



EARNINGS RELEASE

**Quarter Ending
March 30 2015**

1. Highlights for 2015

- During the first quarter of 2015, the Company's revenue was Ch\$130,966 million, a 9.4% increase (Ch\$11,292 million) in comparison to the same quarter of 2014. This increase is mainly due to the higher supplied volumes, the application of tariffs due to the entry into operation of the new potable water safety infrastructure works and the tariff indexations that occurred at the beginning of April and October 2014.
- Costs increased by 16.7% due to higher employee benefits (Ch\$3,292 million) mainly associated with a provision for the early retirement program of Ch\$2,441 million and higher salaries and bonuses associated with the application of consumer price index readjustments. Additionally, the cost of raw materials and consumables increased by Ch\$1,482 million which was mainly caused by the cost of electricity for Ch\$1,790 million. This increase in electricity costs caused by higher tariffs and an increased consumption of Kwh, in addition to the acknowledgement of retroactive charges by the electricity companies. With these increased costs, the Company's EBITDA for the period amounted to Ch\$84,586 million, increasing 5.8% in comparison to the same period in the previous year.
- The financial result generated a loss of Ch\$4,601 million, Ch\$9,053 million less in comparison to the same period in the previous year. This was due to a lower revaluation of readjustable debt in Unidades de Fomento (Indexation Units).
- Tax expenses at the end of the first quarter of 2015 were Ch\$14,328 million, Ch\$5,281 million higher in comparison to the same period of the previous year. This variation is mainly justified by higher earnings before taxes of Ch\$12,147 million and by the change in the tax rate increasing from 21% to 22.5% due to the Tax Reform which is in force since September 2014.
- Net income as of March 31 2015 amounted to Ch\$47,594 million, Ch\$6,698 million higher (16.4% increase) in comparison to the same period of the previous year.

2. Operating Results

Income Statement (Ch\$ millions)	Mar. 15	Mar. 14	% Var.	2015 / 2014
Revenues	130,966	119,674	9.4%	11,292
Operating Costs & Expenses	-46,380	-39,746	16.7%	-6,634
EBITDA	84,586	79,928	5.8%	4,658
D&A	-16,903	-15,648	8.0%	-1,255
Operating Income (EBIT)	67,683	64,280	5.3%	3,403
Financial Result*	-4,601	-13,654	-66.3%	9,053
Tax Expenses	-14,328	-9,047	58.4%	5,280
Net Income	47,594	40,896	16.4%	6,698

*Includes financial revenue, financial costs, exchange rate differences and results due to indexation units

2.1. Revenue Analysis

	Mar. 15		Mar. 14		Variation	
	Sales		Sales		Ch\$ millions	
	MM\$	% of Rev.	MM\$	% of Rev.	millions	%
Potable Water	56,907	43.5%	51,721	43.2%	5,186	10.0%
Sewage	58,951	45.0%	54,652	45.7%	4,299	7.9%
Other Regulated Revenue	4,349	3.3%	2,434	2.0%	1,915	78.7%
Non-Regulated Revenue	10,759	8.2%	10,867	9.1%	-108	-1.0%
Total	130,966	100.0%	119,674	100.0%	11,292	9.4%

Sales Volume (Th. m³)	Mar. 15	Mar. 14	% Var.	Difference
Potable Water	161,246	160,305	0.6%	941
Sewage Collection	152,729	152,477	0.2%	252
Sewage Treatment & Disposal	130,859	130,548	0.2%	311
Interconnections *	35,869	36,325	-1.3%	-456

Customers	Mar. 15	Mar. 14	% Var.	Difference
Potable Water	2,112,605	2,061,478	2.5%	51,127
Sewage Collection	2,059,782	2,010,307	2.5%	49,475

* Interconnections include the Treatment and Disposal of Sewage from other Sanitation Companies

Regulated Business

1. Potable Water

Potable water revenues during the first quarter of 2015 totaled Ch\$56,907 million, a Ch\$5,186 million increase in comparison to the same period of the previous year. The higher level of revenue was caused in part by higher potable water sales volumes billed during 2015, which was 0.6% higher than in 2014. In addition to this, there was a higher average tariff due to the application of new tariffs. These new tariffs include the potable water safety infrastructure works that were incorporated in March 2014 and the inflation indexations that were registered at the beginning of April and October 2014 that adjust the tariffs associated to the variations of the existing polynomial.

2. Sewage

Revenues from sewage during the first quarter of 2015 reached Ch\$58,951 million, exhibiting an increase of 7.9% in comparison to the Ch\$54,652 million registered in the same period of the previous year. The Ch\$4,299 million increase was due to an increased sales volume (0.3 million m³) and a higher average tariff due to the tariff indexations registered at the beginning of April and October 2014.

3. Other Regulated Revenue

This segment had a Ch\$1,915 million increase mainly due to higher revenues generated by fixed charges charged to clients due to the indexations that occurred in the period and the increase in the number of clients served. There was also an increased revenue provision of revenues for non-billed consumption.

Non-Regulated Revenue

Non-Regulated revenues decreased by Ch\$108 million during the first quarter of 2015 in comparison to the same quarter of the previous year. This variation was explained by:

1. Sanitation Services

An increase of Ch\$675 million mainly due to a higher number of requested works by clients in addition to higher engineering services, compensated with lower insurance reimbursements and less agreements with real estate developers.

2. Non-Sanitation Services

A decrease of Ch\$783 million which is mainly explained by lower activity in Gestión y Servicios S.A. and in Anam S.A.

(Ch\$ millions)	Mar. 15	Mar. 14	Var. %
Gestión y Servicios S.A.	1,701	2,194	-22.4%
EcoRiles S.A.	2,960	2,980	-0.7%
Anam S.A.	659	906	-27.3%
Aguas del Maipo S.A.	159	182	-12.9%
Non-regulated, non-sanitation products	5,479	6,262	-12.5%

2.2. Cost Analysis

Raw Materials and Consumables Used

As of March 31 2015, the cost of raw materials and consumables used totaled Ch\$8,729 million, an increase of Ch\$1,482 million in comparison to that obtained in the first quarter of 2014. The increase in these costs is due mainly to the cost of electricity of Ch\$1,790 million. The increase in electricity costs is due to higher tariffs and a higher consumption of Kwh in addition to the acknowledgement of retroactive charges by the electricity companies.

The latter is partially compensated by the decrease in the cost of sales of Gestión y Servicios S.A. of Ch\$331 million, due to a lower level of activity.

Personnel Expenses

At the end of the first quarter of 2015, personnel expenses amounted to Ch\$13,164 million, Ch\$3,292 million higher than the same quarter of the previous year. This was explained by a provision associated with an early retirement program for Ch\$2,441 million, in addition to higher salaries and bonuses associated to inflation adjustments.

Depreciation and Amortization Expenses

As of March 31 2015, depreciation and amortization totaled to Ch\$16,902 million, Ch\$1,255 million higher than that obtained in the same period of 2014. This increase was mainly due to the new investments that were incorporated during the period.

Other Expenses

At the end of the first quarter of 2015, these expenses totaled Ch\$24,486 million, a Ch\$1,859 million increase to that obtained in the same period of 2014. This was explained due to higher operating costs of the sewage treatment plants due to higher volume treated (Ch\$218 million), an increase in network maintenance (Ch\$403 million), compound and equipment maintenance (Ch\$414 million), higher client service expenses (Ch\$226 million) and higher Communications and Advertisement expenses (Ch\$218 million).

2.3. Analysis of Financial and Other Results

Financial Income

At the end of the first quarter of 2015, financial income amounted to Ch\$1,431 million, a Ch\$44 million increase to that obtained in the same quarter of 2014. This is explained by higher client debt interests.

Financial Costs

At the end of the first quarter of 2015, financial costs totaled Ch\$6,604 million, a Ch\$164 million decrease in costs to those obtained in the same period of 2014. The latter is explained by lower bond interest and lower bank loan interest. The decrease in bond interest is due to, in part, because of the prepayment of Bond Series F (4.15% interest rate) and the refinancing of this bond with Bond Series W (3.16% interest rate) that occurred in 2014. The decrease in bank loan interest is due to a lower TAB rate in comparison to the previous year.

Results from Indexation

At the end of the first quarter of 2015, results from indexation reached Ch\$566 million, determined by a lower expense of Ch\$8,830 million in comparison to the same period in 2014, this is mainly due to a lower debt revaluation due to a lower variation of the UF (indexation units) in comparison to the first quarter of 2014.

Expense (Income) due to Income Tax

The provision for income taxes at the end of the first quarter of 2015 totaled Ch\$14,328 million, Ch\$5,281 million higher in comparison to the same period of the previous year. This variation is justified mainly by higher earnings before taxes of Ch\$12,147 million and due to the change in tax rate from 21% to 22.5% due to the Tax Reform.

Net Income

Net income as of March 31 2015 amounted to Ch\$47,594 million, Ch\$6,698 million higher (16.4%) than that obtained in the first quarter of 2014.

3. Balance Sheet

	Mar. 15	Dec. 14	
	Ch\$ million	Ch\$ million	% Var.
Assets			
Current Assets	140,087	127,111	10.2%
Long-Term Assets	1,479,224	1,479,361	0.0%
Total Assets	1,619,311	1,606,472	0.8%
Liabilities & Shareholder's Equity			
Current Liabilities	133,674	176,506	-24.3%
Long-Term Liabilities	770,468	763,568	0.9%
Total Liabilities	904,142	940,074	-3.8%
Shareholder's Equity	658,358	610,764	7.8%
Minority Interest	56,811	55,634	2.1%
Total Shareholder's Equity	715,169	666,398	7.3%
Total Liabilities & Shareholder's Equity	1,619,311	1,606,472	0.8%

Assets

Aguas Andinas' consolidated total assets as of March 31 2015 had an increase of 0.8% in comparison with December 31 2014, going from Ch\$1,606,472 million to Ch\$1,619,311 million.

Current assets increased by Ch\$12,976 million, mainly due to an increase of Ch\$15,869 million in trade and other accounts receivable. This increase in trade and other accounts receivable was due to the seasonality of the sales cycle, the payment record of the bond capital and interest pre-payment which took place in April of this year (Ch\$10,255 million), and the pre-payment of works for the Mapocho Trebal Plant expansion (Ch\$ 4,200 million). This was compensated by a decrease of Ch\$8,336 million in cash and cash equivalents.

Long-term assets decreased by Ch\$137 million, mainly due to an increase of Ch\$16,903 million in depreciation and amortization, compensated by higher investments of Ch\$16,357 million.

The following were the main investments during the period:

Investments (Ch\$ millions)	Mar.15
Preventive renovation of Sewerage Network	2,616
Improvement in Filtration Systems in the Vizcachas Plant	1,346
Improvements in the Potable Water Distribution Network	1,051

Liabilities & Shareholder's Equity

Total liabilities as of March 2015 decreased by 3.8% (Ch\$35,932 million) in respect to December 2014.

Current liabilities decreased by Ch\$42,832 million. This variation was mainly due to the payment of interim dividends that occurred in January 2015.

Long-term liabilities increased by Ch\$6,900 million (0.9%). The main variations were due to an increase in Promissory Notes of Ch\$3,900 million, in addition to higher bank debt of Ch\$2,379 million.

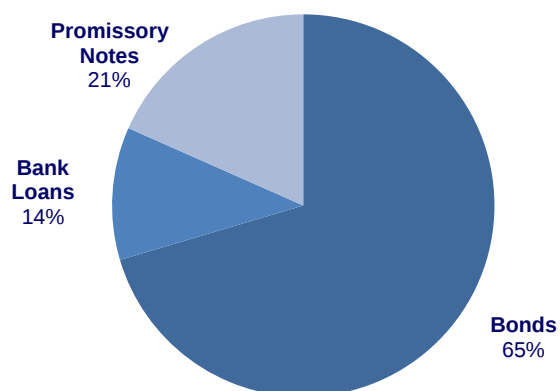
Total shareholders' equity increased by Ch\$48,771 million and the net equity attributable to the controllers increased by Ch\$47,594 million, essentially explained by the earnings of the period.

The table below outlines the amortization profile of consolidated debt as of March 31, 2015 (figures include only capital in millions of Ch\$):

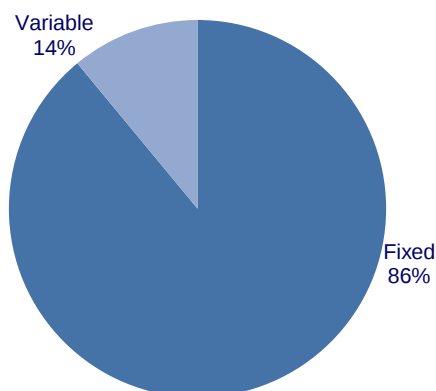
	Currency	Total	1 - 12 months	1 - 3 years	3 - 5 years	more than 5 years
Bonds	UF	481,453	29,991	56,288	38,532	356,642
Bank Debt	\$	104,916	12,015	9,382	59,359	24,160
Promissory Notes	UF	157,474	3,304	34,080	22,850	97,240
Total		743,843	45,310	99,750	120,741	478,042

Financial Liabilities Structure

Composition By Instrument Type



Composition By Rate Type



4. Consolidated Cash Flows

Cash Flow Statement (Ch\$ millions)	Mar. 15	Mar. 14	% Var.
Net Cash Flow from Operating Activities	63,583	65,966	-3.61%
Net Cash Flow from Investing Activities	-25,226	-22,577	11.73%
Net Cash Flow from Financing Activities	-46,693	-75,727	-38.34%
Total Net Cash Flow for the Period	-8,336	-32,338	-74.22%
Closing Balance of Cash & Cash Equivalents	17,866	6,321	182.66%

The net cash flow from operating activities decreased by Ch\$2,383 million, when comparing March 2015 to March 2014.

The main variations were as follows:

- An increase of Ch\$7,513 million in cash receipts from sales of goods and services mainly due to higher volumes sold and a higher average tariff.
- An increase of Ch\$7,541 million in supplier payments due to an increase in cubic meters treated in the Sewage Treatment Plants and an increase in maintenance and repairs of the potable water network.
- An increase of Ch\$1,212 million in interest paid due to bank loans.
- An increase of Ch\$1,623 million in income taxes due to the change in tax rate for the 2014-2015 period due to the Tax Reform of 2014.

The disbursement for investment activities increased by Ch\$2,649 million mainly due to an advancement of the construction for the civil works for the extension of the Mapocho Plant and the Hydraulic Efficiency Plan for the Group's network.

Financing activities generated a variation of net cash flow (decrease) of Ch\$29,034 due to the payment of Bond Series G for UF (indexation units) 2.5 million last year. This was partially compensated by a decrease in bank loans for Ch\$26,541 million.

5. Financial Ratios

		Mar. 15	Dec. 14
Liquidity			
Current Ratio	times	1.05	0.72
Acid Test Ratio	times	0.13	0.15
Leverage			
Total Leverage	times	1.26	1.41
Current Leverage	times	0.15	0.19
Long-term Leverage	times	0.85	0.81
Interest Coverage Ratio	times	6.24	5.82
Return			
ROE	%	19.17	19.38
ROA	%	7.80	7.58
Earnings Per Share	Ch\$	20.61	19.52
Dividend Yield*	%	5.35	5.51

Current Ratio: Currents Assets / Current Liabilities.

Acid Test Ratio: Cash and Cash Equivalents / Current Liabilities.

Total Leverage: Total Liabilities / Total Shareholders' Equity.

Current Leverage: Current Liabilities / Total Liabilities.

Long-Term Leverage: Long-Term Liabilities / Total Liabilities.

Interest Rate Coverage: Net Income before Taxes / Financial Costs.

ROE: Net Income / Average Assets.

ROA: Net Income / Average Assets.

Earnings per Share: Net Income / Total Shares.

Dividend Yield: Dividends Paid / Share Price.

*Share price as of March 31, 2015 was \$361.79. As of December 31, 2014, the share price was \$351.31.

As of March 2015, the current ratio had an increase of 45.8% due to a decrease in current liabilities of Ch\$42,832 million (24.3%), compensated by an increase in current assets of Ch\$12,976 million (10.2%) in comparison to December 2014. The main variations in current assets are explained by a decrease of Ch\$8,336 million in cash and cash equivalents compensated by an increase of Ch\$15,869 million in trade and other accounts receivable. The latter is explained by the seasonality of the sales cycle, whilst the current liabilities decreased due to the payment of Bond Series G for UF 2.5 million and a decrease of Ch\$20,912 million in trade and other accounts payable and of Ch\$21,803 million in accounts payable to related companies.

Total leverage decreased by 10.4% due to a decrease in total liabilities of Ch\$35,932 million due to a decrease of Ch\$20,912 million in trade and other accounts payable and a decrease of Ch\$21,803 million in accounts payable to related companies. The latter is partially compensated by the payment of Bond Series G and F for 2.5 and 3.3 million UF respectively. On the other hand, total shareholder equity had an increase of Ch\$48,771 million due to the earnings of the period.

The annualized return on equity attributable to the controller decreased by 1.1% due to an increase in average equity of Ch \$41,638 million and an increase, in smaller proportion, of Ch\$6,697 million in annualized earnings as of March 2015 in comparison to 2014.

5. Other Information

Tariffs

The most important factor that determines the Company's results of operations and financial condition are the tariffs set for regulated services. As a water utility, the Company is regulated by the SISS, and our tariffs are set in accordance with the tariff law DFL No. 70 of 1988.

Tariffs are reviewed and set every five years and are adjusted in the interim period based on a polynomial index. The accumulated variation of the polynomial index must reach 3.0% or higher to produce a tariff adjustment. The polynomial index includes various inflation indices, specifically the Consumer Price Index (IPC), the Imported Goods of the Manufacturing Sector Price Index (IPBIM) and the Manufacturing Producers Price Index (IPPIM). These indices are all published by the National Institute of Statistics (INE).

The latest adjustments for tariff indexations for each group/company were applied on the following dates:

Aguas Andinas S.A.:

Group 1	September 2013, March 2014 (tariff adjustment for new security works), April, and October 2014
Group 2	September 2013, April, and October 2014

Aguas Cordillera S.A.:	August 2013, April, and October 2014
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Aguas Manquehue S.A.:

Santa María	July 2013, January 2014, July 2014, and March 2015
Chicureo	August 2013, March 2014 and September 2014
Chamisero	July 2012, March 2014, and March 2015
Valle Grande 3	July 2012, March 2014, and March 2015

Essal S.A.:

Group 1	December 2013, April 2014, and October 2014
Group 2	December 2013, April 2014, and October 2014
Group 3	December 2013, April 2014, and October 2014
Chinquihue	August 2013, February, and September 2014
Los Alerces	April 2013, January, and September 2014

In addition, tariffs may also be adjusted when additional services/investments become operational. These adjustments are previously authorized by the SISS. Tariffs may also be adjusted if changes in tax rates are made.

Current tariffs for Aguas Andinas S.A. for the 2010-2015 period were approved by Decree No. 60 dated February 2, 2010 by the Ministry of Economy, Development and Reconstruction and were applied beginning March 1, 2010. Current tariffs for Aguas Cordillera S.A. and Aguas Manquehue S.A. were approved by Decrees No. 176, on June 8, 2010, and No. 170, on May 20, 2010, respectively. Essal S.A. concluded its last tariff negotiation process in 2011 for the 2011-2016 period, and new rates were approved by Decree No. 116, on August 31, 2011.

To this date, the new tariff decrees for Aguas Andinas S.A., Aguas Cordillera S.A. y Aguas Manquehue S.A., for the 2015-2020 period are in the process of being published, after the respective agreements arrived at with the Superintendence of Sanitation Services, in their respective tariff setting processes.

Market Risk

Due to the stable nature of the water utility industry, there is low market risk. Operational results follow a seasonal pattern and may vary from quarter to quarter. The highest levels of demand and revenues are registered during the summer months (December to March) and lower levels of demand and revenues during the winter months (June to September). In general, demand for water is higher in warmer months, mainly due to the additional water needs caused by irrigation and other outdoor water uses.

Adverse weather conditions could potentially affect optimal delivery of services, because the processes of extracting and producing drinking water depend largely on weather conditions that develop in watersheds. Climate factors such as rainfall, snow, hail, temperature and moisture as well as other factors such as sediment and water levels in rivers determine not only the quantity, quality and continuity of raw water available at each intake point, but also determine the probability that water is properly treated in the water treatment plants.

In the event of prolonged drought, the Company has significant reserves of water that in the El Yeso, Laguna Negra and Lo Encañado reservoirs. Additionally the Company has developed contingency plans to mitigate the effects from adverse climate conditions that could affect our operations. The Metropolitan Region has been affected by drought conditions since 2010. The Company has implemented several contingency plans such as the purchase raw water, increase use of wells and the lease and purchase of water rights, among other measures to reduce the impact of the drought and provide continue to provide quality, timely services.

Market Analysis

The market in which the Company participates has not varied given that by the nature of its services and under current legislation, it has no competition in its concession area.

Aguas Andinas S.A. has 100% service coverage in drinking water, 98.7% service coverage in sewage collection and 100% service coverage in sewage treatment.

Aguas Cordillera S.A. has 100% service coverage in drinking water, 98.7% service coverage in sewage collection and 100% service coverage in sewage treatment.

Aguas Manquehue S.A. has 100% service coverage in drinking water, 99.3% service coverage in sewage collection and 100% service coverage in sewage treatment.

Essal S.A. has 100% service coverage in drinking water, 95.4% service coverage in the X Region and 91.1% in the XIV Region of sewage collection and 100% service coverage in sewage treatment.

Capital Investments

One of the variables that influence the results of the operations and the financial condition of the Company are capital investments. There are two types:

Committed Investments: The Company has the obligation to agree on an investment plan with the industry regulator (S.I.S.S). The investment plan outlines investments that will be made in the subsequent 15-year period. Specifically, the plan includes certain projects related to maintaining certain quality standards and service coverage. The investment plan is subject to review every five years, and amendments may be made given certain circumstances.

Committed investments include several projects related to sewage treatment such as the construction of the Mapocho Urban Treatment Plan (MUL), in operation since 2010, the Mapocho Sewage Treatment Plant and the La Farfana-El Trebal Connector. These investments were important milestones in achieving the goal of 100% sewage coverage treatment, which was reached in 2013. There are additional important committed investments developed to increase network autonomy such as: additional storage tanks, with the most relevant tank being one built at the Las Vizcachas plant which will have a capacity of 160,000 m³; the CAYA project which will connect the El Yeso reservoir with the Azulillos sector (capacity of 4.0 m³/s; length of connection is 5km); and additional drilling in the Cerro Negro area to increase capacity (500 l/s). These investments aimed to improve the quality and availability of water, especially in emergencies.

Dates of approval and dates of updates to the investment plan for the Aguas Group:

Aguas Andinas S.A.

Gran Santiago: May 16 2011

Other Areas: September 12 2012, April 5 2013, September 26 2013, December 31 2014 and January 12 2015.

Aguas Cordillera S.A.

Aguas Cordillera and Villa Los Dominicos: October 18 2011

Aguas Manquehue S.A.

Santa María and Los Trapenses: December 23 2014

Chicureo, Chamisero, and Valle Grande III: December 29 2011

Alto Lampa: November 22 2013

Essal S.A.

X and XIV Region: December 30 2010

Uncommitted Investments: Uncommitted investments are those investments that are not included in the committed investment plan that the Company chooses to carry out voluntarily to ensure the quality of services and to replace obsolete assets. These investments are generally related to the replacement of network infrastructure and other assets, the acquisition of certain water rights and investments in unregulated businesses, among others.

According to IAS 23 of the International Financial Reporting Standards (IFRS), the current accounting standard in Chile, interest on capital investments is capitalized during the construction phase. IAS 23 outlines that when a company acquires debt in order to finance investments, the interest on that debt must be subtracted from financial expenses and incorporated into the financed construction project, for up to the full amount of interest. Consequently, the financial costs associated with our capital investment plan affects the amount of financial expenses recorded in the income statement. These financial costs are recorded along with ongoing works in the line item Property, Plant and Equipment of the balance sheet.

Financial Aspects

Currency Risks: Our revenues are largely linked to the evolution of the local currency (Chilean peso). Because of this factor, the Company's debt is mainly denominated in Chilean pesos or financial instruments linked to the Chilean peso, specifically the UF. As a result, the Company does not significant risk of foreign currency transactions.

Interest Rate Risk: As of March 31, 2015, the Company's interest rate profile consisted of 85.9% fixed rate and 14.1% variable rate. The fixed rate debt includes short-term and long-term bonds (75.4%) and promissory notes (24.6%), while the variable rate debt includes bank debt with local financial institutions.

As of March 30, 2014, the Company's interest rate profile consisted of 87.0% fixed rate and 13.0% variable rate. The fixed rate debt includes short-term and long-term bonds (79.7%) and promissory notes (20.3%), while the variable rate debt includes bank debt with local financial institutions.

The company has a policy of monitoring and managing its interest rate, with the aim of optimizing the cost of financing. It continuously evaluates available hedging instruments in the financial market.

This favorable situation has meant that the local rating agencies have assigned the Company a solvency rating of AA+. In the case of our stocks, Fitch and ICR have assigned us a rating of first class Level 1 for series A and first class series 4 for series B.