

Jaime García: Good morning. Thank you for attending Embotelladora Andina's third quarter results' conference call. As you saw in our press release distributed yesterday, Andina's results for the third quarter in Chilean pesos amounted to Ch\$19,582 million pesos, a 16.1% improvement over the previous year. During the same quarter, operating results amounted to Ch\$26,300 million a decrease of 3% compared to the previous year and in terms of EBITDA this amounted to Ch\$34,584 million, which is a 3.8% decrease compared to the previous year, all these figures at a consolidated level. However, if we see what happened in each one of the operations, we want to give you a quarterly explanation, in terms of volume and in terms of results for each one of the countries. Therefore, we are going to do it in local currency of each country and the volume is expressed in unit cases.

Starting off by Chile, the volume was of 34.8 million unit cases, composed of soft drinks and other products. In terms of soft drinks, the increase was 0.3% in the quarter and, in terms of other products, basically juices and waters, the growth was 5.7%. So, total growth of beverages of Andina in Chile was 1.1%. In terms of operating income, all this measured in nominal local Chilean currency, income increased 5.5%, resulting in a 4.3% increase per unit case. Operating costs increased 10% per unit case. If we analyze why operating costs increased, it is basically due to the increase in the cost of sugar; as you know, the international price of sugar has had a significant increase, mainly since March of this year. In terms of sales and administrative expenses, the total increase was 10.7%. If we see why this has occurred, the fundamental reason of the increase of sales and administrative expenses, refers to marketing expenses given the greater costs we have had resulting from launching of new products. As you know, we have placed new products in the market but they still do not represent a significant contribution. Therefore, the initial cost is a cost that in fact is a long term investment in the development products such as Fanta Uva (grape), Aquarius and Fruitopia. So operating results for the Chilean franchise drops by 17%. There are mainly two reasons for this: one which is not a long term reason, is the price of sugar which we think it is clearly going to tend to lower its price, therefore, we should see this greater cost reverted in the long term; and the other is the increase of marketing expenses, as a result of the launching of new products which will start profiting in the medium term. Therefore, we believe that, although operating results for Chile falls, there are good reasons for this. At least, they are explainable reasons in the medium term.

What happens in the case of Brazil? In terms of sales volume in the quarter, Brazil grows a total of 3.3%, and this is explained by a 3.0% growth of soft drinks and a 9.1% increase of other products, such as mineral water, juices and beers. So, total growth of beverages measured in unit cases is 3.3%. In terms of results, operating income, measured in nominal local currency, in Brazilian reais, increased 10.6%, but expressed per unit case, it increased 7%. The greater cost that we also have per unit case, to make it comparable, is 7.7%. Again, if we analyze the reason for the greater cost in Brazil, we see that the main reason is the greater cost of sugar, because the international price of sugar has increased as we already explained for the case of Chile. In terms of sales and administrative expenses, they also increased in Brazil and measured in local currency by 9.4%, and this is mainly explained by greater marketing expenses. In the case of Brazil, as it was for Chile, also due to a greater cost or investment if you will, in the launching of new products like some *Sucos del Valle* juices,

Crystal water and Aquarius Fresh, resulting in an increased cost in product marketing that still does not sufficiently return in order to compensate that greater cost due to the launching. So, total operating results in Brazil increased by 10.4% and, probably, if one stabilizes these conditions, in terms of the price of sugar as well as marketing expenses, the increase should be better than 10.4%. Therefore, in Brazil we again see that, in spite of having an important increase in costs, and an increase of operating results, that greater cost we have, in terms of sugar and marketing, should also be compensated in the medium term, and give us a better level of results than the one we already had in the third quarter of 2009.

For the case of Argentina, volumes in Argentina fell by 4.5%, physical volume, and this is essentially explained by the drop in soft drinks. The reason for this is mainly of economic nature and what I am going to explain ahead. Because the truth is that, in Argentina our focus has been to increase sales. So that revenues have grown 8.8% and the price per unit case has grown 14%. It is true that volumes have decreased, but it is also true that we have continuously increased prices in Argentina, due to significant threats of greater costs. So, this price increase has rather been an issue directed by us, led by us, in spite of the drop in volumes. Regarding income it has grown 14% per unit case and costs also increased in Argentina by 5% per unit case. And this is basically due to an increase in the exchange rate that causes the 5% increase in unit costs in Argentina. Keep in mind that in the case of Argentina, the dollar increased on average 25.7% during the quarter that we are analyzing. Reviewing the sales and administrative expenses, it increased 15%, 14.5% to be more exact during the quarter. What happens in Argentina? Essentially it is due to two effects: one is labor and the other is marketing. In the case of marketing, there is a greater real cost and in the case of labor there is a greater pressure on wages, for that reason we have also raised internal prices. So, this cost increase, is a result of greater labor costs. But, when combining all of the effects: the drop in volumes, the increase in prices, the greater cost per unit case due to the average exchange rate in Argentina and greater associated fixed labor expenses, we can see that operating results grow 42%, which is very good for the case of Argentina. This is basically due to the strategy we have used in Argentina. Now, in terms of EBITDA, also measured in local currency, Chile decreased 14% due to lower operating results; Brazil increased 11.5% basically due to increased operating results that we previously discussed, and Argentina grows almost 40% due to increased operating results previously discussed also. However, in terms of volume market share and in terms of value market share, which are the indicators that we always use and permanently follow, we have sustainably increased our market position. In the case of Argentina, where one could be a little bit more concerned, due to the decrease in volumes and the increase in prices, we are gaining almost 2 points of volume share with respect to the same period of the previous year and also gaining almost 2 points of value share. So, everything we're doing, the strategy that we are following is consistent in order to maintain and also gain market share. The same happens in Brazil, where there are smaller gains in market share, and the same happens in Chile. This has been the general comment for the quarter, analyzed in local currency and the operations of each country individually. I will now leave you with Giuliana, who will briefly summarize the consolidated results of the three operations.

Giuliana Gorrini: Thank you Jaime. Good morning. With respect to the consolidation of results during the third quarter, the Brazilian real and the Argentine peso devalued with respect to the end of period exchange rate of the Chilean peso, which given the mechanics used in the conversion of figures, resulted in a negative accounting effect over income and a positive effect over costs and expenses, which finally had a negative impact over our results. During the quarter, consolidated net income amounted Ch\$181 billion, a decrease of 1%, that is mainly explained by the negative effect upon the conversion of figures from Brazil and Argentina that more than compensated the consolidated stable volumes that we saw, and the price adjustments above local inflations.

Consolidated operating results amounted to Ch\$26 billion, a decrease of 3%, also explained, by the effect upon conversion of figures from Brazil and Argentina, in addition to the decreased results in Chile for the reasons that Jaime already explained. The 10.4% growth in local currency of operating results in Brazil, is reduced to a 5.7% growth in restated Chilean pesos; and the almost 42% growth in local currency of operating results in Argentina is reduced to a 12.5% growth in restated Chilean pesos.

Consolidated EBITDA on the other hand, amounted to 34 billion pesos, a 3.8% decrease, affected by the same considerations just explained for operating results. So, the 11.5% growth in local currency in Brazil's cash generation is reduced to a 1.4% growth in restated Chilean pesos, and the almost 40% growth in local currency of Argentina's cash generation is reduced to a 10% growth in restated Chilean pesos. With this we conclude our presentation.

Q&A's

Rafael Borja: The first question comes from Carlos Herrera at Santander. Go ahead Mr. Herrera.

Carlos Herrera: Hello, good morning. We have seen the figures as far as volumes and a deceleration in the third quarter with respect to the first half in Chile. My question is what will be the tendency? How do you see it? Will there continue to be a deceleration in growth or is it a tendency to go slower or will all the products compensate this as of the fourth quarter? On the other hand, I wanted to know specifically in the case of Brazil and Chile how much the rise in the cost of sugar has been? That's all at this time, thank you very much.

Jaime García: Hello, well with respect to volumes in Chile, keep in mind that the effects of the international and local crisis began exactly in the last quarter of last year. Therefore, one should think that growth in Chile has decelerated but we are going to have a smaller base, or one of lesser growth that already began in the fourth quarter of last year. Therefore, I do not expect significant growth for the fourth quarter. In terms of soft drinks we clearly expect a better behavior than that of other products during the fourth quarter that were not in the market last year. There is a compensation of both effects. Now regarding sugar, you must understand this information is Company privileged and we cannot share it with you. But it is international information: the price of sugar increased 100%. In Chile and in Brazil we purchased at international prices, sugar is a commodity that trades freely. Brazil is a great sugar exporter, Chile is a great sugar importer, so, the truth, if I can give you an approximate figure, costs of sugar have increased 65% on average in both countries; the agreements are confidential agreements among the parties, but international prices are

public and you can see that they continue to be high; we believe that they will decrease, but it has a significant effect.

Rafael Borja: The following question comes from Mr. Alan Alanis at J.P. Morgan. Go ahead Mr. Alanis.

Alan Alanis: Thanks, good day to all. My question has to do with the following, this marketing expenses you are having, is way above the growth you have in sales volume, particularly in Chile. What expectations do you have as far as profitability coming from these greater marketing expenses? Second, is The Coca-Cola Company still contributing with this marketing expense for the launch of new products, or has there been a change in the contribution?

Jaime García: Hello. Well, I will answer your questions directly. Marketing expenses are neither beyond normal nor something extraordinary, in what sense? Normally when we launch products in the market, the initial cost of launching associated to marketing is high, that you then recover in time as long as you generate volume and you generate market share and presence of that product in the market. Since we have made quite important launchings in this quarter, in Brazil as well as in Chile, the expense is definitively notorious. So, we have increased marketing expenses, but it is due to product launching. In the third quarter, for example, in the case of Chile, those products grew 5.7% against a soft drinks market that grew 1%. Clearly the launchings have been successful as well as the strategy. Now, in any launching of a new product, you cannot expect the return of those products (I mean yield or contribution margin that they give you) to compensate the initial marketing expense in the short term. This is something that will occur in medium term, I mean from 12 months forward. So, that has an impact on the fact that we are spending, but we believe we are doing the right thing with products that are complementary to the line of Andina, to the line which we have in each one of the markets and, therefore, they are going to be products that are going to more than compensate, with respect to the cost we are having. Now, with respect to Coca-Cola, Coca-Cola is participating as it always has. There is no change in that sense. Coca-Cola is our partner in this; therefore it participates very actively in all marketing expenses of product launchings that we do jointly with them.

Alan Alanis: Thanks.

Rafael Borja: The following question comes from Sean Glickenhau at Citi. Go ahead Mr. Glickenhau.

Sean Glickenhau: Hello, good morning. Thinking about the costs for next year, you were already closing hedges by this time last year in the currencies for the different franchises, have you been thinking about that? And second, I wanted to know what the price gap was with the competition in Brazil for soft drinks, with these price adjustments you have been making. Thanks.

Jaime García: Hello, well let's see if I understood your question correctly. You talk about price differences that we have between us and our competitors in the market, correct?

Sean Glickenhau: Correct, for soft drinks.

Jaime García: If that is the question, the answer is the following: Indeed we have price differences. You well know, and we have always explained it, that our value share is greater than our volume share. So it means and it implies that our prices are greater than those of

the competition. And here we have two competitors if we want to explain it differently: one is the competition from B Brands, where price differences are substantial and have permanently been substantial, will probably continue to be so in the long term. I mean that if you compare the price of a B Brand by liter with a product as Coca-Cola, the differences are greater than 50% per cubic centimeter or liter. And that is what it is going to probably remain in the long term and it has been this way for many years. With respect to our primary competitor, Pepsi Cola or AmBev brands in the case of Brazil, we have price differences, but smaller. With Pepsi we have a 10%-20% difference which is also a gap that has permanently existed. The same thing happens in Chile and Argentina but to a lesser degree. We believe that the gap will remain; we believe our brand strength is such that it allows us to a higher and differentiating price than Pepsi Cola, always referring to a price per unit case or per liter. That would be my answer.

Sean Glickenhau: Then, have you seen that Pepsi in Brazil is also following price adjustments for example?

Jaime García: Yes, clearly if we have raised prices, we have also seen our competitors raise prices but the gap still remains. They have also undergone the effects of sugar and I believe that they have had to restructure prices but the gap remains.

Sean Glickenhau: Ok, thanks. And second, have you already signed currency hedges for 2010?

Jaime García: The truth is that we have not taken any hedges for 2010. If you talk about currency, our position is that the currencies have tended to rather revalue than devalue, as you have seen what is happening in the markets. So, we have not taken hedges nor do we have currency hedges neither for Chile with respect to the dollar, nor for Brazil nor for Argentina.

Sean Glickenhau: Ok, so it is not something you are thinking about doing given your expectations?

Jaime García: For the moment we do not expect to take hedges.

Sean Glickenhau: Ok, thank you very much.

Rafael Borja: The following question comes from Mr. José Yordan at Deutsche Bank Securities. Go ahead Mr. Yordan.

José Yordan: Good morning. Hello Jaime and everyone. A question on Argentina: it seems to be that the loss in volume to a great extent is due to the fact that last year you had the best quarter, which was the third quarter, but sequentially do you see the Argentine economy worsen in the last months or is it simply an issue of comparables? How do you see the tendency in general without taking into account all these questions on comparability? And the second question was, speaking a little more about hedges; please remind me if you are still completely open in terms of sugar prices in all the countries or if the sugar hedge strategy has specifically changed?

Jaime García: Hello José. With respect to volumes in Argentina, indeed the decrease during the third quarter we believe was as a result of such a positive comparison we had the previous year, where we had a very high growth. In fact, we do not expect a drop in sales volume for the fourth quarter as the one we had during the third quarter. Although everyone knows what happens in Argentina, we believe that volumes will be rather stable in

Argentina for the fourth quarter instead of a fall as the one we had in this quarter. With respect to sugar hedges, or any positions taken, I confirm that we do not have any future sugar purchase position. We believe that sugar tends to lower in the international markets. Therefore, we could hardly have future sugar positions and we are purchasing sugar in the spot market in Chile as well as in Brazil. In Argentina we have advance purchases given internal market issues where it is more difficult to export-import and the markets are less transparent. But, we definitely do not have long term sugar positions.

Jose Yordan: Ok, thanks.

Rafael Borja: The following question comes from Ms. Vanessa Quiroga at Credit Suisse. Go ahead, Ms. Quiroga.

Vanessa Quiroga: Yes thanks. Good day. My question is about possible excise taxes that could be approved in Argentina according to what has been read. Which is your point of view on this? And, secondly, we understand that you are soon to begin operating a juice plant in Argentina, and if you could remind us what juice structure you have in Argentina, if you have a joint venture with Coca-Cola, if production is going to be sold to other bottlers that type of detail thanks.

Jaime García: Hello. Regarding excise tax or the possible excise tax, in fact it exists and it has existed during many years in Argentina. Indeed, there is a project that tries to elevate the amount of the percentage that is effective nowadays. So many things happen in Argentina, it is a very uncertain country that the truth is we do not know clearly what is going to happen. There is no diagnosis capacity nor a very accurate future forecast in the short term in Argentina. Certainly the project exists, we are concerned about the issue, and we are trying to talk with the pertinent authorities, in order to diminish the possibility of any raises. In any case, as a viewpoint, I would answer that, if there is a tax increase, we are going to try to transfer that increase to the consumer. We do not know clearly what is going to happen, when nor how, but if you ask us initially, we would conceptually answer: yes, we will try to pass that on to the consumer by all means. Neither can I answer how much it is going to be nor if it is possible to do it immediately, but it would be clearly our strategy. Now with respect to juices, indeed we are finishing the construction of a juice plant in Argentina, in the city of Cordoba, that is adjacent to our soft drinks plant. That is for two reasons: one because it interests us to be present in the juice market in Argentina, as well as in the case of Chile and Brazil and for that we needed our own production. Until now what we have been doing is to bring juice from Buenos Aires which makes the operation very expensive, and therefore it is not very attractive from Andina's business point of view. So, we made the decision to build a plant and we are going to self-supply our juices and also supply other nearby bottlers. Now, all of this is done in our other franchises, I mean in Chile and in Brazil, with respect to the non-carbonated business, a 50-50 joint venture with The Coca-Cola Company where Coca-Cola has 50% and Andina has the other 50% and we are going to develop the juice market as well as other products we have decided to develop in the Argentine market, as we have in the Brazilian and Chilean markets.

Vanessa Quiroga: Are you going to be initially also selling production to other bottlers? Or do you expect this production to only satisfy the demand within your franchise?

Jaime García: No, we are going to be selling to other bottlers. We expect this plant to begin operating by the end of this year; in fact it is already in the start-up stage. We are going to sell our production beginning December or January, to other bottlers that do not have production capacity and that are also bringing products from Buenos Aires. Therefore, there will be two productive centers in Argentina: one in Buenos Aires and other at our facilities in Córdoba.

Vanessa Quiroga: Ok, so just to be clear on this point, the 50-50 joint venture with Coca-Cola is only with Andina or it includes all other bottlers similar to the structure there is in Mexico?

Jaime García: Coca-Cola has a 50-50 joint venture structure with each one of its bottlers and operations are different in each country. In the case of Brazil it considers all bottlers, in the case of Argentina we are separated, in the case of Chile some businesses are together and some are not. It is the same essence but there is a different operating issue, and the essence is that there will be 50-50 joint venture between Coca-Cola and the bottlers for all products that do not fall within the soft drinks category. For the case of juices in Argentina specifically it is only with Andina, but the idea is to have this structure in place for the whole country and with every bottler whenever it is needed.

Vanessa Quiroga: Ok, so this will allow you to no longer purchase production from Coca-Cola in Buenos Aires like you have been doing?

Jaime García: Exactly. This will allow us to no longer purchase in Buenos Aires and no longer continue paying freight fees that are very expensive; transportation is very expensive from one city to another.

Vanessa Quiroga: Thanks.

Rafael Borja: The following question comes from Mr. Robert Ford at Bank of America/Merrill Lynch. Go ahead Mr. Ford.

Robert Ford: Hello and good morning to all. Jaime, I have a question regarding your expectations on the new collection system that is about to be introduced for soft drinks in Brazil, the *Secovi* system. What expectations do you have? How do you see the implementation timing? Have you already noticed a shift in the behavior of the *Tubainas* anticipating higher collections?

Jaime García: Hello. Well the implementation of the system that you mention is basically focused on avoiding or eliminating tax evasion in Brazil. It is a battle that the Coca-Cola bottlers and other formal bottlers have been facing during several years now in Brazil, and we believe it will render some sort of outcome. We believe it has had some kind of effect and basically it can be measured in terms of market share which has been growing, and most of all we believe it has been pretty stable and long-lasting. Why has this happened? Obviously it has been because of the way we work and the strategies we are carrying out in the market; the other effect is the complexity or greater complexity that the B-brands are facing in order to not pay taxes. In the sense of tax evasions, we believe the correct measures will be applied in the case of Brazil and we wish these would also be implemented in Argentina, where we also believe there is some tax evasion. In any case, we believe it is a good measure and the turnaround will be in the medium term, which is favorable for us and it rewards formal activities such as ours, those that properly pay taxes.

Robert Ford: Does the implementation of the plan still exist or is there a possibility of a delay?

Jaime García: No, the implementation of the plan still exists. Furthermore, I would say that it has already been implemented in other product categories also, not only for soft drinks, which we like very much, it is a permanent fiscal measure in the long term oriented to all tax evaders, not only the excise tax evaders, in the case of soft drinks.

Robert Ford: Thanks.

Rafael Borja: There are no more questions at this time, Mr. García any final comments?

Jaime García: Yes, we just want to thank you for your interest in Embotelladora Andina. As always, our Investor Relation Department, Mrs. Giuliana Gorrini, will be available to answer all of your questions. So thank you for participating and we will be speaking again during the next quarter, God willing, in January. Thank you very much.