, 2.2% in Argentine Pesos, 1.4% in Chilean Pesos, 0.6% in U.S. Dollars, and 0.1% in Paraguayan Guaraní.

- The Company's Net Debt including the already mentioned CCS effect reached US$864.5 million.

Recent Events

- On January 5, 2018, a Stock Purchase and Sale Agreement was entered into between Embotelladora Andina S.A., Embonor S.A., Coca-Cola del Valle New Ventures, S.A., and Coca-Cola de Chile S.A., as buyers, and Inversiones Siemel S.A. as seller (the "Agreement"). In this Agreement, the parties agreed on the terms and conditions for the sale of 100% of the shares of Sociedad Comercializadora Novaverde S.A. ("Novaverde"), a company dedicated to the processing and commercialization of fruit, ice cream, vegetables and food in general, mainly under the brand name Guallarauco. The transaction does not include the acquisition of the business lines for the sale of avocados, nor the representation of General Mills.

- In accordance with the terms of the Agreement, the purchase and sale was subject to the fulfillment of suspensive conditions habitual in this type of transactions, including the corresponding authorization by the National Economic Prosecutor. If it materializes, the purchase price of 100% of the shares of Novaverde would be around the equivalent of 1,785,374 Unidades de Fomento, less the value of the financial debt of Novaverde at the time of materialization of the transaction. The above price may undergo modifications based on certain adjustments set forth in the agreement. Once the sale has been perfected, the shareholdings in Novaverde will be as follows: (i) Coca-Cola del Valle New Ventures, S.A. will own 2,999,994 shares, (ii) Coca-Cola de Chile S.A. will own 3 shares, (iii) Embotelladora Andina S.A. will own 2 shares; and (iv) Embonor S.A. will own 1 share. As Embotelladora Andina S.A. is a shareholder of Coca-Cola del Valle New Ventures, S.A., its total, direct and indirect participation, in the shareholding capital of Novaverde, will be approximately 35%.

II. MAIN INDICATORS

INDICATOR	UNIT	DEC-17	DEC-16	DEC 17 VS. DEC 16
LIQUIDITY				
Current Ratio	Times	1.13	1.32	-0.19
Acid Tests	Times	0.82	0.97	-0.15
Working Capital	MCh$	20,759	3,374	17,386
ACTIVITY				
Investments	MCh$	168,858	128,217	40,640
Inventory turnover	Times	7.74	7.44	0.31
Days of inventory on hand	Days	46.48	48.41	-1.92
INDEBTEDNESS				
Debt to equity ratio	%	160.06%	161.12%	-1.1%
Short-term liabilities to total liabilities	%	32.90%	30.92%	2.0%
Long-term liabilities to total liabilities	%	67.10%	69.08%	-2.0%
Interest charges coverage ratio	Times	4.88	4.38	0.50
PROFITABILITY				
Return over equity	%	14.62%	10.97%	3.7%
Return over total assets	%	5.46%	4.11%	1.4%
Return over operating assets	%	8.20%	6.24%	2.0%
Operating income	MCh$	238,726	213,670	25,057
Operating margin	%	12.91%	12.02%	0.9%
EBITDA	MCh$	313,988	279,904	34,084
EBITDA margin	%	16.98%	15.75%	1.2%
Dividends payout ratio - Series A shares	%	2.67%	2.23%	0.4%
Dividends payout ratio - Series B shares	%	2.72%	2.25%	0.5%

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

Liquidity and indebtedness indicators remain solid, net financial expense reached ThCh$44,025,994 and earnings before interest and taxes amounted to ThCh$214,824,353 reaching an interest coverage ratio of 4.88 times.

At the close of the present fiscal year, operating profitability indicators present an improvement with respect to 2016, due to the previously explained better results achieved.

III. ANALYSIS OF BOOK VALUES AND ECONOMIC VALUE OF ASSETS

Assets and liabilities are presented in the financial statements according to International Financial Reporting Standards. We estimate that there are no substantial differences between the economic value of assets and those reflected in the Company's financial statements, that must be set according International Financial Reporting Standards.

IV. ANALYSIS OF FINANCIAL POSITION

The balance of assets and liabilities at the closing date of these financial statements is the following:

	12.31.2017	12.31.2016	VARIATION
Assets	**ThCh$**	**ThCh$**	**M$**
Current assets	484,010,050	552,742,397	(68,732,347)
Non-current assets	1,630,849,417	1,646,367,350	(15,517,933)
Total assets	**2,114,859,467**	**2,199,109,747**	**(84,250,280)**

	12.31.2017	12.31.2016	VARIACIÓN
Liabilities	**ThCh$**	**ThCh$**	**M$**
Current liabilities	428,287,322	419,534,854	8.752.468
Non-current liabilities	873,338,796	937,404,866	(64.066.070)
Non-controlling interests	21,923,293	21,564,445	358.848
Equity attributable to the owners of the controlling shareholder	791,310,056	820,605,582	(29.295.526)
Total liabilities	**2,114,859,467**	**2,199,109,747**	**(84.250.280)**

Total assets at the date of closing decreased by ThCh$84,250,280 or 3.8% compared to the previous year.

Current assets decrease mainly due to lower financial availability, originating from the liquidation of current investments to finance investment activities. In the case of non-current assets, the decrease is mainly due to the effect of conversion on rights of distribution and goodwill recognized in the foreign subsidiaries as a result of the appreciation of the Chilean peso, this decrease is partially offset due to the Company's participation in the purchase of the AdeS business led by The Coca-Cola Company, which meant recognizing increases in other non-current financial assets and intangible assets other than goodwill.

Current liabilities mainly increased due to the recognition of dividends payable and increased advanced revenues received compared to the previous year. In the case of non-current liabilities, the decrease is due to the decline in other non-current financial liabilities, basically because of lower long-term debt of U.S. bonds resulting from the appreciation of the Chilean peso against the U.S. dollar and transfers of bond quotas in UFs from not-current to current liabilities.

Equity decreased because of the distribution of final, additional and interim dividends in 2017, a reduction resulting from the conversion of foreign subsidiaries given the appreciation of the Chilean peso, partially offset by higher earnings of the current fiscal year compared to the previous fiscal year.

V. ANALYSIS OF THE MAIN COMPONENTS OF CASH FLOW

	12.31.2017	12.31.2016	VARIACIÓN	
Cash flow	**ThCh$**	**ThCh$**	**ThCh$**	**%**
Operating	247,960,348	223,446,560	24,513,788	11.0%
Investment	(168,831,410)	(113,916,317)	(54,915,093)	48.2%
Financing	(78,345,770)	(98,224,525)	19,878,755	(20.2)%
Net cash flow for the period	**783,168**	**11,305,718**	**(10,522,550)**	**(93.1)%**

During the present period the Company generated a positive net cash flow of ThCh$783,168 with the following breakdown:

Operating activities generated a positive net flow in the amount ThCh$ 247,960,348, which is higher than the ThCh$ 223,446,560 recorded during the same period of 2016, which is mainly due to less flows from payments to suppliers.

Investment activities generated a negative flow in the amount of ThCh$ 168,831,410, representing a negative variation of ThCh$ 54,915,093 regarding the previous year, which is mainly explained by greater investments in property, plant & equipment, investments in equity investees and purchase of intangibles related to disbursements by the company resulting from the AdeS business lead by The Coca-Cola Company, partially offset by greater redemption of financial investments.

Financing activities generated a negative flow of ThCh$ 78,345,770, representing a positive variation of ThCh$ 19,878,755 compared to the previous year, explained mainly by greater short-term bank loans in Argentina.

VI. ANALYSIS OF MARKET RISK

Commodities Risk

The company faces the risk of sugar, aluminum and PET resin price fluctuations on the international markets, these raw materials are needed for the production of beverages and packaging, which together represent between 35% and 40% of production cost.

Interest rate risk

The company maintains all of its debt liability denominated at fixed rates, variability factors are given by the currencies in which they are expressed; UF and USD (are variable). As a result, there is a low risk of fluctuations of market interest rates on the company's cash flows.

Exchange rate risk

Assets purchased or indexed to foreign currency exposure: this risk originates from purchases of raw materials and investments in property, plant and equipment, whose values are expressed in a currency other than the functional currency of the subsidiary. Changes in the value of investments or costs can be generated through time, depending on the volatility of the exchange rate.

In addition, and depending on market conditions, the Company carries out foreign currency derivatives contracts to lessen the effect of the exchange rate in cash disbursements expressed in U.S. dollars which mainly correspond to payment of suppliers of raw materials and fixed assets.

A detailed analysis of these and other related risks can be found in the Report on the financial statements.

This document may contain projections reflecting Embotelladora Andina S.A.'s good faith expectation and are based on currently available information. However, the results that are finally obtained are subject to diverse variables, many of which are beyond the Company's control and which could materially impact the current performance. Among the factors that could change the performance are: the political and economic conditions on consumer spending, pricing pressures resulting from competitive discounts of other bottlers, weather conditions in the Southern Cone and other risk factors that would be applicable from time to time and which are periodically informed in reports filed before the appropriate regulatory authorities.

TWELVE MONTHS RESULTS FOR THE PERIOD ENDED DECEMBER 31, IFRS GAAP

(In nominal million Chilean Pesos, except per share)

	JANUARY-DECEMBER 2017					JANUARY-DECEMBER 2016					
	CHILEAN OPERATIONS	BRAZILIAN OPERATIONS	ARGENTINEAN OPERATIONS	PARAGUAYAN OPERATIONS	TOTAL (1)	CHILEAN OPERATIONS	BRAZILIAN OPERATIONS	ARGENTINEAN OPERATIONS	PARAGUAYAN OPERATIONS	TOTAL (1)	VARIATION %
VOLUME TOTAL BEVERAGES (Million UC)	**231.0**	**248.9**	**211.4**	**65.0**	**756.3**	**232.2**	**266.1**	**218.7**	**62.0**	**779.0**	**-2.9%**
Net sales	551,873	603,898	553,788	141,277	1,848,879	540,427	590,146	517,059	132,006	1,777,459	4.0%
Cost of sales	(328,579)	(362,686)	(294,371)	(85,347)	(1,069,025)	(319,214)	(359,156)	(279,308)	(78,410)	(1,033,910)	3.4%
Gross profit	**223,294**	**241,211**	**259,417**	**55,930**	**779,854**	**221,214**	**230,989**	**237,751**	**53,596**	**743,549**	**4.9%**
Gross margin	40.5%	39.9%	46.8%	39.6%	42.2%	40.9%	39.1%	46.0%	40.6%	41.8%	
Distribution and administrative expenses	(150,404)	(157,401)	(197,595)	(30,508)	(535,908)	(152,334)	(159,699)	(182,894)	(29,849)	(524,776)	2.1%
Corporate expenses (2)					(5,220)					(5,104)	2.3%
Operating income (3)	**72,890**	**83,811**	**61,823**	**25,422**	**238,726**	**68,879**	**71,290**	**54,857**	**23,747**	**213,670**	**11.7%**
Operating margin	13.2%	13.9%	11.2%	18.0%	12.9%	12.7%	12.1%	10.6%	18.0%	12.0%	
EBITDA (4)	**115,579**	**111,690**	**79,471**	**36,370**	**337,890**	**112,499**	**96,957**	**71,302**	**35,351**	**311,004**	**8.6%**
EBITDA margin	20.9%	18.5%	14.4%	25.7%	18.3%	20.8%	16.4%	13.8%	26.8%	17.5%	
Financial (expenses) income (net)					(44,026)					(41,713)	5.5%
Share of (loss) profit of investments accounted for using the equity method					(80)					(263)	-69.4%
Other income (expenses) (5)					(18,688)					(24,392)	-23.4%
Results by readjustment unit and exchange rate difference					(5,134)					(6,446)	-20.4%
Net income before income taxes					**170,798**					**140,856**	**21.3%**
Income tax expense					(51,798)					(48,807)	6.1%
Net income					**119,001**					**92,049**	**29.3%**
Net income attributable to non- controlling interests					(1,165)					(1,523)	-23.5%
Net income attributable to equity holders of the parent					**117,836**					**90,526**	**30.2%**
Net margin					6.4%					5.1%	
WEIGHTED AVERAGE SHARES OUTSTANDING					**946.6**					**946.6**	
Earnings Per Share					**124.5**					**95.6**	
Earnings Per ADS					**746.9**					**573.8**	**30.2%**

(1) Total may be different from the addition of the four countries because of intercountry eliminations. (2) Corporate expenses partially reclassified to the operations. (3) Operating income: includes the following lines of the income statement by function included in the published financial statements in the Chilean Superintendence of Securities and Insurance: Net sales, cost of sales, distribution expenses and administrative expenses. (4) EBITDA: Operating Income + Depreciation. (5) Other income (expenses): includes the following lines of the income statement by function included in the published financial statements in the Chilean Superintendence of Securities and Insurance: "Other income", "Other expenses" and "Other (loss) gains".

TWELVE MONTHS RESULTS FOR THE PERIOD ENDED DECEMBER 31, IFRS GAAP

(nominal local currency of each period)

	JANUARY-DECEMBER 2017				JANUARY-DECEMBER 2016			
	CHILE MCH$	BRAZIL MR$	ARGENTINA MAR$	PARAGUAY MG$	CHILE MCH$	BRAZIL MR$	ARGENTINA MAR$	PARAGUAY MG$
TOTAL BEVERAGES VOLUME (Million UC)	**231.0**	**248.9**	**211.4**	**65.0**	**232.2**	**266.1**	**218.7**	**62.0**
Net sales	551,873	2,976.2	14,202.6	1,227,001	540,427	3,036.9	11,342.7	1,107,678
Cost of sales	(328,579)	(1,786.8)	(7,537.6)	(741,161)	(319,214)	(1,848.6)	(6,132.0)	(657,750)
Gross profit	**223,294**	**1,189.4**	**6,665.0**	**485,841**	**221,214**	**1,188.3**	**5,210.7**	**449,928**
Gross margin	40.5%	40.0%	46.9%	39.6%	40.9%	39.1%	45.9%	40.6%
Distribution and administrative expenses	(150,404)	(775.3)	(5,076.8)	(264,823)	(152,334)	(819.2)	(4,013.0)	(250,311)
Operating income (1)	**72,890**	**414,2**	**1,588.2**	**221,018**	**68,879**	**369,1**	**1,197.8**	**199,617**
Operating margin	13.2%	13.9%	11.2%	18.0%	12.7%	12.2%	10.6%	18.0%
EBITDA (2)	**115,579**	**551.3**	**2,038.5**	**315,831**	**112,499**	**501.1**	**1,557.4**	**296,810**
EBITDA margin	20.9%	18.5%	14.4%	25.7%	20.8%	16.5%	13.7%	26.8%

(1) Operating Income: Considers the following items included in the financial statements filed with the Chilean Superintendence of Securities and Insurance and set according to IFRS: Net Sales, Cost of Sales, Distribution Costs, and Administrative Expenses.

(2) EBITDA: Operating Income + Depreciation.

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	EMBOTELLADORA ANDINA CHILE S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	30,398	161,496
Non-curruent assets	67,687,830	77,017,895
Total assets	**67,718,228**	**77,179,391**
Liabilities		
Current liabilities	33,430,899	45,816,768
Non-current liabilities	-	-
Capital and reserves	31,362,623	26,166,698
Accrued earnings (losses)	2,924,706	5,195,925
Total liabilities and shareholders' equity	**67,718,228**	**77,179,391**
INCOME STATEMENT		
Operating income	4,958,159	9,609,960
Non-operating income	(1,208,864)	(2,842,869)
Income before income taxes	3,749,295	6,767,091
Income taxes	(824,589)	(1,571,166)
Net income (loss)	**2,924,706**	**5,195,925**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	13,389,306	15,773,314
Cash flows from investment activities	-	1,031,750
Cash flow from financing activities	(13,390,218)	(16,807,272)
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	1,269	3,477
Cash and cash equivalents at the end of the period	**357**	**1,269**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	VITAL JUGOS S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	21,347,810	19,306,591
Non-curruent assets	19,737,769	22,297,712
Total assets	**41,085,579**	**41,604,303**
Liabilities		
Current liabilities	14,456,831	15,287,233
Non-current liabilities	174,422	445,794
Capital and reserves	25,644,819	24,957,396
Accrued earnings (losses)	809,507	913,880
Total liabilities and shareholders' equity	**41,085,579**	**41,604,303**
INCOME STATEMENT		
Operating income	1,222,416	4,311,147
Non-operating income	(167,647)	(3,559,312)
Income before income taxes	1,054,769	751,835
Income taxes	(245,262)	162,045
Net income (loss)	**809,507**	**913,880**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	2,662,227	4,815,690
Cash flows from investment activities	(1,118,659)	(4,536,827)
Cash flow from financing activities	18,236	7,394
Effect of of inflation in cash and cash equivalents	(71,450)	(52,616)
Cash and cash equivalents at the beginning of the period	2,402,195	2,168,554
Cash and cash equivalents at the end of the period	**3,892,549**	**2,402,195**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	VITAL AGUAS S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	4,414,563	4,797,677
Non-curruent assets	5,876,875	6,298,423
Total assets	**10,291,438**	**11,096,100**
Liabilities		
Current liabilities	3,816,533	4,898,481
Non-current liabilities	157,558	144,250
Capital and reserves	5,864,668	5,982,491
Accrued earnings (losses)	452,679	70,878
Total liabilities and shareholders' equity	**10,291,438**	**11,096,100**
INCOME STATEMENT		
Operating income	447,151	239,569
Non-operating income	123,113	(128,089)
Income before income taxes	570,264	111,480
Income taxes	(117,585)	(40,602)
Net income (loss)	**452,679**	**70,878**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	259,999	1,363,374
Cash flows from investment activities	(496,564)	(1,211,008)
Cash flow from financing activities	15,454	997
Effect of of inflation in cash and cash equivalents	(2,732)	1,798
Cash and cash equivalents at the beginning of the period	860,898	705,737
Cash and cash equivalents at the end of the period	**637,055**	**860,898**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ENVASES CENTRAL S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	8,605,758	8,510,002
Non-curruent assets	14,625,162	12,353,126
Total assets	**23,230,920**	**20,863,128**
Liabilities		
Current liabilities	7,672,687	7,335,273
Non-current liabilities	2,092,245	933,549
Capital and reserves	12,924,062	10,953,195
Accrued earnings (losses)	541,926	1,641,111
Total liabilities and shareholders' equity	**23,230,920**	**20,863,128**
INCOME STATEMENT		
Operating income	821,994	2,140,657
Non-operating income	(56,065)	(23,637)
Income before income taxes	765,929	2,117,020
Income taxes	(224,003)	(475,909)
Net income (loss)	**541,926**	**1,641,111**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	1,664,141	528,650
Cash flows from investment activities	(2,818,010)	(51,375)
Cash flow from financing activities	1,154,544	(494,297)
Effect of of inflation in cash and cash equivalents	1,290	4,665
Cash and cash equivalents at the beginning of the period	2,721	15,078
Cash and cash equivalents at the end of the period	**4,686**	**2,721**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	TRANSPORTES ANDINA REFRESCOS LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	3,299,292	8,666,093
Non-curruent assets	17,388,195	18,035,370
Total assets	**20,687,487**	**26,701,463**
Liabilities		
Current liabilities	9,239,233	10,424,882
Non-current liabilities	1,872,361	1,561,252
Capital and reserves	5,978,980	13,071,359
Accrued earnings (losses)	3,596,913	1,643,970
Total liabilities and shareholders' equity	**20,687,487**	**26,701,463**
INCOME STATEMENT		
Operating income	4,470,440	2,670,905
Non-operating income	214,402	(341,139)
Income before income taxes	4,684,842	2,329,766
Income taxes	(1,087,929)	(685,796)
Net income (loss)	**3,596,913**	**1,643,970**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	18,414,415	13,246,492
Cash flows from investment activities	(5,543,598)	(63,323,102)
Cash flow from financing activities	(12,864,760)	50,010,230
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	27,837	94,217
Cash and cash equivalents at the end of the period	**33,894**	**27,837**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	SERVICIOS MULTIVENDING LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	1,308,782	1,232,270
Non-curruent assets	570,890	251,203
Total assets	**1,879,672**	**1,483,473**
Liabilities		
Current liabilities	990,595	645,700
Non-current liabilities	48,803	61,602
Capital and reserves	707,288	317,326
Accrued earnings (losses)	132,986	458,845
Total liabilities and shareholders' equity	**1,879,672**	**1,483,473**
INCOME STATEMENT		
Operating income	133,594	490,812
Non-operating income	36,173	134,904
Income before income taxes	169,767	625,716
Income taxes	(36,781)	(166,871)
Net income (loss)	**132,986**	**458,845**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	1,819,156	(529,560)
Cash flows from investment activities	(1,637,187)	(114,441)
Cash flow from financing activities	(74,378)	552,742
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	17,472	108,731
Cash and cash equivalents at the end of the period	**125,063**	**17,472**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ANDINA BOTTLING INVESTMENTS S.A.	
	2017 THCH$	2016 THCH$
BALANCE SHEET		
Assets		
Current assets	873	10,039,736
Non-curruent assets	387,600,810	379,936,488
Total assets	**387,601,683**	**389,976,224**
Liabilities		
Current liabilities	28,419	200,616
Non-current liabilities	–	–
Capital and reserves	355,508,180	375,037,664
Accrued earnings (losses)	32,065,084	14,737,944
Total liabilities and shareholders' equity	**387,601,683**	**389,976,224**
INCOME STATEMENT		
Operating income	(375,712)	(377,117)
Non-operating income	32,440,796	16,441,542
Income before income taxes	32,065,084	16,064,425
Income taxes	-	(1,326,481)
Net income (loss)	**32,065,084**	**14,737,944**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	253,582	2,730,615
Cash flows from investment activities	(253,830)	-
Cash flow from financing activities	-	(2,723,087)
Effect of of inflation in cash and cash equivalents	(492)	(6,636)
Cash and cash equivalents at the beginning of the period	1,613	721
Cash and cash equivalents at the end of the period	**873**	**1,613**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ANDINA BOTTLING INVESTMENTS DOS S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	9,741	7,392
Non-curruent assets	494,604,343	518,785,600
Total assets	**494,614,084**	**518,792,992**
Liabilities		
Current liabilities	552,475	545,833
Non-current liabilities	333,034,195	370,828,221
Capital and reserves	116,345,743	120,260,707
Accrued earnings (losses)	44,681,671	27,148,231
Total liabilities and shareholders' equity	**494,614,084**	**518,782,992**
INCOME STATEMENT		
Operating income	(282,402)	(268,782)
Non-operating income	48,797,683	31,486,102
Income before income taxes	48,515,281	31,217,320
Income taxes	(3,833,610)	(4,059,089)
Net income (loss)	**44,681,671**	**27,158,231**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	14,716,334	3,606,697
Cash flows from investment activities	(14,715,519)	-
Cash flow from financing activities	-	(3,545,523)
Effect of of inflation in cash and cash equivalents	1,534	(61,354)
Cash and cash equivalents at the beginning of the period	7,392	7,572
Cash and cash equivalents at the end of the period	**9,741**	**7,392**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ANDINA INVERSIONES SOCIETARIAS S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	700,407	614,661
Non-curruent assets	32,680,461	32,627,069
Total assets	**33,380,868**	**33,241,730**
Liabilities		
Current liabilities	115,229	14,321
Non-current liabilities	-	-
Capital and reserves	31,696,994	31,256,979
Accrued earnings (losses)	1,568,645	1,970,430
Total liabilities and shareholders' equity	**33,380,868**	**33,241,730**
INCOME STATEMENT		
Operating income	(14,528)	(28,239)
Non-operating income	1,583,173	2,027,317
Income before income taxes	1,568,645	1,999,078
Income taxes	-	(26,648)
Net income (loss)	**1,568,645**	**1,972,430**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	72,322	(15,739)
Cash flows from investment activities	119,018	-
Cash flow from financing activities	3,294	26,040
Effect of of inflation in cash and cash equivalents	(1,145)	(75)
Cash and cash equivalents at the beginning of the period	24,730	14,504
Cash and cash equivalents at the end of the period	**218,219**	**24,730**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	RIO DE JANEIRO REFRESCOS LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	132,815,845	150,820,924
Non-curruent assets	663,556,969	663,165,612
Total assets	**796,372,814**	**813,986,536**
Liabilities		
Current liabilities	135,595,155	130,279,607
Non-current liabilities	393,125,740	417,791,552
Capital and reserves	223,113,073	230,163,196
Accrued earnings (losses)	44,538,845	35,752,181
Total liabilities and shareholders' equity	**796,372,814**	**813,986,535**
INCOME STATEMENT		
Operating income	88,631,776	77,536,756
Non-operating income	(30,373,425)	(29,712,680)
Income before income taxes	58,258,351	47,824,076
Income taxes	(13,719,506)	(12,071,895)
Net income (loss)	**44,538,845**	**35,752,181**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	82,519,432	67,963,682
Cash flows from investment activities	(80,552,500)	(51,873,047)
Cash flow from financing activities	(3,437,440)	(36,806,174)
Effect of of inflation in cash and cash equivalents	(2,801,143)	3,571,973
Cash and cash equivalents at the beginning of the period	26,072,201	43,215,767
Cash and cash equivalents at the end of the period	**21,800,550**	**26,072,201**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	EMBOTELLADORA DEL ATLÁNTICO S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	97,285,008	110,649,213
Non-curruent assets	94,369,129	98,518,204
Total assets	**191,654,137**	**209,167,417**
Liabilities		
Current liabilities	109,594,738	132,431,541
Non-current liabilities	1,339,723	1,621,792
Capital and reserves	47,937,699	42,845,944
Accrued earnings (losses)	32,781,977	32,268,140
Total liabilities and shareholders' equity	**191,654,137**	**209,167,417**
INCOME STATEMENT		
Operating income	61,748,029	55,419,841
Non-operating income	(12,919,480)	(7,745,799)
Income before income taxes	48,828,549	47,674,042
Income taxes	(16,046,572)	(15,405,902)
Net income (loss)	**32,781,977**	**32,268,140**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	18,912,974	50,030,263
Cash flows from investment activities	(38,886,133)	(34,281,687)
Cash flow from financing activities	17,035,767	(15,988,888)
Effect of of inflation in cash and cash equivalents	(3,019,041)	(3,927,143)
Cash and cash equivalents at the beginning of the period	25,655,132	29,822,587
Cash and cash equivalents at the end of the period	**19,698,699**	**25,655,132**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ANDINA EMPAQUES ARGENTINA S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	7,143,561	6,680,394
Non-curruent assets	6,413,307	7,381,968
Total assets	**13,556,868**	**14,062,362**
Liabilities		
Current liabilities	2,944,499	4,061,713
Non-current liabilities	28,444	141,258
Capital and reserves	7,185,845	6,104,560
Accrued earnings (losses)	3,398,080	3,754,831
Total liabilities and shareholders' equity	**13,556,868**	**14,062,363**
INCOME STATEMENT		
Operating income	5,104,256	5,806,285
Non-operating income	(68,873)	(30,078)
Income before income taxes	5,035,383	5,776,207
Income taxes	(1,637,303)	(2,021,376)
Net income (loss)	**3,398,080**	**3,754,831**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	1,484,815	4,132,729
Cash flows from investment activities	(1,458,862)	(2,735,517)
Cash flow from financing activities	(144,009)	(1,788,303)
Effect of of inflation in cash and cash equivalents	(72,693)	(7,563)
Cash and cash equivalents at the beginning of the period	1,184,326	1,582,980
Cash and cash equivalents at the end of the period	**993,577**	**1,184,326**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ABISA CORP S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	316,408,461	312,890,098
Non-curruent assets	-	-
Total assets	**316,408,461**	**312,890,098**
Liabilities		
Current liabilities	496,359	314,857
Non-current liabilities	-	-
Capital and reserves	312,575,240	324,983,266
Accrued earnings (losses)	3,336,862	(12,408,025)
Total liabilities and shareholders' equity	**316,408,461**	**312,890,098**
INCOME STATEMENT		
Operating income	(3,359)	(15,850)
Non-operating income	3,340,221	(12,392,175)
Income before income taxes	3,336,862	(12,408,025)
Income taxes	-	-
Net income (loss)	**3,336,862**	**(12,408,025)**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(10,514)	(6,529)
Cash flows from investment activities	9,936	-
Cash flow from financing activities	-	6,407
Effect of of inflation in cash and cash equivalents	(484)	(292)
Cash and cash equivalents at the beginning of the period	3,784	4,198
Cash and cash equivalents at the end of the period	**2,722**	**3,784**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	TRANSPORTES POLAR S.A.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	515,746	3,166,308
Non-curruent assets	7,453,788	7,695,651
Total assets	**7,969,534**	**10,861,959**
Liabilities		
Current liabilities	3,439,736	3,038,965
Non-current liabilities	1,312,270	1,401,019
Capital and reserves	2,149,283	4,908,536
Accrued earnings (losses)	1,068,245	1,513,439
Total liabilities and shareholders' equity	**7,969,534**	**10,861,959**
INCOME STATEMENT		
Operating income	1,834,856	2,193,502
Non-operating income	(414,657)	(18,242)
Income before income taxes	1,420,199	2,175,260
Income taxes	(351,954)	(661,821)
Net income (loss)	**1,068,245**	**1,513,439**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	4,489,597	35,742,023
Cash flows from investment activities	(92,534)	8,358,049
Cash flow from financing activities	(4,292,699)	(44,103,104)
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	704	3,736
Cash and cash equivalents at the end of the period	**105,068**	**704**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	INVERSIONES LOS ANDES LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	185,757	2,138,455
Non-curruent assets	263,133,278	274,593,011
Total assets	**263,319,035**	**276,731,466**
Liabilities		
Current liabilities	733,024	11,230
Non-current liabilities	-	-
Capital and reserves	237,454,324	251,681,426
Accrued earnings (losses)	25,131,687	25,038,810
Total liabilities and shareholders' equity	**263,319,035**	**276,731,466**
INCOME STATEMENT		
Operating income	(375,529)	(374,172)
Non-operating income	28,412,236	27,640,780
Income before income taxes	28,036,707	27,266,608
Income taxes	(2,905,020)	(2,227,798)
Net income (loss)	**25,131,687**	**25,038,810**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	982,027	(104,979)
Cash flows from investment activities	(1,144,713)	-
Cash flow from financing activities	-	187,254
Effect of of inflation in cash and cash equivalents	162,790	(82,772)
Cash and cash equivalents at the beginning of the period	84	581
Cash and cash equivalents at the end of the period	**188**	**84**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	ACONCAGUA INVESTING LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	37	37
Non-curruent assets	21,856,490	21,432,680
Total assets	**21,856,527**	**21,432,717**
Liabilities		
Current liabilities	8,908	8,907
Non-current liabilities	-	-
Capital and reserves	21,423,809	21,877,509
Accrued earnings (losses)	423,810	(453,699)
Total liabilities and shareholders' equity	**21,856,527**	**21,432,717**
INCOME STATEMENT		
Operating income	-	-
Non-operating income	423,810	(453,699)
Income before income taxes	423,810	(453,699)
Income taxes	-	-
Net income (loss)	**423,810**	**(453,699)**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	-	-
Cash flows from investment activities	-	-
Cash flow from financing activities	-	-
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	**-**	**-**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	PARAGUAY REFRESCOS S.A.	
	2017 THCH$	2016 THCH$
BALANCE SHEET		
Assets		
Current assets	30,419,844	35,283,479
Non-curruent assets	234,278,289	243,615,898
Total assets	**264,698,133**	**278,899,377**
Liabilities		
Current liabilities	17,297,339	17,192,489
Non-current liabilities	14,847,776	16,011,340
Capital and reserves	209,373,050	222,649,704
Accrued earnings (losses)	23,179,968	23,045,844
Total liabilities and shareholders' equity	**264,698,133**	**278,899,377**
INCOME STATEMENT		
Operating income	26,665,695	25,181,209
Non-operating income	37,269	568,988
Income before income taxes	26,702,964	25,750,197
Income taxes	(3,522,996)	(2,704,353)
Net income (loss)	**23,179,968**	**23,045,844**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	30,821,869	30,241,904
Cash flows from investment activities	(14,476,783)	(9,244,948)
Cash flow from financing activities	(21,561,316)	(20,050,099)
Effect of of inflation in cash and cash equivalents	(228,238)	(408,356)
Cash and cash equivalents at the beginning of the period	14,224,861	13,686,360
Cash and cash equivalents at the end of the period	**8,780,393**	**14,224,861**

SUMMARIZED FINANCIAL STATEMENTS SUBSIDIARIES

at December 31, 2017 and 2016

	RED DE TRANSPORTES COMERCIALES LTDA.	
	2017	2016
	THCH$	THCH$
BALANCE SHEET		
Assets		
Current assets	1,540,913	901,217
Non-curruent assets	622,202	808,802
Total assets	**2,163,115**	**1,710,019**
Liabilities		
Current liabilities	678,213	591,801
Non-current liabilities	94,730	125,240
Capital and reserves	1,365,611	1,509,697
Accrued earnings (losses)	24,561	(516,719)
Total liabilities and shareholders' equity	**2,163,115**	**1,710,019**
INCOME STATEMENT		
Operating income	148,215	(490,387)
Non-operating income	(60,644)	(63,331)
Income before income taxes	87,571	(553,718)
Income taxes	(63,010)	36,999
Net income (loss)	**24,561**	**(516,719)**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(80,116)	(458,324)
Cash flows from investment activities	173,868	(26,244)
Cash flow from financing activities	183,412	400,899
Effect of of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	112,473	196,142
Cash and cash equivalents at the end of the period	**389,637**	**112,473**

Coca-Cola ANDINA