

Anti-Competition Lawsuit filed by the FNE (Chile's National Economic Prosecutor)

Santiago, Chile, April 28, 2011

Embotelladora Andina S.A. (AndinaA/AndinaB) (NYSE Euronext: AKO/A-AKO/B) reports that on April 28, 2011 it was legally informed of an anti-competition lawsuit filed by the Chilean *Fiscalía Nacional Económica* ("Chile's National Economic Prosecutor", the FNE) before the *Tribunal de Defensa de la Libre Competencia* ("Chile's Court on Anti-Competition Cases", the TLDC) against Embotelladora Andina S.A. and Coca-Cola Embonor S.A. This lawsuit indicates that said companies would have violated the regulation of free competition by establishing a system of granting incentives in the traditional distribution channel ("mom & pop's") with the purpose that these points of sale do not advertise, exhibit and/or commercialize, in any manner, the so called B-brands or alternative soft drink beverages.

In the case of Andina, and according to the FNE, the evidence would disclose a persistent strategy unequivocally destined to artificially increase the entrance costs of the B-brands, and ultimately, exclude them from the traditional channel, by means of implementing several efficient mechanisms to fulfill this purpose.

Pursuant to the aforementioned, the FNE requires the TDLC:

- To impose a fine to each of the companies amounting to 10,000 *Unidades Tributarias Anuales*-yearly taxable units (currently USD9.6 million approximately);
- To instruct to cease, and not carry out in the future, any kind of practice that may imply the delivery of incentives or discounts; or to apply sanctions for any type of exclusive advertising, exhibition, or sale; and any other kind of behavior that may lead to similar results;
- Regarding the commercialization of carbonated beverages to clients of the traditional channel, to instruct not to force the combined acquisition of two or more of their products;
- To instruct the amendment of contracts of their route sales force and supervisors, eliminating the variable component of said contracts;
- To instruct to free at least 20% of space in a cooler or refrigerator for beverages supplied by third parties, when at a specific point of sale there is no space available for another cooler or refrigerator; and to pay all trial costs.

Andina trusts it will be able to prove the lack of merits of this lawsuit.