



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**For the period ended March 31, 2015 and
2014**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AGUAS ANDINAS S.A. AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position
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Interim Consolidated Statements of Financial Position
As of March 31, 2015 and December 31, 2014
(Thousands of Chilean pesos - ThCh\$)

ASSETS	Note	31-03-2015 ThCh\$	31-12-2014 ThCh\$
CURRENT ASSETS			
Cash & cash equivalents	7	17,865,673	26,202,154
Other financial assets	8	490,000	0
Other non-financial assets		18,1807	1,020,792
Trade debtors & other accounts receivable	8	110,428,060	94,559,029
Accounts receivable from related entities	9	5,383,820	70,629
Inventories	10	3,925,641	3,902,943
Tax assets		1,811,782	1,355,008
Total current assets other than assets or groups of assets for disposal classified as held for sale or held to be distributed to the owners		140,086,783	127,110,555
TOTAL CURRENT ASSETS		140,086,783	127,110,555
NON-CURRENT ASSETS			
Other financial assets	8	7,559,679	7,413,197
Other non-financial assets		997,085	685,964
Receivables	8	2,143,214	2,197,980
Intangible assets other than goodwill	11	231,747,997	232,174,750
Goodwill	12	36,233,012	36,233,012
Property, plant & equipment	13	1,188,265,231	1,188,402,068
Deferred tax assets	23	12,277,922	12,254,100
TOTAL NON-CURRENT ASSETS		1,479,224,140	1,479,361,071
TOTAL ASSETS		1,619,310,923	1,606,471,626

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Financial Position
As of March 31, 2015 and December 31, 2014
(Thousands of Chilean pesos - ThCh\$)

EQUITY AND LIABILITIES	Note	31-03-2015 ThCh\$	31-12-2014 ThCh\$
CURRENT LIABILITIES			
Other financial liabilities	8	53,472,693	56,680,231
Trade creditors & other accounts payable	8	62,412,282	83,324,297
Accounts payable to related entities	9	7,680,776	29,483,847
Other provisions	15	565,394	591,098
Tax liabilities		4,482,606	1,394,707
Provisions for employee benefits	19	3,573,575	4,310,289
Other non-financial liabilities		1,486,587	721,107
Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale		133,673,913	176,505,576
TOTAL CURRENT ASSETS		133,673,913	176,505,576
NON-CURRENT LIABILITIES			
Other financial liabilities	8	704,558,627	698,421,729
Other provisions	15	1,183,338	1,187,618
Deferred tax liabilities	23	42,814,050	42,486,184
Other accounts payable	8	1,704,543	1,684,433
Provisions for employee benefits	19	12,401,796	11,982,471
Other non-financial liabilities	8	7,805,754	7,805,844
TOTAL NON-CURRENT LIABILITIES		770,468,108	763,568,279
TOTAL LIABILITIES		904,142,021	940,073,855
EQUITY			
Issued capital		155,567,354	155,567,354
Accumulated earnings		344,691,678	297,097,777
Accounting issues		164,064,038	164,064,038
Other equity participations		-5,965,550	-5,965,550
Equity attributable to owners of the controller		658,357,520	610,763,619
Non-controller participations	4	56,811,382	55,634,152
TOTAL EQUITY		715,168,902	666,397,771
TOTAL EQUITY AND LIABILITIES		1,619,310,923	1,606,471,626

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Results by Nature
As of March 31, 2015 and 2014
(Thousands of Chilean pesos - ThCh\$)

Statement of results by nature	Note	31-03-2015	31-03-2014
Statement of results		ThCh\$	ThCh\$
Revenues from ordinary activities	17	130,965,597	119,673,732
Raw materials & consumables used		-8,729,348	-7,246,868
Employee benefit expenses	19	-13,164,019	-9,872,074
Charges for depreciation & amortization	11-13	-16,902,658	-15,647,587
Other expenses, by nature	21	-24,486,409	-22,627,049
Other gains (losses)	5	16,980	326,076
Financial income	5	1,430,636	1,386,640
Financial costs	5	-6,604,343	-6,768,055
Exchange differences	20	6,192	-8,320
Results of indexation adjustments		566,271	-8,264,429
Earnings before taxes		63,098,899	50,952,066
Charge for income taxes	23	-14,327,768	-9,047,230
Earnings from continuing operations		48,771,131	41,904,836
Earnings		48,771,131	41,904,836
Earnings attributable to owners of the controller			
Earnings attributable to non-controller participations		47,593,901	40,896,473
Earnings (losses) attributable to non-controller participations	4	1,177,230	1,008,363
Earnings		48,771,131	41,904,836
Earnings per share			
Basic earnings per share from continuing operations		7.78	6.68
Basic earnings per share	24	7.78	6.68

STATEMENT OF COMPREHENSIVE RESULTS		31-03-2015	31-03-2014
		ThCh\$	ThCh\$
Earnings		48,771,131	41,904,836

OTHER COMPREHENSIVE RESULT			
Comprehensive result attributable to			
Result attributable to owners of the controller		47,593,901	40,896,473
Result attributable to non-controller participations	4	1,177,230	1,008,363
Total comprehensive result		48,771,131	41,904,836

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Direct Cash Flows
As of March 31, 2015 and 2014
(Thousands of Chilean pesos - ThCh\$)

Statement of direct cash flow	Note	31-03-2015 ThCh\$	31-03-2014 ThCh\$
Proceeds classes from operating activities		151,667,788	144,697,734
Proceeds of sales of goods & services		151,427,147	143,914,330
Proceeds of insurance claims & annuities		69,382	298,282
Other proceeds from operating activities		171,259	485,122
Payment classes from operating activities		-69,162,713	-63,142,831
Payments to suppliers of goods & services		-40,807,097	-33,266,248
Payments to & on behalf of employees		-14,453,898	-13,852,622
Payments of insurance premiums & other obligations		-46,008	-22,352
Other operating activity payments		-13,855,710	-16,001,609
Cash flow from (used in) operating activities		-18,921,952	-15,589,090
Interest paid		-8,106,812	-6,894,806
Interest received		99,488	311,021
Income taxes refunded (paid)		-10,185,224	-8,562,470
Other cash inflows (outflows)		-729,404	-442,835
Cash flow from (used in) operating activities		63,583,123	65,965,813
Proceeds of sales of property, plant & equipment		5,125	306,685
Purchases of property, plant & equipment		-25,393,475	-21,996,356
Purchases of intangible assets		-10,970	-7,253
Interest received		288,917	0
Other cash inflows (outflows)		-115,904	-880,070
Cash flow from (used in) investment activities		-25,226,307	-22,576,994
Proceeds of long-term loans		4,676,761	22,483,601
Proceeds of short-term loans		0	8,734,366
Loan proceeds from financing activities		4,676,761	31,217,967
Loan repayments		-10,346,731	-68,817,319
Dividends paid		-41,023,327	-38,127,851
Cashflows from (used in) financing activities		-46,693,297	-75,727,203
Increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		-8,336,481	-32,338,384
Net increase (decrease) in cash and cash equivalents		-8,336,481	-32,338,384
Cash and cash equivalents at start of the period		26,202,154	38,658,981
Cash and cash equivalents at end of the period	7	17,865,673	6,320,597

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

**Statement of Changes in Net Equity
As of March 31, 2015 and 2014
(Thousands of Chilean pesos - ThCh\$)**

Statement of changes in equity	Note	Issued capital	Accounting issues	Other participations in equity	Accumulated earnings (losses)	Equity attributable to owners of the controller	Non-controller participations	Total equity
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Initial balance as of 01-01-2015		155,567,354	164,064,038	-5,965,550	297,097,777	610,763,619	55,634,152	666,397,771
Comprehensive result								
Earnings					47,593,901	47,593,901	1,177,230	48,771,131
Total changes in equity		0	0	0	47,593,901	47,593,901	1,177,230	48,771,131
Closing balance as of 31-03-2015	3.4	155,567,354	164,064,038	-5,965,550	344,691,678	658,357,520	56,811,382	715,168,902

Statement of changes in equity	Note	Issued capital	Accounting issues	Other participations in equity	Accumulated earnings (losses)	Equity attributable to owners of the controller	Non-controller participations	Total equity
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Initial balance as of 01-01-2014		155,567,354	164,064,038	-5,965,550	302,875,246	616,541,088	61,127,562	677,668,650
Comprehensive result								
Earnings					40,896,473	40,896,473	1,008,363	41,904,836
Total changes in equity		0	0	0	40,896,473	40,896,473	1,008,363	41,904,836
Closing balance as of 31-03-2014	3.4	155,567,354	164,064,038	-5,965,550	343,771,719	657,437,561	62,135,925	719,573,486

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AGUAS ANDINAS S.A.



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GENERAL INFORMATION

Aguas Andinas S.A. (hereinafter the "Society") and its subsidiaries make up the Group Aguas Andinas (hereinafter the "Group"). Its legal domicile is Avenida Presidente Balmaceda 1398, Santiago, Chile and its tax number is 61.808.000-5.

Aguas Andinas S.A. was formed as open corporation by deed on May 31, 1989 in Santiago by the notary public Mister Raúl Undurraga Laso. An extract of the statute was published on the Official Journal of the day Jun, 10 1989, being registered in the Commercial Register as 13,981, Number 7,040 of 1989 of the Conservative Real Estate of Santiago.

The Society's corporate purpose, in accordance with the second article of its by-laws, is the provision of sanitation services, which includes the construction and exploitation of public services, for producing and distributing drinking water and gather and provide waste water. Its current concession area is distributed in the Great Santiago and peripheral locations.

The Society is matrix of three sanitation companies, two of them in the Great Santiago (Aguas Cordilleras S.A. and Aguas Manquehue S.A.) and the other one in the district of Los Ríos and Los Lagos (Empresa de Servicios Sanitarios de Los Lagos S.A., ESSAL). To provide an integral service in its business, the Society has non-sanitation subsidiaries giving services as liquid industrial waste treatment (Ecoriles S.A.), laboratory analysis (Análisis Ambientales S.A.) and commercialization of materials and other services related to the sanitary sector (Gestión y Servicios S.A.) and perform activities associated with water use and energy projects resulting from facilities and goods of sanitary companies (Aguas del Maipo).

The Society and its subsidiary Essal are registered in the Securities Register of the Superintendence of Securities and Insurance with the Number 346 and 524, respectively. The subsidiaries Aguas Cordilleras S.A. and Aguas Manquehue S.A. are registered in the reporting entities Register of the Superintendence of Securities and Insurance with the Number 170 and 2, respectively. As companies of the sanitation sector, they are regulated by the Superintendence of Sanitary Services in accordance with the Law 18.902 of 1989 and the Decrees having the Force of Law 382 and 70, both of 1988.

For the purposes of preparing the interim consolidated financial statements, it is understood that there exists a group when the matrix has one or more subsidiaries entities, being these which the matrix has control directly or indirectly. The accounting policies applied in the elaboration of the interim consolidated financial statements of the Group, are developed in the Note 2.2.

Direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), anonymous society which in turn is controlled by Sociedad General Aguas Barcelona S.A. ("Agbar"), entity located in Spain and one of the major operators of sanitation services in the world, which in turn is controlled by Suez Environment (France), being GDF (France) the major shareholder of it.



2. BASES OF PREPARATION AND ACCOUNTING POLICIES

2.1 Preparation

These interim consolidated financial statements as of March 31, 2015 have been prepared in accordance with instructions and standards issued by the Superintendence of Securities and Insurance (SVS), which are composed of the International Financial Reporting Standards (IFRS), and what is established in Circular 856 of October 17, 2014 that instructs the auditees, register in the respective period against equity the differences in assets and liabilities for deferred taxes that have occurred as a direct effect of the increase in the corporate income tax rate introduced by Law 20,780 with specific standards issued by the SVS. Consequently, these financial statements have not been prepared in accordance to IFRS.

These interim consolidated financial statements faithfully reflect the financial position of Aguas Andinas S.A. and subsidiaries as of March 31, 2015 and December 31, 2014, the result of operations, changes in net equity and cash flows for periods ended March 31, 2015 and 2014.

The Group complies with all the legal conditions of the environment in which it carries on its business, particularly the sanitation subsidiaries with respect to the sanitation sector regulations. The Group companies operate normally in every area of their activities, projecting a profitable operation and able to access the financial system for financing their businesses which, in the management's opinion, determines its ability to continue as an ongoing company, as established by the accounting standards under which these interim consolidated financial statements are issued.

Functional and presentational currency

The financial statements of each of the Group's entities are shown using the currency of the principal economic environment in which those companies operate (functional currency). For the purposes of the interim consolidated financial statements, the results and financial position of each Group company are shown in Chilean pesos (rounded to thousands of pesos), which is the functional currency and the presentational currency of the Society and its subsidiaries for the interim consolidated financial statements.

New accounting pronouncements

a) As of the date of these financial statements, the application has begun of IFRS 10, 12, IAS 27, 32, 36, 39 and IFRIC 21, which have been analyzed by the management which has determined that these do not affect the presentation and disclosures of the interim consolidated financial statements.

b) The following new standards and interpretations have been issued but are not yet applicable:



New interpretations and amendments	Date of mandatory application
IFRS 9, Financial instruments, clasification and measurement	Annual periods starting or after January 1, 2018
IFRS 14, Regulatory Deferral Accounts	Annual periods starting or after January 1, 2016
IFRS 15, Revenue from Contracts with Customers	Annual periods starting or after January 1, 2017

Improvements and modifications	Date of mandatory application
IAS 16, Property, Plant & Equipment	Annual periods starting or after January 1, 2016
IAS 38, Intangible Assets	Annual periods starting or after January 1, 2016
IAS 41, Agriculture	Annual periods starting or after January 1, 2016
IFRS 11, Joint Arrangements	Annual periods starting or after January 1, 2016
IAS 27, Separate Financial Statements	Annual periods starting or after January 1, 2016
IAS 28, Investments in Associates and Joint Ventures	Annual periods starting or after January 1, 2016
IFRS 10, Consolidated Financial Statements	Annual periods starting or after January 1, 2016
IRFS 5, Non-current Assets Held for Sale and Discontinued Operations	Annual periods starting or after January 1, 2016
IFRS 7, Financial Instruments: Disclosures	Annual periods starting or after January 1, 2016
IFRS 12, Disclosure About Participation in other entities	Annual periods starting or after January 1, 2016
IAS 1, Presentation of Financial Statements	Annual periods starting or after January 1, 2016
IAS 34, Interim Financial Information	Annual periods starting or after January 1, 2016

The management of the Society and its subsidiaries are analyzing the eventual impact of the above-mentioned standards and amendments on the Group's consolidated financial statements.

Responsibility for the information and estimates made

The information contained in these interim consolidated financial statements is the responsibility of the board of the Society, which states that all the principles and criteria included in International Financial Reporting Standards (IFRS) and the instructions imparted by the SVS. The board on meeting held on May 27, 2015, approved these interim consolidated financial statements.

The interim consolidated financial statements of Aguas Andinas S.A. and subsidiaries for the period 2014 were approved by the board at its meeting held on March 25, 2015.

Estimates such as the following have been used in the preparation of the interim consolidated financial statements:

- Useful lives of fixed assets and intangible assets



- Valuation of assets and goodwill
- Losses through impairment of assets
- Assumptions used in the actuarial calculation of employee severance benefits
- Assumptions used in the calculation of fair value of financial instruments
- Revenues from supplies pending invoicing
- Provisions for commitments acquired with third parties
- Risks deriving from pending litigation

Although these estimates and judgments were made as a function of the best information available on the date of issue of these interim consolidated financial statements, it is possible that events may occur in the future that cause them to be amended (upward or downward) in following periods, which would be booked prospectively as soon as the variation is known, booking the effects of such changes in the corresponding future consolidated financial statements.

2.2 Accounting Policies

The following describes the principal accounting policies adopted in the preparation of these interim consolidated financial statements.

A. Consolidation

The interim consolidated financial statements include the financial statements of the Society and the entities controlled by it (its subsidiaries). Subsidiaries are those entities in which the Group has the power to direct their important activities, has the right to variable returns relating to its participations and the capacity to use such power to influence the amount of the returns of the investor. The subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from the consolidation when such control ceases.

All transactions, balances, losses and gains between Group entities are eliminated in the consolidation.

The Society and its subsidiaries follow the Group's policies uniformly.

The subsidiaries included in the interim consolidated financial statements of Aguas Andinas S.A. are the following:

Tax N°	Society	Direct %	Indirect %	Total 2015 (%)	Direct %	Indirect %	Total 2014 (%)
96.809.310-K	Aguas Cordillera S.A.	99.990300	0.000000	99.990300	99.990300	0.000000	99.990300
89.221.000-4	Aguas Manquehue S.A.	0.000400	99.999600	100.0000	0.000400	99.999600	100.0000
96.967.550-1	Análisis Ambientales S.A.	99.000000	1.000000	100.0000	99.000000	1.000000	100.0000
96.945.210-3	Ecoriles S.A.	99.038500	0.961500	100.0000	99.038500	0.961500	100.0000
95.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	2.506500	51.000000	53.5065	2.506500	51.000000	53.5065
96.828.120-8	Gestión y Servicios S.A.	97.847800	2.152200	100.0000	97.847800	2.152200	100.0000
96.897.320-7	Inversiones Iberaguas Ltda.	99.999998	0.000002	100.0000	99.999998	0.000002	100.0000
76.190.084-6	Aguas del Maipo S.A.	82.649996	17.350004	100.0000	82.649996	17.350004	100.0000



B. Operative segments

IFRS 8 sets the standards for reporting with respect to the operative segments and disclosures relating to products and services. Operative segments are defined as components of an entity for which separate financial information exists which is regularly reviewed by management for taking decisions on the assignment of resources to the subsidiaries and evaluating their performance.

The Group manages and measures the performance of its operations by business segment. The operative segments reported internally are:

- Operations related to the sanitation business (Water).
- Operations unrelated to the sanitation business (Non-Water).

C. Intangible assets other than goodwill

The Society books an identifiable intangible asset when it can be shown that it is probable that future economic benefits attributed to it will flow to the entity and the cost can be correctly valued.

i. Intangible assets acquired separately

Intangible assets acquired separately are shown at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over their estimated useful lives. Estimated useful lives and the amortization method are revised at the closing of each statement of position, booking the effect of any change in the estimate from then on prospectively.

ii. Amortization method of intangible:

Intangible with defined useful life.

The amortization method employed by the Society reflects the pattern which is expected to be used, by the entity, the future economic benefits of the asset. The Society therefore uses the straight-line depreciation method.

Computer programs.

The estimated useful life of software is 4 years. For those other assets with defined useful lives, the useful life for amortization relates to the periods defined in the contracts or rights originating them.



Intangible with indefinite useful lives.

Intangible assets with indefinite useful lives relate mainly to water rights and easements which were obtained on an indefinite basis, as established in the acquisition contracts and the rights obtained from the Waters Authority of the Ministry of Public Works.

Determination of useful life

The factors that should be considered for the estimation of the useful life include the following:

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (obsolescence of products, changes in demand).
- Expected reactions of present or potential competitors.
- Natural or climatic factors and technological changes that affect the capacity to generate profits.

The useful life may require modifications over time due to changes in estimates as a result of changes in assumptions about the above-mentioned factors.

D. Goodwill

Goodwill generated in the consolidation represents the excess of acquisition cost over the Group's participation in the fair value of the assets and liabilities, including identifiable contingent liabilities of a subsidiary at the date of the acquisition.

The valuation of assets and liabilities acquired is made provisionally on the date of taking control of the company and then revised within a maximum of one year from the acquisition date. Until the fair value of assets and liabilities is determined definitively, the difference between the acquisition price and the book value of the acquired company is shown provisionally as goodwill.

When the definitive determination of goodwill is made in the financial statements of the year following the acquisition of the participation, the headings of the previous year shown for comparison purposes are modified to incorporate the value of the acquired assets and liabilities and the definitive goodwill from the date the participation was acquired.

Goodwill generated prior to the date of our transition to IFRS, i.e. January 1, 2008, is maintained at the net value booked at that date, while that generated later is booked using the acquisition method.

Goodwill is not amortized but an estimate is made at the end of each accounting period as to whether any impairment has occurred that reduces the recoverable value to below the net book cost, in which case an adjustment for impairment is made, as required by IAS 36.



E. Property, plant and equipment

The Society follows the cost method for the valuation of property, plant and equipment. Historic cost includes expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the value of the initial asset or are shown as a separate asset, only when it is probable that future economic benefits associated with the elements of fixed assets are going to flow to the Group and the cost of the element can be determined reliably. The value of the component substituted is written off in the books. Other repairs and maintenance are charged to results in the period in which incurred.

Depreciation method and estimated useful life for property, plant and equipment:

The depreciation method applied by the Society reflects the extent to which the assets are used by the entity during the period in which they generate economic benefits. The Society therefore uses the straight-line depreciation method over the technical useful life, based on technical studies prepared by independent experts (external specialist firms). The residual value and useful life of assets are revised and adjusted if necessary at each closing of the statement of financial position.

When the value of an asset is higher than its estimated recoverable amount, this is reduced immediately to the recoverable amount (Note 14).

Useful lives

The useful lives used for the calculation of depreciation are based on technical studies prepared by external specialist firms, which are revised as new information arises that permits consideration that the useful life of some asset has been modified.

The assignment of the total useful life for assets is carried out on the basis of various factors, including the nature of the equipment. These factors generally include:

1. Nature of the component materials in equipment or buildings
2. Operating environment of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations

The range of useful lives (in years) by type of asset is as follows:



ITEM	Useful life (years) minimum	Useful life (years) maximum
Buildings	25	80
Plant & equipment	5	50
Computer equipment	4	4
Fixed installations & accessories	5	80
Motor vehicles	7	10
Improvements to leased assets	5	5
Other property, plant & equipment	5	80

Policy for estimating costs of dismantling, retirement or renovation of property, plant and equipment:

Due to the nature of the assets constructed in the Society and as there are no contractual obligations or other construction requirements like those mentioned in IFRS, the concept of dismantling costs is not applicable at the date of these interim consolidated financial statements.

Fixed asset sales policy

The results of fixed asset sales are calculated by comparing the proceeds received with the book value, and are booked in the consolidated statement of comprehensive results.

F. Impairment of tangible and intangible assets except goodwill

The Group revises the book values of its tangible and intangible assets at each closing date of the consolidated statement of financial position to see whether there exists any indication of impairment. Should this exist, the recoverable value is estimated of such assets in order to determine whether any impairment has been suffered. When it is not possible to estimate the recoverable value of an asset in particular, the Group estimates the fair value of the cash-generating unit to which this asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment or when there are indications that the asset might have suffered impairment before the end of the period.

The recoverable value is the greater of its fair value less sale costs and the value in use. In estimating the value in use, the present value is calculated of the future cash flows of the assets analyzed using a pre-tax discount rate that reflects both the actual conditions of the money market at the time and the specific risks associated with the asset.

When it is estimated that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, booking a loss for impairment in results immediately. When a loss for impairment is reversed, the book value of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable value, provided the adjusted book value does not exceed the book value that would have been determined if no loss for impairment of the asset (or cash-generating unit) had been booked in previous periods.



G. Leases

i. Financial leases

Leases are classified as financial leases when the conditions of the lease transfer substantially all the risks and benefits of ownership to the lessee. All other leases are classified as operative leases.

Assets acquired under financial leases are booked initially as Group assets at the lower of fair value at the start of the lease and the present value of the minimum lease payments. The corresponding leasing obligation is included in the statement of position as a financial lease obligation.

Assets sold under financial leases are booked initially in the statement of position and shown as a receivable for an amount equal to the net investment in the lease.

All the lessor's risks are transferred in this operation, therefore all successive receivables are considered as revenue in each period.

The minimum lease payments are assigned between financial costs and a reduction in the obligation in order to obtain a constant rate of interest on the balance outstanding of the obligation. The financial costs are taken directly to results unless they are directly related to the qualified assets, in which case they are capitalized in accordance with the Group's general financing costs policy. The contingent lease payments are shown as expenses in the periods in which they are incurred.

The Society and its subsidiaries do not currently show financial leases acquired at the close of the periods.

ii. Operative leases

Operative lease payments are booked as an expense on a straight-line basis over the term of the lease, except when another systematic basis is more representative for reflecting the temporary pattern in which the economic benefits of the leased asset are consumed. Contingent leases are shown as expenses in the period in which they are incurred.

Should lease incentives be received in order to agree an operative lease, such incentives are booked as a liability. The accumulated benefit of incentives is shown on a straight-line basis as a deduction from the leasing expense, except when another systematic basis is more representative for reflecting the temporary pattern in which the economic benefits of the leased asset are consumed.

iii. Implicit leases

The Society and subsidiaries revise their contracts to check the possible existence of implicit leases, in accordance with IFRIC 4.

H. Financial assets

Acquisitions and disposals of financial instruments are booked on the date of trading, i.e. the date on which the Group commits to acquire or sell the asset. Investments are written down when the rights to receive cash flows from the investments are transferred and the Group has transferred substantially all the risks and benefits deriving from ownership.



Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results.
- Investments held to maturity.
- Loans and accounts receivable.
- Financial assets available for sale.

The classification depends on the nature and purpose of the financial assets and is determined at the time of their initial booking.

Aguas Andinas S.A. and its subsidiaries invest in low-risk instruments that meet the classification standards established in their investment policies. The mutual funds invested in must therefore have a rating of AAfm / M1 (quotas with very high protection against loss associated with credit risks/quotas with the lowest sensitivity to changes in economic conditions). Term deposits and repurchase agreements are instruments classified N-1 (instruments with the highest capacity for paying the principal and interest on the agreed terms and maturities).

The issuing institutions of these instruments are banks or their subsidiaries with an N-1 credit rating and their instruments have a rating of least AA (very high capacity for paying the principal and interest on the agreed terms and maturities, which would not be affected significantly by possible changes in the issuer, the industry to which it belongs or the economy).

i. Effective interest-rate method

The effective interest-rate method is the method for calculating the amortized cost of a financial asset or liability and of the assignment of interest income or expense over the whole corresponding period. The effective interest rate is the rate that exactly discounts the estimated future cash flows receivable over the expected life of the financial asset and makes the net present value equal to its nominal amount.

ii. Financial assets at fair value with changes in results

Financial assets are shown at fair value through results when the asset is held for trading or is designated as at fair value with changes in results.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling or re-purchasing in the immediate future; or
- It forms part of a portfolio of identified financial instruments which the Group manages together and for which there is evidence of a recent and real pattern of obtaining short-term benefits; or
- It is a derivative that has not been designated nor is effective as a hedge instrument

A financial asset that has not been held for trading may be classified at fair value with changes in results in the initial booking if:

- Such designation eliminates or significantly reduces some inconsistency in the valuation or the booking that would arise by using different criteria for valuing assets, or in booking their losses or gains on different bases; or
- It forms part of a group of financial assets which is managed and its return evaluated according to fair value criteria, in accordance with an investment and risk management strategy documented by the Company; or
- It is an implicit derivative that has to be separated from its original contract, as indicated in IAS 39.

Financial assets at fair value with changes in results are valued at fair value and any resultant loss or gain is booked in results. The net loss or gain booked in results includes any dividend or interest received on the financial asset.

As of March 31, 2015, the Society and its subsidiary Aguas del Maipo S.A. hold shares in Sociedad Eléctrica Puntilla S.A., which have been valued at their fair value at the acquisition date, as defined in IAS No. 39. Their subsequent measurement will be at cost because there is no active market, as provided in the same standard.

iii. Financial assets held to maturity

Financial assets held to maturity correspond to non-derivative financial assets with fixed or determinable payments and established maturity dates that the Group has the intention and capacity to hold until maturity. Financial assets held to maturity are booked at amortized cost using the effective interest-rate method less any impairment of value, and income is booked on the basis of the effective return. The Society and its subsidiaries currently have no assets held to maturity at the close of these financial statements.

iv. Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets, which have fixed or determinable payments and which are not traded on an active market, classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest-rate method less any loss for impairment, except for short-term accounts receivable where the booking of interest would be immaterial.

Trade debtors and other accounts receivable.

Trade debtors relate to the billing of water consumption, sewage services, sewage treatment and other services, and to the accrued revenue from consumption between the date of the last meter reading (according to an established monthly routine) and the closing date of the financial statements. These are shown net of the estimate of bad accounts or of doubtful recovery.

The trade debtors policy is subject to the credit policy which sets the payment conditions, and also the different scenarios for reaching agreements with overdue customers.



Policy for impairment of trade debtors and other accounts receivable

The Society periodically evaluates impairments affecting its financial assets. The amount is booked as a bad debt provisions. The book value of an asset is reduced to the extent that the provision account is used and the loss is booked in the statement of comprehensive results in "other expenses". When an account receivable is not recoverable, it is written off against provisions for accounts receivable.

Estimates are based on the following historic information: recovery statistics which indicate that following the eighth month from billing, the possibility of recovery is marginal, i.e. the probability of recovery of the amount billed is minimal.

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A., Aguas Manquehue S.A. and Essal S.A., a 100% provision is made for customers with debts overdue more than 8 months.

For Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A., Aguas Manquehue S.A. and Essal S.A., a provision of 100% of the agreed balance is made for consumption debts transformed into payment agreements.

For the subsidiaries Gestión y Servicios S.A., Anam S.A., Ecoriles S.A. and Aguas del Maipo S.A., a 100% provision is made of debts of customers overdue more than 120 days.

A 100% provision is made for overdue notes receivable.

v. Financial assets available for sale

Financial assets available for sale are non-derivative financial instruments that cannot be classified in the previous three categories or are specifically designated as available for sale. These are booked at fair value. Loss and gains arising from changes in the fair value are shown directly in equity in the reserve account for assets available for sale, except for impairment losses, interest calculated using the effective-rate method and losses and/or gains in foreign currency of monetary items, which are booked directly in results. When a financial asset is sold or it is determined that it is impaired, the accumulated loss or gain booked previously in reserves for assets available for sale is taken to results for the period.

At the date of these interim consolidated financial statements, the Group has no financial assets available for sale.

I. Inventories

Materials, spares and inputs are shown at cost which does not exceed their net realization value. The costing method is the weighted average cost. Inventories that have not turned over during the previous 12 months are valued annually and are booked at market value, if less.

J. Dividend policy

The Society's dividend policy is to distribute 30% of the earnings for each year as a final dividend, plus 70% as an additional dividend provided financial conditions permit, subject to approval by the ordinary shareholder meeting and provided the present level of capitalization is maintained and it is compatible with the investment policies.



The booking of the minimum dividend established in the Corporations Law will be shown at the end of each period if there were no interim dividend or if this were less than the 30% mentioned in that law.

K. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the close of each period, these being:

Currency	31-03-2015	31-12-2014
	\$	\$
US Dollar	626.58	606.75
Euro	672.73	738.05

Foreign currency transactions are translated to the functional currency using the exchange rates on the date of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency, are shown in the consolidated statement of comprehensive results.

Exchange differences are booked to results for the period in which they accrue.

L. Financial liabilities

Loans, bonds payable and similar documents are shown initially at their fair value, net of the costs incurred in the transaction. They are later shown at amortized cost, using the effective interest rate, except for transactions for which hedge contracts have been signed, which are valued as described in the following section.

M. Derivative financial instruments and hedge accounting

The employment of derivative financial instruments by Aguas Andinas S.A. and subsidiaries is governed by the Group's financial-risk management policies, which establish the guidelines for their use.

The Group does not use derivative financial instruments for speculative purposes but exclusively as hedging instruments to eliminate or significantly reduce interest-rate and exchange risks on current positions to which it is exposed due to its business.

The derivatives are booked by its fair value in the date of the statement financial position. In case of financial derivatives, if its value is positive are booked in "Other financial assets" and if its negative are booked in "Other financial liabilities".

The changes in fair value are directly booked in results, except that the derivative has been designated for accounting purposes as a hedge instrument and all conditions are met by IFRS to apply hedge accounting.

The treatment of hedge operations with derivative instruments is as follows:



Hedges of fair value

Changes in the market value of derivative financial instruments designated as hedges, as well as the items hedged, are shown as a credit or charge to financial results in the respective result accounts.

Hedges of cash flows and net foreign-currency investments

Changes in the fair value of these derivative financial instruments are shown, for the part that is effective, directly in an equity reserve called "cash flow hedge", while the ineffective part is shown in results. The amount shown in equity is not passed to the results account until the results of the transactions hedged are shown there or until the expiry date of such transactions.

In the event of discontinuation of the hedge, the loss or gain accumulated to that date in equity is maintained until the underlying hedged transaction is realized. At that moment, the accumulated loss or gain in equity will be reversed in the results account affecting that transaction.

Financial instruments are shown at their fair value at the close of each period. In the case of derivatives not traded on organized markets, the Group uses assumptions based on market conditions on that date for their valuation.

Effectiveness

A hedge is considered to be highly effective when the changes in fair value or the cash flows of the underlying item directly attributable to the risk hedged are offset by changes in the fair value or cash flows of the hedge instrument, with an effectiveness of between 80% and 125%.

Implicit derivative

The Group also evaluates the existence of derivatives implicit in contracts and financial instruments to determine whether their characteristics and risks are closely related to the principal contract, provided the combination is not being booked at fair value. If they are not closely related, they are booked separately, with the variations in value being taken directly to the consolidated statement of results.

N. Provisions and contingent liabilities

The Group makes a provision when there is a present obligation as a consequence of past events, for which it is probable that the Group will use resources to settle the obligation and of which a fair estimate of the amount of the obligation can be made.

The quantification of the provisions is made taking into account the best available information on the matter and its consequences and is reviewed at each accounting closing. The provisions made are used to cover the specific risks for which they were originally shown, their full or partial revision being required when such risks disappear or reduce.

Contingent liabilities are those possible obligations arising as a result of past events, whose future materialization and associated equity effect is believed to be a low probability. In accordance with IFRS, the group makes no provision for these concepts; if there were, they would be detailed in Note 15.



O. Employee benefits

The obligation for termination benefits which are estimated to accrue to employees who retire in Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and Essal S.A., are shown at the actuarial value determined using the projected credit-unit method. Actuarial gains and losses on indemnities deriving from changes in the estimates or changes in the rates of turnover, mortality, wage increases or discount rate, are determined in accordance with IAS 19, in other comprehensive results, thus directly affecting equity, and then later re-classified in accumulated earnings.

Aguas Andinas S.A.

Termination benefits in Aguas Andinas S.A. are governed by the Labor Code, except for the amount of the indemnity in any event accumulated to July 31, 2002 and the termination benefit of 1.45 monthly wages, excluding voluntary resignation, without any amount or age limit for workers subject to current collective agreements and those, who through their individual work contract, enjoy this benefit. The amount in any event accumulated to that date is adjusted quarterly in line with changes in the consumer price index. The mentioned collective agreement also states that workers who retire from Aguas Andinas S.A. within 120 days of the date when they reach the legal retirement age, can have access to the benefits under the collective contract, and continue to accrue this benefit after July 2002.

Aguas Cordillera S.A. and Aguas Manquehue S.A.

The termination benefits in Aguas Cordillera S.A. and Aguas Manquehue S.A. are governed as indicated in the Labor Code, except the amount of the indemnity in any event accumulated to December 31, 2002 and the termination benefit of 1 monthly wage without any amount or age limit for workers covered by current collective agreements and for those, who through their individual work contract, are extended this benefit. The amount in any event accumulated to that date is adjusted quarterly in line with changes in the consumer price index. The mentioned collective agreement also states that workers who retire from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

Essal S.A.

Indemnities to workers forming part of or who are incorporated into the current collective agreement at the date of the financial statements are calculated at their actuarial value only in the case of retirement and death. In those cases there is a limit of six months for purposes of payment. In other cases, the rules of the Labor Code apply, i.e. they have no right to an indemnity except for dismissal and with a limit of 11 months wages.

Advances granted to personnel against these funds are shown deducted from outstanding obligations. These will be imputed in the final indexed settlement in accordance with the provisions of the mentioned contracts.

There are no benefits of this kind in the other subsidiaries.



P. Income tax and deferred taxes

The charge for income tax relates to the sum of income tax payable and variations in deferred tax assets and liabilities

Income tax payable is determined on the basis of the tax result for the period. The income tax payable by the Group is calculated using the tax rates that have been approved or that are in the approval process, on the closing date of the statement of financial position.

Deferred taxes are shown on the basis of differences between the book values of assets and liabilities in the financial statements and the corresponding tax figures used in the calculation of the tax result, and are booked in accordance with the liability method. Deferred tax liabilities are booked for all taxable timing differences, and deferred tax assets are shown for all deductible timing differences provided it is probable that there will be future tax benefits to be able to offset such differences. Deferred tax assets or liabilities are not booked if the timing differences arise from the reduced value or initial booking (except in a combination of businesses) of other assets and liabilities in a transaction that does not affect the tax or financial results.

The book value of deferred tax assets is revised on each closing date of the statement of financial position and is reduced to the extent that it is improbable that there will be sufficient tax results available to permit the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in effect at the time that the liability is settled or asset realized, based on the tax rates that have been approved or are in the approval process at the close of the statement of financial position. The measurement of deferred assets and liabilities reflects the tax consequences produced in the way the Group expects to recover or settle the book values of its assets and liabilities at the date of report.

Deferred tax assets and liabilities are offset when there is a legal right to offset tax assets against tax liabilities and these are related to the same entity and tax authority.

Q. Ordinary revenue

Policy for accounting for ordinary revenue

Revenue is booked arising from all normal operations and other events at the fair value of the payment received or receivable taking into account the terms of payment, rebates and credit notes, and provided the amount of revenue can be measured reliably.

Policy for booking of ordinary revenue from sales of goods

Revenue from sales of goods is booked once the risk and significant advantages deriving from ownership of the goods are transferred, the Society retains no relationship with the asset sold, the amount of revenue can be measured reliably, it is probable that the company will receive the economic benefits associated with the sale and the costs incurred in the transaction can also be measured reliably.



Policy for booking of ordinary revenue from sales of services

Revenue from sales of services is measured at fair value. Billing is carried out on the basis of actual consumption or work carried out of the consideration receivable, net of returns, trade discounts and rebates, so the revenue is booked when it is transferred to the client and recovery is considered probable, and the associated costs and possible discounts for erroneous billings can be estimated reliably.

The services area of the sanitation companies is divided into billing groups which determine dates for meter readings and later billing. This process is developed based on a calendar month, which leads to the end of each month are unread consumption, and therefore, not billed. For the purposes of revenue accounting, the society makes an estimate of unbilled consumption.

For some sanitation service billing groups, information is held on consumption metered, to which the corresponding tariff is applied. For other groups, there is no metering data available at the date of the monthly closing; an estimate is therefore made on the basis of data from the previous month valued at the current tariff, whether normal or on consumption. Any difference between the actual and estimated consumption is corrected the following month.

The transfer of risks and benefits varies according the business of the company. For the sanitation service companies, the provision of services and all associated charges are made according to actual consumption, and a monthly provision is made for consumption not yet billed, based on the previous billing. For the companies Anam S.A., Ecoriles S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A., invoicing is made on the basis of work performed.

Method used for determining state of termination of services

The provision of the sanitation services is confirmed through the metering of consumption, in accordance with corresponding legislation, while the non-sanitation subsidiaries do so once the services and/or respective reports are completed.

Revenue under agreements with property developers is booked as ordinary revenue provided it complies with the conditions of each contract that ensure that the related economic benefits will flow to the Society.

R. Earnings per share

Basic earnings per share is calculated as the earnings (loss) attributable to the holders of equity of the controller divided by the average weighted number of common shares in circulation during the period ended March 31, 2015.

During the period 2015 and year 2014, the Group has not carried out any kind of operation with a potential diluting effect that supposes that diluted earnings per share are any different to basic earnings per share.

S. The environment

Assets of an environmental kind are those used constantly in the business of the Society and subsidiaries, whose principal objective is to minimize adverse environmental impacts and ensure the protection and improvement of the environment, including the reduction or elimination of the future contamination of Aguas Andinas S.A. and subsidiaries's businesses.



These assets are valued at cost, like any other asset. The Society and subsidiaries amortize these elements on a straight-line basis as a function of the estimated remaining years of useful lives of the different elements.

T. Consolidated statement of cash flows

The cash flow statement records the cash movements during the period which include VAT, determined by the direct method under the following criteria:

Cash and cash equivalents: Inflows and outflows of cash and equivalent financial assets, these being understood to be easily-liquidated short-term investments with a low risk of variation in their value (maximum term of 3 months from investment date, and unrestricted).

Operating activities: Typical activities of the normal business operation of the Society and subsidiaries, plus others that cannot otherwise be defined as for investment or financing activities.

Investment activities: The acquisition, disposal or use by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Activities that produce changes in the amount and composition of net equity and liabilities not forming part of the ordinary activities.

U. Construction contracts

The Group uses the "percentage progress method" for booking revenues and expenses referring to a contract being carried out. By this method, the revenues under the contract are compared with the related costs incurred according to the degree of progress made, which results in the amount of the ordinary revenue, expenses and earnings that may be attributed to the portion of the contract carried out.

Contract costs are booked when incurred. When the result of a construction contract cannot be estimated reliably, and it is probable that the contract is going to be profitable, contract revenues are booked over the term of the contract. When it is probable that the contract costs are going to exceed the total revenues, the expected loss is booked immediately as an expense in the period. When the result of a construction contract cannot be estimated reliably enough, contract revenues are booked only to the extent of the contract costs incurred that will probably be recovered.

The Group shows as an asset the gross amount due by customers for the work of all the contracts in progress for which the costs incurred plus booked profits (less booked losses) exceed the partial invoicing. Partial invoicing still unpaid by customers and the withholdings are included in "trade debtors and other accounts receivable".

The Group shows as a liability the gross amount due to customers for the work of all contracts in progress for which the partial invoicing exceeds the costs incurred plus booked profits (less booked losses).



V. Capitalized financing costs

Interest-bearing loans policy:

The costs of loans directly attributable to the acquisition, construction or production of assets that meet the conditions for their qualification, are capitalized, thus forming part of the cost of such assets.

Interest-cost capitalization policy:

Interest paid or accrued on debt used to finance qualified assets is capitalized, as stipulated in IAS 23 which states that when the entity acquires debt to finance investments the interest on that debt should be deducted from the financial expense and incorporated in the construction project financed, up to the total amount of such interest, applying the respective rate to the disbursements made to the date of presentation of the financial statements.

W. Reclassifications

For comparison purposes, certain reclassifications have been made to the statement of financial position as of March 31, 2014, according to the following detail:

Reclassifications	Increase/Decrease ThCh\$
Statement of result by nature:	
Revenue	200,260
Other earnings	-200,260

2.3 Accounting changes

The Superintendence of Securities and Insurance (SVS), under its authority, dated October 17, 2014, issued the Circular 856 that instructs the auditees, to register in the respective period against equity the differences in assets and liabilities for deferred taxes that have occurred as a direct effect of the increase in the corporate income tax rate introduced by Law 20,780. The above, changed the preparation and presentation frame of financial report adopted until that date, given that previous frame (IFRS) needs to be adopted comprehensively, explicit and unreserved.

As of December 31, 2014 and for the year ended in that date, the quantification of change of accounting frame meant a lower charge to results of ThCh\$9,391,825 (ThCh\$5,496,265 corresponds to owners of the controller and ThCh\$3,895,560 corresponds to minority).



3. EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER

The capital of the Society is divided into 6,118,965,160 nominative shares of no par value, totally subscribed and paid at March 31, 2015, corresponding 94,97% to series A and 5,03% to series B.

Series B shares has a veto o preference, contained in Article 5 of the Society's Statues, consisting of special quorum required for the extraordinary shareholders to decide about acts and contracts related to water use rights and sanitary concessions of Aguas Andinas.

The composition of each series is as follows:

	31-03-2015	31-12-2014
Series A Shares	5,811,030,417	5,811,029,417
Series B Shares	307,934,743	307,935,743
Total	6,118,965,160	6,118,965,160

The capital as of March 31, 2015 and December 31, 2014 amounts to ThCh\$155,567,354.

There are no own shares held in portfolio, nor are there any preference shares.

The Society manages its capital to ensure permanent and expedite access to the financial markets, which permits it to carry out its objectives of growth, solvency and profitability.

There have been no changes in the capital management objectives or policies in the periods reported.

In the period 2014 agreed and made dividend payment as detailed below:

- In board meeting held on December 17, 2014, unanimously agreed to distribute among shareholders the sum of ThCh\$38,855,429, as an interim dividend, against the earnings for 2014. Because of this, the interim dividend No 59 of the Company amounted to Ch\$6.35 per share. This payment was made in January 13, 2015.
- The ordinary shareholders' meeting held on April 29, 2014 agreed to distribute 100% of earnings for 2013, after deducting the interim dividend paid in January 2014. Because of this, the dividend No 58 of the Company amounted to ThCh\$79,675,352 equivalent to Ch\$13.021 per share. This payment was required from May 26, 2014, having entitled to 6,118,965,160 shares.

Provision for minimum dividend

In accordance with the policy described in Note 2.2. J, the Society has made no provision for the minimum dividend as of March 31, 2015 and December 31, 2014.



Accumulated earnings

The amounts booked for revaluation of land and intangible assets and other adjustments on the first adoption of IFRS are included in accumulated earnings and are subject to restrictions on their distribution as they first have to be booked as realized, through their use or sale, as established in IAS 16 and Circular 456 of June 20, 2008 of the SVS. Also included is the amount corresponding to the actuarial gains and losses determined since 2009, as a result of variations in the obligations for defined benefit plans. The balances as of March 31, 2015 and December 31, 2014 are ThCh\$344,691,678 and ThCh\$297,097,777 respectively.

As of December 31, 2014 are registered in equity ThCh\$5,496,263, corresponding to the impact of differences in assets and liabilities for deferred taxes that have occurred as a direct effect of the increase in the corporate income tax rate introduced by Law 20,780, and booked to equity in accordance with the instructions given in Circular No. 856 published by the Superintendence of Securities and Insurance on October 17, 2014.

In addition, as of December 31, 2014, were made modifications to the calculation parameters in the actuarial earnings and losses on compensation, which generated a register in accumulated results of ThCh\$1,172,899 (see note 2.0)

Accounting issues

The amount registered in accounting issues is the premium on the sale of shares produced in 1999 due to the capital increase. The balance as of March 31, 2015 and December 31, 2014 amounted to ThCh\$164,064,038 in each period.

Other participations in equity.

Other participations refer to the monetary correction of paid capital of the year 2008, the year of transition to IFRS, in accordance with SVS Circular 456, and the effects of combinations of businesses of companies under common control made in 2007 and 2008. The balance as of March 31, 2015 and December 31, 2014 is ThCh\$-5,965,550 in each period.

4. EQUITY ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS

The detail by society of the effects caused by the participation of third parties in the equity and results as of March 31, 2015 and December 31, 2014 as follows:

Society	% Participation		Non- controller participations			
	31-03-2015	31-12-2014	31-03-2015		31-03-2014	
	%	%	Equity ThCh\$	Result ThCh\$	Equity ThCh\$	Result ThCh\$
Aguas Cordillera S.A.	0.00997%	0.00997%	20,171	706	20,986	718
Essal S.A. (1)	46.49350%	46.49350%	56,791,211	1,176,524	62,114,939	1,007,645
Total			56,811,382	1,177,230	62,135,925	1,008,363



- (1) Includes third party participations through the assignment to market value of the assets and liabilities arising from the purchase of Inversiones Iberaguas Ltda. and Essal S.A. at the time of the combination of businesses.

5. OTHER REVENUE AND EXPENSES

The following shows additional information according to IAS 1, referring to other non-operating revenues and expenses:

Non-operating revenue & expenses	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Other earnings		
Gain on sale of non-current assets, not held for sale	16,980	326,076
Other losses		
Total	16,980	326,076
Financial Costs		
Bank loans	-1,074,973	-1,075,876
AFR interest expenses	-1,473,985	-1,022,428
Bond interest expense	-3,931,212	-4,294,806
Other interest costs	-106,561	-172,813
Amortization of loan agreement complementary costs	-17,612	-202,132
Total	-6,604,343	-6,768,055
Financial Revenues		
Interest income	1,205,199	1,084,443
Gain on redemption & extinction of debt	225,437	302,197
Total	1,430,636	1,386,640

6. FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

The following is summarized information on the statement of financial position and statement of comprehensive results of each of the subsidiaries included in the interim consolidated financial statements:



Statement of financial position of subsidiaries (summarized) as of March 31, 2015

31-03-2015 Subsidiaries	Current assets ThCh\$	Non-current assets ThCh\$	Current liabilities ThCh\$	Non-current liabilities ThCh\$	Equity ThCh\$
Aguas Cordillera S.A.	25,904,007	246,313,740	14,494,380	55,403,630	202,319,737
Aguas Manquehue S.A.	5,772,523	71,738,077	6,538,812	18,960,036	52,011,752
Inversiones Iberaguas Ltda.	53,656	66,913,360	47,658	0	66,919,358
Empresa de Servicios Sanitarios de Los Lagos S.A.	14,246,228	134,094,183	9,771,168	59,752,288	78,816,955
Ecoriles S.A.	4,912,387	341,156	1,824,470	0	3,429,073
Gestión y Servicios S.A.	6,088,306	362,944	1,826,303	73,167	4,551,780
Análisis Ambientales S.A.	3,745,016	1,518,341	1,018,813	0	4,244,544
Aguas del Maipo S.A.	2,596,406	8,541,043	434,859	43,022	10,659,568

Statement of comprehensive results of subsidiaries (summarized) as of March 31, 2015

31-03-2015 Subsidiaries	Result for the period ThCh\$	Ordinary revenue ThCh\$	Operating expenses (-) ThCh\$	Other net expenses (-) / revenue (+) ThCh\$
Aguas Cordillera S.A.	7,078,000	15,449,279	-8,579,098	207,819
Aguas Manquehue S.A.	1,878,911	4,072,845	-1,715,142	-478,792
Inversiones Iberaguas Ltda.	1,808,088	0	-1,376	1,809,464
Empresa de Servicios Sanitarios de Los Lagos S.A.	3,551,085	12,914,489	-7,759,360	-1,604,044
Ecoriles S.A.	443,562	3,048,866	-2,489,173	-116,131
Gestión y Servicios S.A.	105,133	1,881,662	-1,754,653	-21,876
Análisis Ambientales S.A.	271,242	1,618,544	-1,283,987	-63,315
Aguas del Maipo S.A.	262,760	158,752	-122,225	226,233



Statement of financial position of subsidiaries (summarized) as of December 31, 2014

31-12-2014 Subsidiaries	Current assets ThCh\$	Non-current assets ThCh\$	Current liabilities ThCh\$	Non-current liabilities ThCh\$	Equity ThCh\$
Aguas Cordillera S.A.	20,751,194	243,394,965	14,691,450	54,212,972	195,241,737
Aguas Manquehue S.A.	4,473,100	71,239,462	7,114,700	18,465,022	50,132,840
Inversiones Iberaguas Ltda.	2,386,677	65,102,306	44,714	0	67,444,269
Empresa de Servicios Sanitarios de Los Lagos S.A.	14,736,199	133,248,212	14,019,578	58,698,964	75,265,869
Ecoriles S.A.	4,460,897	349,256	1,824,643	0	2,985,510
Gestión y Servicios S.A.	6,617,684	378,776	2,473,253	76,560	4,446,647
Análisis Ambientales S.A.	3,605,573	1,507,230	1,139,501	0	3,973,302
Aguas del Maipo S.A.	2,272,296	8,569,107	410,504	34,092	10,396,807

Statement of comprehensive results of subsidiaries (summarized) as of March 31, 2014

31-03-2014 Subsidiaries	Result for the period ThCh\$	Ordinary revenue ThCh\$	Operating expenses (-) ThCh\$	Other net expenses (-) / revenue (+) ThCh\$
Aguas Cordillera S.A.	7,206,085	14,612,550	-7,571,164	164,699
Aguas Manquehue S.A.	1,641,141	3,600,315	-1,567,975	-391,199
Inversiones Iberaguas Ltda.	1,638,486	0	-1,307	1,639,793
Empresa de Servicios Sanitarios de Los Lagos S.A.	3,220,893	11,550,193	-6,396,757	-1,932,543
Ecoriles S.A.	294,880	2,979,468	-2,642,910	-41,678
Gestión y Servicios S.A.	146,270	2,287,576	-2,122,409	-18,897
Análisis Ambientales S.A.	396,740	1,701,790	-1,233,366	-71,684
Aguas del Maipo S.A.	11,364	182,242	-158,015	-12,863

Detail of significant subsidiaries

The definition of significant subsidiaries is based on their percentage participation in the operating results, their participation in fixed assets and results for the period with respect to the consolidated financial statements. The following are considered to be significant subsidiaries:



Name of significant subsidiary	Aguas Cordillera S.A.	Aguas Manquehue S.A.	Essal S.A.
Functional currency	Chilean pesos	Chilean pesos	Chilean pesos
Percentage share in significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage voting rights in significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage of consolidated values			
Contribution margin	9.98%	3.53%	8.17%
Property, plant and equipment	7.61%	4.06%	16.00%
Net income for the period	10.86%	3.90%	2.84%

7. CASH AND CASH EQUIVALENTS

The composition is as follows:

Cash & cash equivalents	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Banks	2,400,468	2,730,493
Term deposits (see note 8.6)	15,465,205	23,471,661
Total	17,865,673	26,202,154

Cash equivalents relate to financial assets in term deposits with maturities of less than 90 days from the date of the transaction.

Detail of some items of the statement of cash flows

- **Other operating activity proceeds:** Relate to services connected with the business, principally agreements signed with property developers.
- **Other operating activity payments:** Relate principally to the payment of value added tax (VAT).
- **Other investment activity outflows:** Relate mainly to interest associated with bond issues, which has been capitalized as a result of investments in property, plant and equipment.

8. FINANCIAL INSTRUMENTS

8.1 Capital risk management



The Group manages its capital to ensure that Group entities continue as a going concern through the maximization of profitability for shareholders by the optimization of the debt and capital structure. The Group's general strategy has not changed since 2009. The group's capital structure comprises debt, which includes the loans disclosed in Note 8.4, the capital attributable to equity holders of the controller, which includes the capital, reserves and retained earnings which are shown in Note 3.

8.2 Significant accounting policies

The significant accounting policies and methods adopted, including accounting criteria, the bases of measurement and the bases on which the revenues and expenses are booked, with respect to each class of financial assets and financial obligations, are described in Notes 2H, 2L and 2M to these interim consolidated financial statements.

8.3 Classes of financial instruments

Classes of financial instruments			31-03-2015	31-12-2014
			ThCh\$	ThCh\$
Trade debtors			112,571,274	96,757,009
Trade debtors, current			110,428,060	94,559,029
Trade debtors & other accounts receivable, current	CLP	8.5	110,223,021	94,510,475
Trade debtors & other accounts receivable, current	USD	8.5	4,667	30,233
Trade debtors & other accounts receivable, current	EUR	8.5	200,372	18,321
Fees receivable, non-current			2,143,214	2,197,980
Fees receivable, non-current	CLP		2,143,214	2,197,980
Other financial liabilities, current			53,472,693	56,680,231
Bank loans	CLP	8.4	12,284,290	21,118,729
Bonds	CLP	8.4	37,805,409	33,176,766
Reimbursable financial contributions (AFR)	CLP	8.4	3,382,994	2,384,736
Other financial liabilities, non-current			704,558,627	698,421,729
Bank loans	CLP	8.4	92,882,913	90,504,265
Bonds	CLP	8.4	455,933,151	456,075,129
Reimbursable financial contributions (AFR)	CLP	8.4	155,742,563	151,842,335
Trade creditors			64,116,825	85,008,730
Trade accounts & other accounts payable, current			62,412,282	83,324,297
Trade accounts & other accounts payable, current	CLP	8.7	61,781,824	83,181,583
Trade accounts & other accounts payable, current	USD	8.7	371,933	102,359
Trade accounts & other accounts payable, current	EUR	8.7	258,525	40,355
Other accounts payable, non-current			1,704,543	1,684,433
Other accounts payable, non-current	CLP	8.7	1,704,543	1,684,433



8.4 Information on financial liabilities

Other financial liabilities

Other financial liabilities include bank loans, bonds and reimbursable financial contributions (AFRs) are valued at amortized cost, as explained below:

Reimbursable financial contributions (AFRs)

In accordance with article 42-A of decree MINECON 453 of 1989, "reimbursable financial contributions for extension and for capacity constitute a financing alternative for the provider (company that provides sanitation services) for carrying out sanitation works of extension and capacity which, under the law, are at its expense and cost."

They consist of certain amounts of money or works that sanitation public utilities can require of those asking to be incorporated as customers or who request an expansion of service and which, according to current regulations, have defined forms and terms for their reimbursement.

The reimbursement of the amounts contributed by customers is made basically through the issue of endorsable promissory notes at 10 or 15 years and, in some minor cases, through reimbursement by the provision of sanitation services.

The detail of bank loans as of March 31, 2015 and December 31, 2014 is as follows:

Bank loan balances, current period.

Debtor tax no.	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.809.310-K	
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	
Debtor country	Chile	Chile	Chile	Chile	Chile	
Creditor Tax N°	97.032.000-8	97.004.000-5	97.036.000-K	97.006.000-6	97.032.000-8	
Bank or financial institution	BANCO BBVA	BANCO DE CHILE	BANCO SANTANDER	BANCO BCI	BANCO BBVA	
Currency or indexation unit	CLP	CLP	CLP	CLP	CLP	
Repayment	Semi-annual	Semi-annual	Semi-annual	At maturity	Semi-annual	
Effective rate	4.02%	3.96%	3.99%	3.95%	4.03%	
Nominal rate	3.98%	3.93%	3.98%	3.95%	4.03%	
Nominal values						
To 1 year	2,516,400	91,790	9,567,577	71,889	64,928	12,312,584
To 90 days						0
Over 90 days to 1 year	2,516,400	91,790	9,567,577	71,889	64,928	12,312,584
Over 1 year to 3 years	9,382,413	0	0	0	0	9,382,413
Over 1 year to 2 years	9,382,413					9,382,413
Over 2 years to 3 years						0
Over 3 years to 5 years	0	44,248,904	0	19,270,304	20,000,000	83,519,208
Over 3 years to 4 years		6,283,344			20,000,000	26,283,344
Over 4 years to 5 years		13,805,658				13,805,658
Over 5 years		24,159,902		19,270,304		43,430,206
Total nominal values	11,898,813	44,340,694	9,567,577	19,342,193	20,064,928	105,214,205
Book values						
Current bank loans	2,511,499	71,370	9,564,604	71,889	64,928	12,284,290
To 90 days						0
Over 90 days to 1 year	2,511,499	71,370	9,564,604	71,889	64,928	12,284,290
Non-current bank loans	9,379,648	44,232,961	0	19,270,304	20,000,000	92,882,913
Over 1 year to 3 years	9,379,648	0	0	0	0	9,379,648
Over 1 year to 2 years	9,379,648					9,379,648
Over 2 years to 3 years						0
Over 3 years to 5 years	0	44,232,961	0	19,270,304	20,000,000	83,503,265
Over 3 years to 4 years		6,281,080	0	0	20,000,000	6,281,080
Over 4 years to 5 years		13,800,684	0	0		33,800,684
Over 5 years		24,151,197	0	19,270,304	0	43,421,501
Total bank loans	11,891,147	44,304,331	9,564,604	19,342,193	20,064,928	105,167,205

Book value = principal+/- issue over/below – issue costs + accrued interest by effective interest-rate method – interest and principal paid

Nominal value = principal+accrued interest at issue rate - interest and principal payments



Bank loan balances, previous period.

Debtor tax no.	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.809.310-K	
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	
Debtor country	Chile	Chile	Chile	Chile	Chile	
Creditor Tax N°	97.032.000-8	97.004.000-5	97.036.000-K	97.006.000-6	97.032.000-8	
Bank or financial institution	BANCO BBVA	BANCO DE CHILE	BANCO SANTANDER	BANCO BCI	BANCO BBVA	
Currency or indexation unit	CLP	CLP	CLP	CLP	CLP	
Repayment	Semi-annual	Semi-annual	Semi-annual	At maturity	Semi-annual	
Effective rate	4.05%	5.33%	5.06%	4.05%	4.01%	
Nominal rate	4.00%	4.58%	4.00%	4.05%	4.01%	
Nominal values						
To 1 year	2,660,318	8,260,313	9,669,458	283,337	281,250	21,154,676
To 90 days	1,421,131	4,634,817		283,337	281,250	6,620,535
Over 90 days to 1 year	1,239,187	3,625,496	9,669,458			14,534,141
Over 1 year to 3 years	10,621,600	40,631,070	0	0	0	51,252,670
Over 1 year to 2 years	10,621,600	7,235,670				17,857,270
Over 2 years to 3 years	0	33,395,400				33,395,400
Over 3 years to 5 years	0	0	0	19,270,304	20,000,000	39,270,304
Over 3 years to 4 years						0
Over 4 years to 5 years					20,000,000	39,270,304
Over 5 years				19,270,304		0
Total nominal values	13,281,918	48,891,383	9,669,458	19,553,641	20,281,250	111,677,650
Book values						
Current bank loans	2,655,424	8,232,231	9,666,486	283,338	281,250	21,118,729
To 90 days	1,416,237	4,614,396		283,338	281,250	6,595,221
Over 90 days to 1 year	1,239,187	3,617,835	9,666,486			14,523,508
Non-current bank loans	10,618,835	40,615,126	0	19,270,304	20,000,000	90,504,265
Over 1 year to 3 years	10,618,835	40,615,126	0	0	0	51,233,961
Over 1 year to 2 years	10,618,835	7,232,831				17,851,666
Over 2 years to 3 years	0	33,382,295				33,382,295
Over 3 years to 5 years	0	0	0	19,270,304	20,000,000	39,270,304
Over 3 years to 4 years						0
Over 4 years to 5 years					20,000,000	20,000,000
Over 5 years				19,270,304		19,270,304
Total bank loans	13,274,259	48,847,357	9,666,486	19,553,642	20,281,250	111,622,994

Book value = principal+/- issue over/below – issue costs + accrued interest by effective interest-rate method – interest and principal paid

Nominal value = principal+accrued interest at issue rate - interest and principal payments



The detail of reimbursable financial contributions as of March 31, 2015 and December 31, 2014 is as follows:

Reimbursable financial contributions, current portion

Registration No. or Identification of the Instrument	Currency indexation unit	Residual UF 31-03-2015	Book value		Contract real interest rate	Effective rate	Placement in Chile or abroad	Issuer	Issuer tax No.	Repayment	Secured (Yes/No)
			31-03-2015 ThCh\$	31-12-2014 ThCh\$							
AFR	UF	126,757	3,170,242	2,217,213	2.99%	2.95%	Chile	Aguas Andinas S.A	61.808.000-5	At maturity	No
AFR	UF	8,567	212,752	167,523	3.17%	3.20%	Chile	Aguas Cordillera S.A.	96.809.310-k	At maturity	No
TOTAL		135,324	3,382,994	2,384,736							

Reimbursable financial contributions, non-current portion

Registration No. or Identification of the Instrument	Currency indexation unit	Residual UF 31-03-2015	Book value		Maturity Date	Contract real interest rate	Effective rate	Issuer	Issuer tax No.	Repayment	Secured (Yes/No)
			31-03-2015 ThCh\$	31-12-2014 ThCh\$							
AFR	UF	4,398,366	109,373,561	107,509,452	27-03-2030	3.91%	3.79%	Aguas Andinas S.A	61.808.000-5	At maturity	No
AFR	UF	1,103,128	27,441,532	26,858,207	26-03-2030	4.14%	3.98%	Aguas Cordillera S.A.	96.809.310-k	At maturity	No
AFR	UF	470,420	11,701,614	11,192,604	11-11-2029	3.79%	3.63%	Aguas Manquehue S.A	89.221.000-4	At maturity	No
AFR	UF	293,462	7,225,856	6,282,072	19-03-2030	3.70%	3.70%	Essal S.A.	96.579.800-5	At maturity	No
TOTAL		6,265,375	155,742,563	151,842,335							



The detail of bonds outstanding as of March 31, 2015 and December 31, 2014 is as follows:

Total public obligations, current period

Debtor tax no.	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96579800-5
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Essal S.A.
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
Registration number	580	305	527	580	580	629	630	654	654	655	346	346	284
Series	BAGUA-I	BAGUA-J	BAGUA-K	BAGUA-M	BAGUA-N	BAGUA-P	BAGUA-Q	BAGUA-R	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	Besal-B
Final maturity	01-12-2015	01-12-2018	01-10-2016	01-04-2031	01-10-2016	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2037	01-04-2037	01-06-2037	01-06-2028
Currency or indexation unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF
Repayment	Semi-annual	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	Semi-annual
Effective rate	4.02%	4.15%	3.07%	4.15%	3.35%	3.81%	3.94%	3.59%	3.81%	3.50%	3.48%	3.16%	6.63%
Nominal rate	3.70%	4.00%	2.90%	4.20%	3.17%	3.86%	4.00%	3.30%	3.90%	3.80%	3.60%	3.30%	6.00%
Nominal values													
To 1 year	17,945,069	325,086	4,123,971	895,580	484,022	706,071	536,392	5,874,705	1,093,741	926,949	854,361	617,897	3,505,602
To 90 days	216,667	325,086	2,154,149	895,580	484,022	706,071	536,392	3,138,841	1,093,741	926,949	854,361	617,897	0
Over 90 days to 1 year	17,728,402	0	1,969,822	0	0	0	0	2,735,864	0	0	0	0	3,505,602
Over 1 year to 3 years	0	0	8,864,201	0	30,778,475	0	0	10,943,458	0	0	0	0	5,582,397
Over 1 year to 2 years	0	0	8,864,201	0	30,778,475	0	0	5,471,729	0	0	0	0	2,791,199
Over 2 years to 3 years	0	0	0	0	0	0	0	5,471,729	0	0	0	0	2,791,199
Over 3 years to 5 years	0	24,622,780	0	43,089,865	0	36,934,170	40,627,587	8,207,594	56,632,394	49,245,560	49,245,560	56,632,394	33,305,718
Over 3 years to 4 years	0	24,622,780	0	0	0	0	0	5,471,729	0	0	0	0	2,791,199
Over 4 years to 5 years	0	0	0	0	0	0	0	2,735,865	0	0	0	0	2,791,199
Over 5 years	0	0	0	43,089,865	0	36,934,170	40,627,587	0	56,632,394	49,245,560	49,245,560	56,632,394	27,723,321
Total nominal values	17,945,069	24,947,866	12,988,172	43,985,445	31,262,497	37,640,241	41,163,979	25,025,757	57,726,135	50,172,509	50,099,921	57,250,291	42,393,718
Book values													
Current public obligations	17,922,712	293,672	4,105,177	906,187	444,629	714,556	548,352	5,846,112	1,086,787	923,920	889,806	617,897	3,505,602
To 90 days	216,667	293,672	2,135,355	906,187	444,629	714,556	548,352	3,110,248	1,086,787	923,920	889,806	617,897	0
Over 90 days to 1 year	17,706,045	0	1,969,822	0	0	0	0	2,735,864	0	0	0	0	3,505,602
Non-current public obligations	0	24,513,036	8,863,562	43,323,620	30,765,396	37,147,843	40,901,403	19,032,765	56,440,978	49,153,691	49,245,560	57,657,180	38,888,117
Over 1 year to 3 years	0	0	8,863,562	0	30,765,396	0	0	10,872,486	0	0	0	0	5,582,398
Over 1 year to 2 years	0	0	8,863,562	0	30,765,396	0	0	5,436,243	0	0	0	0	2,791,199
Over 2 years to 3 years	0	0	0	0	0	0	0	5,436,243	0	0	0	0	2,791,199
Over 3 years to 5 years	0	24,513,036	0	43,323,620	0	37,147,843	40,901,403	8,160,279	56,440,978	49,153,691	49,245,560	57,657,180	33,305,719
Over 3 years to 4 years	0	24,513,036	0	0	0	0	0	5,436,243	0	0	0	0	2,791,199
Over 4 years to 5 years	0	0	0	0	0	0	0	2,724,036	0	0	0	0	2,791,199
Over 5 years	0	0	0	43,323,620	0	37,147,843	40,901,403	0	56,440,978	49,153,691	49,245,560	57,657,180	27,723,321
Total public obligations	17,922,712	24,806,708	12,968,739	44,229,807	31,210,025	37,862,399	41,449,755	24,878,877	57,527,765	50,077,611	50,135,366	58,275,077	42,393,719



Total public obligations, previous period

Debtor tax no.	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Essal S.A.	
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	580	305	527	580	580	629	630	654	654	655	346	346	284	
Series	BAGUA-I	BAGUA-J	BAGUA-K	BAGUA-M	BAGUA-N	BAGUA-P	BAGUA-Q	BAGUA-R	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BESAL-B	
Final maturity	01-12-2015	01-12-2018	01-10-2016	01-04-2031	01-10-2016	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2037	01-04-2037	01-06-2037	01-06-2028	
Currency or indexation unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Repayment	Semi-annual	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	Semi-annual	
Effective rate	4.18%	3.07%	4.06%	3.36%	3.81%	3.94%	3.67%	3.93%	3.81%	3.50%	3.48%	3.16%	6.63%	
Nominal rate	3.70%	4.00%	2.90%	4.20%	3.17%	3.86%	4.00%	3.30%	3.90%	3.80%	3.60%	3.30%	6.00%	
Nominal values														
To 1 year	17,785,688	81,286	4,032,515	447,868	242,054	353,097	134,122	5,674,212	546,967	463,556	427,256	154,501	2,851,558	33,194,680
To 90 days	0													0
Over 90 days to 1 year	17,785,688	81,286	4,032,515	447,868	242,054	353,097	134,122	5,674,212	546,967	463,556	427,256	154,501	2,851,558	33,194,680
Over 1 year to 3 years	0	0	8,865,756	0	30,783,875	0	0	10,945,378	0	0	0	0	5,703,116	56,298,125
Over 1 year to 2 years	0	0	8,865,756	0	30,783,875	0	0	5,472,689	0	0	0	0	5,703,116	50,825,436
Over 2 years to 3 years	0	0	0	0	0	0	0	5,472,689	0	0	0	0	0	5,472,689
Over 3 years to 5 years	0	24,627,100	0	43,097,425	0	36,940,650	40,634,715	8,209,034	56,642,330	49,254,200	49,254,200	56,642,330	34,015,405	399,317,389
Over 3 years to 4 years	0	24,627,100	0	0	0	0	0	5,472,689	0	0	0	0	5,703,116	35,802,905
Over 4 years to 5 years	0	0	0	0	0	0	0	2,736,345	0	0	0	0	0	2,736,345
Over 5 years	0	0	0	43,097,425	0	36,940,650	40,634,715	0	56,642,330	49,254,200	49,254,200	56,642,330	28,312,289	360,778,139
Total nominal values	17,785,688	24,708,386	12,898,271	43,545,293	31,025,929	37,293,747	40,768,837	24,828,624	57,189,297	49,717,756	49,681,456	56,796,831	42,570,079	488,810,194
Book values														
Current public obligations	17,749,996	49,871	4,015,190	458,370	190,005	361,505	145,966	5,645,619	540,078	460,813	427,256	196,146	2,935,951	33,176,766
To 90 days														0
Over 90 days to 1 year	17,749,996	49,871	4,015,190	458,370	190,005	361,505	145,966	5,645,619	540,078	460,813	427,256	196,146	2,935,951	33,176,766
Non-current public obligations	0	24,509,817	8,858,638	43,333,829	30,770,796	37,156,440	40,911,569	19,035,918	56,449,179	49,161,239	49,254,200	57,688,997	38,944,507	456,075,129
Over 1 year to 3 years	0	0	8,858,638	0	30,770,796	0	0	10,892,714	0	0	0	0	5,579,274	56,101,422
Over 1 year to 2 years	0	0	8,858,638	0	30,770,796	0	0	5,446,357	0	0	0	0	5,579,274	50,655,065
Over 2 years to 3 years	0	0	0	0	0	0	0	5,446,357	0	0	0	0	0	5,446,357
Over 3 years to 5 years	0	24,509,817	0	43,333,829	0	37,156,440	40,911,569	8,143,204	56,449,179	49,161,239	49,254,200	57,688,997	33,365,233	399,973,707
Over 3 years to 4 years	0	24,509,817	0	0	0	0	0	5,446,357	0	0	0	0	5,579,274	35,535,448
Over 4 years to 5 years	0	0	0	0	0	0	0	2,710,013	0	0	0	0	0	2,710,013
Over 5 years	0	0	0	43,333,829	0	37,156,440	40,911,569	-13,166	56,449,179	49,161,239	49,254,200	57,688,997	27,785,959	361,728,246
Total public obligations	17,749,996	24,559,688	12,873,828	43,792,199	30,960,801	37,517,945	41,057,535	24,681,537	56,989,257	49,622,052	49,681,456	57,885,143	41,880,458	489,251,895



8.5 Risk management

The principal objectives of financial risk management are to ensure the availability of funds to meet financial commitments and to protect the value of the economic flows of the Group's assets and liabilities.

This management is carried out through the identification of the risks, the determination of tolerance to each risk, the hedging of such financial risks and the control of hedge transactions. Financial risk management is therefore based on hedging all significant exposures, provided there are suitable instruments and they are reasonably priced.

i. Credit risk

Credit risk is the possibility of financial loss arising from the default of obligations by our counterparties (customers).

Aguas Andinas and its sanitation subsidiaries have a well-spread market which implies that the risk of a customer credit in particular is not significant.

The objective is to maintain minimum levels of bad debts. There is a credit policy which sets the conditions and types of payment and also conditions for reaching payment agreements with overdue customers. The management processes are to control, estimate and evaluate bad debts in order to take corrective actions to achieve the objectives. One of the principal actions and measures for maintaining low levels of bad debts is to suspend supplies. The method for analysis is based on historic data on customer accounts receivable and other debtors.

Credit risk	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Gross exposure per balance sheet for risks of accounts receivable	151,221,098	133,672,007
Gross exposure per estimates of risks of accounts receivable	-38,649,823	-36,915,040
Net exposure, risk concentration	112,571,275	96,756,967

Movement of credit risk, accounts receivable	ThCh\$
Initial balance at 01-01-2015	36,915,040
Increase in existing provisions	1,735,818
Reductions	1,035
Changes, total	1,734,783
Closing balance at 31-03-2015	38,649,823



The following shows the composition of the ageing of gross debt:

Ageing of debt	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Less than three months	109,325,006	93,967,247
Three to six months	2,105,589	1,267,420
Six to eight months	692,382	654,829
More than eight months	39,098,121	37,782,511
Total	151,221,098	133,672,007

As required by IFRS 7 *Financial Instruments*, the following details the past-due gross debt by age:

Past-due debt	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Less than three months	10,315,962	9,035,546
Three to six months	1,562,434	993,925
Six to eight months	605,935	570,545
More than eight months	36,546,460	35,100,759
Total	49,030,791	45,700,775

Past-due gross debt comprises all receivables over two months past due, as the counterparty has ceased to pay when contractually due. From that moment, it is considered to be a past-due balance.

ii. Liquidity risk

Liquidity risk is the possibility that adverse situations in the capital markets prevent the Group from having access to financing and from being able to finance its acquired commitments like long-term investments and working capital needs at reasonable market prices.

The management controls forecasts of the Group's liquidity reserve as a function of expected cash flows.

The preventive measures taken to manage liquidity risk include the following:

- Diversification of financing sources and instruments.
- Agree maturity dates with creditors in order to avoid the concentration of large repayments in one period.



Maturity structure (non-discounted flows)

Balance as of 31-03-2015	Up to 90 days		91 days to 1 year		13 months to 3 years		3 to 5 years		More than 5 years	
	ThCh\$	Contract interest rate	ThCh\$	Contract interest rate	ThCh\$	Contract interest rate	ThCh\$	Contract interest rate	ThCh\$	Contract interest rate
Bank loans			15,175,130	3.97%	16,181,441	3.96%	45,656,636	3.98%	44,915,048	3.93%
Bonds	22,588,929	3.69%	22,353,293	3.69%	82,737,483	3.60%	62,614,627	3.53%	545,528,500	3.50%
AFR	136,569	2.33%	3,257,088	2.33%	46,638,241	2.33%	26,963,108	2.33%	129,674,302	2.33%
TOTAL	22,725,498		40,785,511		145,557,165		135,234,371		720,117,850	

Liquidity risk is controlled periodically in order to perceive, detect and correct deviations for mitigating the possible effects on results.

iii. Interest rate risk

Aguas Andinas has an interest-rate structure of both floating and fixed rates, as shown in the following table:

Debt instruments	Rate	%
Bank loans	Variable	13.87%
Bonds	UF	65.14%
AFR	UF	20.99%
Total		100.00%

Interest rate sensitivity analysis

A rate analysis is made, with respect to TAB (Banking Asset Rate), assuming that all the other variables remain constant. The method consists of measuring the positive or negative changes in nominal TAB at the date of presentation of the report with respect to the average TAB of the latest setting of the loans.

The analysis method is based on historic data with respect to the average daily market price of 180-day TAB over the past 3 years to the date of the report, with a reliability level of 95%.

Society	Nominal amount of debt ThCh\$	Variable rate	Points (+/-)	Impact on result ThCh\$ (+/-)
				ThCh\$
Aguas Andinas Consolidated	105,214,196	TAB 180 days	151	1,630,517



For loans based on 180-day TAB, the positive or negative change in nominal TAB of 151 basis points, calculated annually, would have an impact on results of +/- ThCh\$1,630,517.

8.6 Cash equivalents.

The detail by type of instrument for each Society is as follows:

Society	Instruments	31-03-2015	31-12-2014
		ThCh\$	ThCh\$
Aguas Andinas S.A.	Term deposit	540,000	8,604,476
Aguas Cordillera S.A.	Term deposit	8,141,462	7,017,959
Aguas Manquehue S.A	Term deposit	1,200,676	1,101,512
Aguas del Maipo S.A	Term deposit	500,000	2,051,485
Análisis Ambientales S.A.	Term deposit	1,900,000	1,855,815
Gestión y Servicios S.A.	Term deposit	430,067	0
Eco-Riles S.A.	Term deposit	1,590,000	800,508
ESSAL S.A.	Term deposit	1,163,000	2,039,906
Total (cash equivalent)		15,465,205	23,471,661

The Society and subsidiaries make investments with portfolio limits of a maximum of 40% of the total per issuing institution, and limits for types of instruments, e.g. mutual funds, 10% of the effective equity of the mutual fund and term deposits, 10% of the bank's equity.

8.7 Trade creditors and other accounts payable

The principal concepts included in this account are the following:



Trade creditors & other accounts payable, current	Currency or indexation unit	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Dividends	CLP	71,684	21,627,533
Taxes (VAT, prepayments, sole tax, others)	CLP	15,569,505	13,326,163
Suppliers for investments in progress	CLP	16,003,181	17,252,171
Personnel	CLP	2,320,362	2,795,596
Suppliers (expense)	CLP	8,509,112	10,846,749
Suppliers (expense)	USD	280,690	102,359
Suppliers (expense)	EUR	258,525	40,355
Suppliers (investment)	CLP	2,700,194	2,331,895
Accrued services	CLP	15,038,555	13,787,483
Accrued services	USD	91,243	0
AFR (expense)	CLP	553,632	591,800
Others (expense)	CLP	991,895	594,349
Others (investment)	CLP	23,702	27,844
Sub-total current		62,412,280	83,324,297
AFR water	CLP	570,309	531,838
Suppliers for investments in progress	CLP	1,063,838	1,082,200
Sundry creditors	CLP	70,396	70,395
Sub total non-current		1,704,543	1,684,433
Total current & non-current		64,116,823	85,008,730

The following is the information about trade accounts according to term:

Current trade accounts

Current period

Current trade accounts according to term	31-03-2015			
	Goods	Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
To 30 days	2,157,067	2,490,611	44,314	4,691,992
From 31 to 60 days	166,568	116,753	0	283,321
From 61 to 90 days	0	130	0	130
From 91 to 120 days	12,409	145,008	0	157,417
From 121 to 365 days	0	0	0	0
More than 365 days	35	43	0	78
Total	2,336,079	2,752,545	44,314	5,132,938



Previous period

Current trade accounts according to term	31-12-2014			
	Goods	Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
To 30 days	868,191	1,230,016	62,034	2,160,241
From 31 to 60 days	179,892	23,766	663	204,321
From 61 to 90 days	19,937	0	0	19,937
From 91 to 120 days	0	10	0	10
From 121 to 365 days	0	145,008	0	145,008
More than 365 days	0	0	0	0
Total	1,068,020	1,398,800	62,697	2,529,517

Overdue trade accounts

Current period

Overdue trade accounts according to term	31-03-2015			
	Goods	Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
To 30 days	90,147	367,335	292	457,774
From 31 to 60 days	90,249	28,824	1,003	120,076
From 61 to 90 days	162,176	4,508	0	166,684
From 91 to 120 days	953	14,712	0	15,665
From 121 to 365 days	79,058	297,376	9,569	386,003
More than 365 days	58,512	40,818	2,515	101,845
Total	481,095	753,573	13,379	1,248,047

Previous period

Overdue trade accounts according to term	31-12-2014			
	Goods	Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
To 30 days	51,831	157,612	3,990	213,433
From 31 to 60 days	37,808	11,473	2,600	51,881
From 61 to 90 days	2,943	173,924	144	177,011
From 91 to 120 days	1,122	39,562	0	40,684
From 121 to 365 days	42,596	141,517	8,142	192,255
More than 365 days	16,087	24,133	184	40,404
Total	152,387	548,221	15,060	715,668



8.8 Fair value of financial instruments

Fair value of financial instruments booked at amortized cost.

The following summarizes the fair values of the principal assets and financial obligations, including those that are not shown at fair value in the consolidated statement of financial position:

	31-03-2015	
	Amortized cost ThCh\$	Fair value ThCh\$
Investments booked at fair value	15,465,205	15,465,205
Term deposits	15,465,205	15,465,205
Other financial liabilities	758,031,320	801,526,283
Financial liabilities booked at amortized cost	758,031,320	801,526,283
Bank debt	105,167,203	106,128,141
Bonds	493,738,560	536,272,585
AFR	159,125,557	159,125,557

Methodology and assumptions used in the calculation of fair value

The fair values of financial assets and liabilities were determined using the following methodology:

- a) The amortized cost of term deposits is a good approximation of fair value as they are very short-term operations.
- b) The amortized cost of AFR liabilities is a good approximation of fair value as they are not very liquid in the market but their issue rate is determined in line with the regulation (Decree Law 70).
- c) The fair value of bonds was determined based on market price references as these instruments are traded on the market under normal conditions and with a high level of liquidity.
- d) The fair value of bank debt was determined through the updating of the cash flows of each loan (principal and interest disbursements), applying the discount curves corresponding to the remaining term. This term corresponds to the number of days between the closing date of the consolidated financial statements and the date of the cash disbursement.

Booking hierarchy of fair value measurements in the interim consolidated financial statements

- Level 1 relates to fair-value measurement methodologies by market quotes (without adjustments) in active markets and considering the same assets and liabilities valued.
- Level 2 relates to fair-value measurement methodologies from market quotation data not included in Level 1, observable for the assets and liabilities valued, whether directly (prices) or indirectly (derivative of the prices).
- Level 3 relates to fair-value measurement methodologies by valuation techniques which include data on the assets and liabilities valued, not based on observable market data.

8.9 Other financial assets

Other current financial assets

To the date of this financial statements, the Group Aguas Andinas presents the following UF hedge (inflation) to fair value in force as of March 31, 2015.

Company	Detail of the hedging		Hedged item	Nature of hedged risk	Asset 31-03-2015		Liability 31-12-2014	
	instrument	Description of hedging			ThCh\$	ThCh\$	ThCh\$	ThCh\$
AGUAS ANDINAS S.A	Forward purchase	Exchange rate	Liabilities	Fair value	356,000	0	0	0
AGUAS ANDINAS S.A	Forward purchase	Exchange rate	Liabilities	Fair value	55,400	0	0	0
AGUAS ANDINAS S.A	Forward purchase	Exchange rate	Liabilities	Fair value	78,600	0	0	0

Other non-current financial assets

These mainly relate to the acquisition of shares in Sociedad Eléctrica Puntilla S.A. (EPSA) for a total amount of ThCh\$7,395,680 as of March 31, 2015 and December 31, 2014 (see Note 2.2, h, ii), over which the Group has no control or significant influence. The balance of ThCh\$163,999 and ThCh\$17,517 respectively relates to other financial investments.

8.10 Other non-financial liabilities

This is deferred income reflecting an obligation by the Company to the Asociación Sociedad de Canalistas del Maipo not to move the location of current water rights, for ThCh\$7,294,709 as of December 31, 2014 and December 31, 2013. The balance of ThCh\$511,045 is mainly related to agreements with real estate developers in both periods.



9. INFORMATION ON RELATED ENTITIES

Balances and transactions with related entities

Transactions between the Society and its subsidiaries are in line with market conditions. These transactions have been eliminated in the consolidation and are not detailed in this note.

Accounts receivable from related entities

Tax No. related party	Name of related party	Relationship	Country of origin	Transaction with related party	Currency	Term	Security	31-03-2015	31-12-2014
								ThCh\$	ThCh\$
96.713.610-7	Agbar Chile S.A.	Related to the controller	CL	Laboratory analysis and sampling services	CLP	30 days	Unsecured	0	2,275
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Sewage & liquid waste analysis services	CLP	30 days	Unsecured	3,730	6,729
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Laboratory analysis and sampling services	CLP	30 days	Unsecured	18,710	59,825
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Units cleaning	CLP	30 days	Unsecured	2,142	1,800
None	Degremont S.A.	Related to the controller	CL	Equipment supply, installation and implementation of the second stage of Mapocho Sewage Treatment Plant.	CLP	30 days	Unsecured	5,359,238	0
Total								5,383,820	70,629

Accounts payable to related entities

Tax No. related party	Name of related party	Relationship	Country of origin	Transaction with related party	Currency	Term	Security	31-03-2015	31-12-2014
								ThCh\$	ThCh\$
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Hydraulic efficiency project	CLP	30 days	Performance bond UF: 14,992	311,876	1,086,207
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Change of Method Adsorption of arsenic to Quilicura plant	CLP	30 days	Performance bond UF: 867	28,368	31,932
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Ice-Pigging network cleaning service contract	CLP	30 days	Performance bond ThCh\$26,600	42,981	103,211
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Lo Pinto project	CLP	30 days	Guarantee UF22.470	1,603,487	2,357,458
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Design, construction & start-up contract of La Unión percolated filter	CLP	30 days	Performance bond UF 6,915	145,419	93,112
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Construction and expansion of sludge line La Unión	CLP	30 days	Performance bond ThCh\$47,110	0	74,355
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Update service of the operation and security of dam Pudeto and Gamboa	CLP	30 days	Performance bond ThCh\$705	0	54,828
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Modeling odor panels	CLP	30 days	Unsecured	0	18,523
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to the controller	CL	Purchase of materials	CLP	30 days	Performance bond ThCh\$279,298	383,530	553,550
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to the controller	CL	Implementation of geographic information system Essal S.A.	CLP	60 days	Performance bond UF 887	102,691	102,652
76.046.628-K	Asterión S.A.	Related to the controller	CL	Process re-engineering service contract & implementation of new customer service information systems	CLP	30 days	Performance bond ThCh\$845,149	259,042	395,343
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	La Farfana sewage treatment plant operation & maintenance services	CLP	30 days	Performance bond UF194,249.62	30,364	24,545
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Biogas plant operation services	CLP	30 days	Unsecured	0	37,161
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Operation & maintenance services El Trebal sewage treatment plant, construction, operation & maintenance Mapocho sewage treatment plant	CLP	30 days	Performance bond UF357,863	4,765,128	5,039,821
None	Aqua Development Network S.A.	Related to the controller	CL	Training services	CLP	30 days	Unsecured	7,890	43,671
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Related to the controller	CL	Dividends payable	CLP	30 days	Unsecured	0	19,467,478
Total accounts payable								7,680,776	29,483,847



Transactions

Tax No. related party	Name of related party	Relationship	Country of origin	Transaction	Currency	31-03-15		31-03-14	
						Amount	Effect on results (Charge)/ Credit	Amount	Effect on results (Charge)/ Credit
79.046.628-K	Asterión S.A.	Related to the controller	CL	Process re-engineering service contract & implementation of new information systems for customer service	CLP	237,623	-230,400	476,573	-121,517
None	Aqua Development Network	Related to the controller	CL	Integrated talent management contract	CLP	88,540	-88,540	39,958	-39,958
76.080.553-K	Aqualogy Solutions Chile Ltda	Related to the controller	CL	Purchase of materials	CLP	514,416	-514,416	493,769	-493,769
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Ice-Pigging network cleaning service	CLP	42,981	-42,981	0	0
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Lo Pinto project	CLP	573,344	0	0	0
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Hydraulic efficiency project	CLP	254,069	0	0	0
76.080.553-K	Aqualogy Solutions Chile Ltda	Related to the controller		Implementation of geographic information system Essal S.A.	CLP	102,652	0	160,476	0
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Design, construction & start-up contract of La Unión percolated filter	CLP	832	0	364,230	0
76.148.998-4	Aqualogy Medioambiente Chile S.A.	Related to the controller	CL	Cleaning & maintenance service sludge anaerobic digester at Talagante sewage treatment plant	CLP	0	0	390,494	0
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the controller	CL	Operation & maintenance services El Trebal sewage treatment plant, construction, operation & maintenance Mapocho sewage treatment plant	CLP	6,727,714	-5,607,640	6,307,561	-5,233,969
76.938.110-4	Empresa Depuradora de Aguas Servidas Ltda.	Related to the controller	CL	Operation & maintenance services biogas purification plant	CLP	30,364	-30,364	46,363	-46,363

The criteria of materiality for reporting transactions with related entities are accumulated amounts of over ThCh\$25,000.

Remuneration paid to the directors of Aguas Andinas S.A. and subsidiaries, and to members of the directors' committee

	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Directors	95,598	73,867
Directors' committee	6,145	4,225
Total	101,743	78,092

These are fees related to their functions as members of the board and directors' committee as defined and agreed by the ordinary shareholders' meeting.



Detail of related parties and transactions with related parties by the directors and executives.

The management of the Society is unaware of any transactions between related parties and directors and/or executives, other than their fees and remuneration.

10. INVENTORIES

Inventory class	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Spares & meters	3,038,634	3,210,332
Supplies for production	572,342	591,598
Others	314,665	101,013
Total	3,925,641	3,902,943

The cost of the inventories shown as an expense in the statement of results during periods 2015 and 2014 amounts to ThCh\$2,386,516 and ThCh\$2,593,989 respectively.

11. INTANGIBLE ASSETS OTHER THAN GOODWILL

The following shows the required information on the Society's intangible assets, as per IAS 38 Intangible assets:

	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Intangible assets, net	231,747,997	232,174,750
Trademarks, net	13,000	13,000
Computer programs, net	15,253,323	15,439,243
Other intangible assets, net	216,481,674	216,722,507
Intangible assets, gross	268,996,123	267,732,735
Trademarks, gross	13,000	13,000
Computer programs, gross	40,261,768	38,804,351
Other intangible assets, gross	228,721,355	228,915,384
Intangible assets, accumulated amortization	37,248,126	35,557,985
Trademarks, accumulated amortization	0	0
Computer programs, accumulated amortization	25,008,445	23,365,108
Other intangible assets, accumulated amortization	12,239,681	12,192,877



Movement of intangible assets

Current period 31-03-2015

Intangible asset movements	Trademarks, net ThCh\$	Computer programs, net ThCh\$	Other intangible assets, net ThCh\$	Total ThCh\$
Initial balance as of 01-01-2015	13,000	15,439,243	216,722,507	232,174,750
Amortization	0	-1,643,337	-46,804	-1,690,141
Increases (reductions) for transfers	0	729,058	0	729,058
Increases (reductions) for other changes	0	728,359	-194,029	534,330
Disposals and withdrawals from service	0	0	0	0
Changes, total	0	-185,920	-240,833	-426,753
Closing balance	13,000	15,253,323	216,481,674	231,747,997

Previous period 31-12-2014

Intangible asset movements	Trademarks, net ThCh\$	Computer programs, net ThCh\$	Other intangible assets, net ThCh\$	Total ThCh\$
Initial balance as of 01-01-2014	13,000	10,916,343	216,417,926	227,347,269
Amortization	0	-5,384,303	-187,223	-5,571,526
Increases (reductions) for transfers	0	3,828,805	-123,156	3,705,649
Increases (reductions) for other changes	0	6,078,398	616,934	6,695,332
Disposals and withdrawals from service	0	0	-1,974	-1,974
Changes, total	0	4,522,900	304,581	4,827,481
Closing balance as of 31-12-2014	13,000	15,439,243	216,722,507	232,174,750

Disclosure information on intangible assets (gross value)

Current Period 31-03-2015

Intangible asset movements	Trademarks, gross ThCh\$	Computer programs, gross ThCh\$	Other intangible assets, gross ThCh\$	Total ThCh\$
Initial balance as of 01-01-2015	13,000	38,804,351	228,915,384	267,732,735
Increases (reductions) for transfers	0	729,058	0	729,058
Increases (reductions) for other changes	0	728,359	-194,029	534,330
Disposals and withdrawals from service	0	0	0	0
Changes, total	0	1,457,417	-194,029	1,263,388
Closing balance	13,000	40,261,768	228,721,355	268,996,123



Previous Period 31-12-2014

Intangible asset movements	Trademarks, gross ThCh\$	Computer programs, gross ThCh\$	Other intangible assets, gross ThCh\$	Total ThCh\$
Initial balance as of 01-01-2014	13,000	30,716,721	228,423,580	259,153,301
Increases (reductions) for transfers	0	3,828,805	-123,156	3,705,649
Increases (reductions) for other changes	0	6,078,398	616,934	6,695,332
Disposals and withdrawals from service	0	-1,819,573	-1,974	-1,821,547
Changes, total	0	8,087,630	491,804	8,579,434
Closing balance as of 31-12-2014	13,000	38,804,351	228,915,384	267,732,735

Disclosure information on intangible assets (accumulated amortization)

Current Period 31-03-2015

Intangible asset movements	Computer programs, accumulated amortization ThCh\$	Other intangible assets, accumulated amortization ThCh\$	Total ThCh\$
Initial balance as of 01-01-2015	23,365,108	12,192,877	35,557,985
Amortization	1,643,337	46,804	1,690,141
Increases (reductions) for transfers	0	0	0
Increases (reductions) for other changes	0	0	0
Disposals and withdrawals from service	0	0	0
Changes, total	1,643,337	46,804	1,690,141
Closing balance	25,008,445	12,239,681	37,248,126

Previous Period 31-12-2014

Intangible asset movements	Computer programs, accumulated amortization ThCh\$	Other intangible assets, accumulated amortization ThCh\$	Total ThCh\$
Initial balance as of 01-01-2014	19,800,378	12,005,654	31,806,032
Amortization	5,384,303	187,223	5,571,526
Increases (reductions) for transfers	0	0	0
Increases (reductions) for other changes	0	0	0
Disposals and withdrawals from service	-1,819,573	0	-1,819,573
Changes, total	3,564,730	187,223	3,751,953
Closing balance as of 31-12-2014	23,365,108	12,192,877	35,557,985

Detail of significant individual intangible assets:

Water rights and easements are the principal intangible assets with indefinite useful lives; their detail by society is as follows:



Society	31-03-2015			31-12-2014		
	Water rights ThCh\$	Easements ThCh\$	Others ThCh\$	Water rights ThCh\$	Easements ThCh\$	Others ThCh\$
Aguas Andinas S.A.	73,880,902	8,014,753	5,276,028	73,945,528	8,031,096	5,322,126
Aguas Cordillera S.A.	92,677,367	7,866,530	0	92,671,533	7,866,530	0
Aguas Manquehue S.A.	21,480,920	900,294	0	21,625,505	900,294	0
Essal S.A.	5,242,775	1,087,305	0	5,217,790	1,087,305	0
Aguas del Maipo S.A.	13,700	0	0	13,700	0	0
Ecoriles S.A.	13,700	0	0	13,700	0	0
Gestión y Servicios S.A.	13,700	0	0	13,700	0	0
Análisis Ambientales S.A.	13,700	0	0	13,700	0	0
Total	193,336,764	17,868,882	5,276,028	193,515,156	17,885,225	5,322,126

Intangible assets with undefined useful lives:

Both the water rights and easements are rights of the Society for which it is not possible to establish a foreseeable useful life, i.e. the period of economic benefits associated with these assets are indefinite. Both assets are legal rights that are not extinguished nor affected by restrictions.

Commitments for acquiring intangible assets:

Commitments for acquisitions of intangible assets for the period 2015 relate to water rights, easements and computer programs necessary for the normal operation of the Group companies and in particular for new works under development or prior study stages, plus the expansion of concession zones, shown as follows:

Society	ThCh\$
Aguas Andinas S.A.	913,200
Aguas Cordillera S.A.	37,451
Aguas Manquehue S.A.	304,876
Essal S.A.	404,614
Análisis Ambientales S.A.	159,528
Total	1,819,669

12. GOODWILL

The detail of goodwill follows for the different cash-generating units or groups to which they are assigned and its movement in periods 2014 and 2013.

Tax Nº	Society	31-03-2015	31-12-2014
		ThCh\$	ThCh\$
96.809.310-K	Aguas Cordillera S.A.	33,823,049	33,823,049
95.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A. (Essal S.A.)	343,332	343,332
96.897.320-7	Inversiones Iberaguas Ltda.	2,066,631	2,066,631
Total		36,233,012	36,233,012



13. PROPERTY, PLANT AND EQUIPMENT

	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Property, plant & equipment, net	1,188,265,231	1,188,402,068
Land	157,772,997	158,072,457
Buildings	74,014,278	74,015,778
Machinery	109,549,811	112,453,483
Transport vehicles	2,375,950	2,441,287
Fixed installations & accessories	667,488	591,523
Computer equipment	2,526,602	2,349,503
Improvements to leased assets	84,291	77,977
Construction in progress	78,873,613	72,421,357
Other property, plant & equipment *	762,400,201	765,978,703
Property, plant & equipment, gross	2,237,165,576	2,222,113,886
Land	157,772,997	158,072,457
Buildings	99,723,173	99,239,758
Machinery	293,747,576	291,343,330
Transport vehicles	6,352,827	6,291,303
Fixed installations & accessories	5,055,657	4,949,375
Computer equipment	9,252,886	8,770,905
Improvements to leased assets	585,919	573,520
Construction in progress	78,873,613	72,421,357
Other property, plant & equipment	1,585,800,928	1,580,451,881
Accumulated depreciation	1,048,900,345	1,033,711,818
Buildings	25,708,895	25,223,980
Machinery	184,197,765	178,889,847
Transport vehicles	3,976,877	3,850,016
Fixed installations & accessories	4,388,169	4,357,852
Computer equipment	6,726,284	6,421,402
Improvements to leased assets	501,628	495,543
Other property, plant & equipment	823,400,727	814,473,178

* Mainly relate to drinking water and sewage.

Reconciliation of changes in property, plant and equipment by class:

The following is information on each of the Company's classes of property, plant and equipment, as required by IAS 16, paragraph 73:



Current period 31-03-2015

Concept	Initial balance	Depreciation	Increases (reductions) for transfers from construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	158,072,457	0	0	-299,460	0	-299,460	157,772,997
Buildings	74,015,778	-484,915	3,963,243	-3,479,828	0	-1,500	74,014,278
Machinery	112,453,483	-5,331,824	3,377,130	-947,710	-1,268	-2,903,672	109,549,811
Transport vehicles	2,441,287	-126,861	326,337	-264,813	0	-65,337	2,375,950
Fixed installations & accessories	591,523	-30,317	68,096	38,186	0	75,965	667,488
Computer equipment	2,349,503	-304,882	295,164	186,817	0	177,099	2,526,602
Improvements to leased assets	77,977	-6,085	1,940	10,459	0	6,314	84,291
Construction in progress	72,421,357	0	-12,867,297	19,336,392	-16,839	6,452,256	78,873,613
Other property, plant & equipment	765,978,703	-8,927,633	4,106,331	1,243,126	-326	-3,578,502	762,400,201
Total property, plant & equipment, net	1,188,402,068	-15,212,517	-729,056	15,823,169	-18,433	-136,837	1,188,265,231

Previous period 31-12-2014

Concept	Initial balance	Depreciation	Increases (reductions) for transfers from construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	152,074,916	0	157,169	5,969,509	-129,137	5,997,541	158,072,457
Buildings	72,743,012	-1,908,062	1,706,562	1,475,844	-1,578	1,272,766	74,015,778
Machinery	117,271,761	-21,281,824	10,264,849	6,362,362	-163,665	-4,818,278	112,453,483
Transport vehicles	2,151,180	-476,826	196,556	656,458	-86,081	290,107	2,441,287
Fixed installations & accessories	348,018	-102,150	136,685	208,970	0	243,505	591,523
Computer equipment	2,062,523	-1,148,146	433,830	1,001,300	-4	286,980	2,349,503
Improvements to leased assets	32,621	-16,261	243	61,374	0	45,356	77,977
Construction in progress	107,134,077	0	-73,806,314	39,182,939	-89,345	-34,712,720	72,421,357
Other property, plant & equipment	717,364,720	-35,720,417	57,204,767	27,209,217	-79,584	48,613,983	765,978,703
Total property, plant & equipment, net	1,171,182,828	-60,653,686	-3,705,653	82,127,973	-549,394	17,219,240	1,188,402,068



Disclosure information for property, plant and equipment (gross value)

Current Period 31-03-2015

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	158,072,457	0	-299,460	0	-299,460	157,772,997
Buildings	99,239,758	3,963,243	-3,479,828	0	483,415	99,723,173
Machinery	291,343,330	3,377,130	-947,710	-25,174	2,404,246	293,747,576
Transport vehicles	6,291,303	326,337	-264,813	0	61,524	6,352,827
Fixed installations & accessories	4,949,375	68,096	38,186	0	106,282	5,055,657
Computer equipment	8,770,905	295,164	186,817	0	481,981	9,252,886
Improvements to leased assets	573,520	1,940	10,459	0	12,399	585,919
Construction in progress	72,421,357	-12,867,297	19,336,392	-16,839	6,452,256	78,873,613
Other property, plant & equipment	1,580,451,881	4,106,331	1,243,126	-410	5,349,047	1,585,800,928
Total property, plant & equipment, gross	2,222,113,886	-729,056	15,823,169	-42,423	15,051,690	2,237,165,576

Previous Period 31-12-2014

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	152,074,916	157,169	5,969,509	-129,137	5,997,541	158,072,457
Buildings	96,074,956	1,706,562	1,475,844	-17,604	3,164,802	99,239,758
Machinery	282,654,119	10,264,849	6,362,374	-7,938,012	8,689,211	291,343,330
Transport vehicles	6,399,977	196,556	638,919	-944,149	-108,674	6,291,303
Fixed installations & accessories	4,855,235	136,685	208,970	-251,515	94,140	4,949,375
Computer equipment	11,595,066	433,830	1,001,288	-4,259,279	-2,824,161	8,770,905
Improvements to leased assets	511,903	243	61,374	0	61,617	573,520
Construction in progress	107,134,077	-73,806,314	39,182,939	-89,345	-34,712,720	72,421,357
Other property, plant & equipment	1,497,273,370	57,204,767	27,226,756	-1,253,012	83,178,511	1,580,451,881
Total property, plant & equipment, gross	2,158,573,619	-3,705,653	82,127,973	-14,882,053	63,540,267	2,222,113,886



Disclosure information for property, plant and equipment (accumulated depreciation)

Current Period 31-03-2015

Concept	Initial balance ThCh\$	Depreciation ThCh\$	Other increases (decreases) ThCh\$	Disposals & withdrawals from service ThCh\$	Total changes ThCh\$	Closing balance ThCh\$
Buildings	25,223,980	484,915	0	0	484,915	25,708,895
Machinery	178,889,847	5,331,824	0	-23,906	5,307,918	184,197,765
Transport vehicles	3,850,016	126,861	0	0	126,861	3,976,877
Fixed installations & accessories	4,357,852	30,317	0	0	30,317	4,388,169
Computer equipment	6,421,402	304,882	0	0	304,882	6,726,284
Improvements to leased assets	495,543	6,085	0	0	6,085	501,628
Other property, plant & equipment	814,473,178	8,927,633	0	-84	8,927,549	823,400,727
Total property, plant & equipment, accumulated depreciation	1,033,711,818	15,212,517	0	-23,990	15,188,527	1,048,900,345

Previous Period 31-12-2014

Concept	Initial balance ThCh\$	Depreciation ThCh\$	Other increases (decreases) ThCh\$	Disposals & withdrawals from service ThCh\$	Total changes ThCh\$	Closing balance ThCh\$
Buildings	23,331,944	1,908,062	0	-16,026	1,892,036	25,223,980
Machinery	165,382,358	21,281,824	12	-7,774,347	13,507,489	178,889,847
Transport vehicles	4,248,797	476,826	-17,539	-858,068	-398,781	3,850,016
Fixed installations & accessories	4,507,217	102,150	0	-251,515	-149,365	4,357,852
Computer equipment	9,532,543	1,148,146	-12	-4,259,275	-3,111,141	6,421,402
Improvements to leased assets	479,282	16,261	0	0	16,261	495,543
Other property, plant & equipment	779,908,650	35,720,417	17,539	-1,173,428	34,564,528	814,473,178
Total property, plant & equipment, accumulated depreciation	987,390,791	60,653,686	0	-14,332,659	46,321,027	1,033,711,818



The detail of each consolidated Group society of amounts of future commitments for acquisitions of property, plant and equipment for the period 2015, is as follows:

Society	ThCh\$
Aguas Andinas S.A.	78,193,053
Aguas Cordillera S.A.	12,722,223
Aguas Manquehue S.A.	7,714,810
Essal S.A.	8,794,228
Ecoriles S.A.	107,643
Gestión y Servicios S.A.	16,077
Total	107,548,034

Elements of property, plant and equipment temporarily out of service:

Society	Gross Value ThCh\$	Accumulated Depreciation ThCh\$	Net Value ThCh\$
Aguas Andinas S.A.	1,971,253	-1,884,474	86,779
Aguas Cordillera S.A.	274,332	-112,546	161,786
Total	2,245,585	-1,997,020	248,565

14. IMPAIRMENT OF VALUE OF ASSETS

Asset impairment by cash generating unit:

Each society as a whole is defined as a cash-generating unit as each is individually capable of generating future economic benefits and represents the smallest group of assets that generate independent cash flows. According to the accounting standards, the Society evaluates on each closing of its statement of financial position whether there is any sign of impairment of value of any asset. If there is, the Society will estimate the amount recoverable for the asset. For assets with an indefinite useful life and goodwill, the impairment test will be made at least at the close of the period or when there are signs.

The Society and subsidiaries make annual impairment tests of their intangible assets of indefinite useful life, and goodwill.

The respective tests for impairment were made at the end of the period 2014 based on the Group's estimates and projections. These estimates indicated that the benefits attributable to the participations with lower associated values exceed individually their consolidated book values in all cases.

No impairment of assets has been booked as of March 31, 2015 and December 31, 2014 and there are no indications of impairment at the end of those periods.



15. PROVISIONS AND CONTINGENT LIABILITIES

A. Provisions

The detail of these as of March 2015 and December 2014 is as follows:

Classes of provisions	31-03-2015 ThCh\$	31-12-2013 ThCh\$
Provision for legal claims	565,394	591,098
Provisions, current	565,394	591,098
Other provisions, non-current	1,183,338	1,187,618
Provisions, non-current	1,183,338	1,187,618

The movement in current provisions for the periods was:

Legal claims		
	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Initial balance provisions	591,098	918,556
Changes in provisions		
Increase in existing provisions	21,943	246,666
Provision used	-44,513	-446,174
Other increases (decreases)	-3,134	-127,950
Changes in provisions, total	-25,704	-327,458
Closing balance provisions	565,394	591,098

The provisions under this heading are described as follows:

1.- Legal claims

The Society makes the corresponding provision for lawsuits currently before the courts and about which there is some probability that the result might be unfavorable to the Society and subsidiaries.

The following are the provisions for legal claims that might affect the Society:

- a) Nature of class of provision:** The Sanitation Services Superintendence (SISS) has ordered fines on Aguas Andinas S.A. and subsidiaries, mainly for non-compliance with instructions and breach of the continuity and quality of the service provided by the Society. The total of the



demands amounted to ThCh\$479,970.-, of which ThCh\$334,320 were paid prior to initiating the claim processes.

Timetable foreseen for release of class of provision: Not determined.

Uncertainties about the timing and amount of a class of provision: It is believed that the Society did not commit the breach and therefore that its appeals will be accepted.

- b) Nature of class of provision:** There is a lawsuit relating to labor demands against Aguas Andinas, under the sub-contracting legislation, i.e. severally with the contractor.

Timetable foreseen for release of class of provision: Undetermined.

Uncertainties about the timing and amount of a class of provision: The lawsuits relate to labor demands amounting to ThCh\$ 5,348.

Principal assumptions regarding future events relating to the class of provision: The demand was accepted and the defendant ordered to pay the principal. Aguas Andinas, was additionally ordered to pay, the main defendant appealed against the final decision, but this was rejected.

- c) Nature of class of provision:** The SISS began proceedings to sanction Aguas Andinas S.A. with respect to overflows of waste waters due to an obstruction of the trunk sewer in the districts of El Bosque and San Bernardo. Currently in the discussion stage.

Timetable foreseen for release of class of provision: Undetermined.

Uncertainties about the timing and amount of a class of provision: Aguas Andinas S.A. was fined the sum of 301 UTA. An administrative appeal against that decision was made, which has not been resolved.

- d) Nature of class of provision:** The SISS brought two sanction proceedings against Aguas Andinas S.A. concerning alleged breaches of Law 18.902, article 11, a) b) & c), as a result of water cuts produced by mains bursts in the district of Macul.

Timetable foreseen for release of class of provision: Undetermined.

Uncertainties about the timing and amount of a class of provision: The fine demanded from Aguas Andinas S.A. is 101 UTA for each sanction made. Prior to claim the fine was paid. The parties are called to hear sentence. In accordance to the status of the case, is not possible to estimate the result.

- e) Nature of class of provision:** The Metropolitan COREMA (regional environmental authority) applied a fine of 500 UTM by its Resolution 177/2004 of May 28, 2004 for the alleged infringement of the environmental qualification resolution for the La Farfana sewage treatment plant.

Timetable foreseen for release of class of provision: Not determined.

Uncertainties about the timing and amount of a class of provision: 10% of the fine was paid into court to start the claim. Pending the realization of an expert report ordered by the court. The record is filed in the court file. There are moderate probabilities that the demand will be accepted.

- f) Nature of class of provision:** CONAMA (the national environmental authority) applied a fine of 300 UTM through Resolution 069/2005 of February 17, 2005, for alleged infringement caused by foul odors originating from the La Farfana sewage treatment plant.

Timetable foreseen for release of class of provision: Not determined.

Uncertainties about the timing and amount of a class of provision: 10% of the fine has been paid in order to bring an appeal to the courts. There are low probabilities that the demand will be accepted. Pending notification of the sentence in the first instance rejecting the appeal made by the company.

- g) Nature of class of provision:** CONAMA applied a fine of 500 UTM for non-compliance with RCA 458/01.

Timetable foreseen for release of class of provision: Not determined.

Uncertainties about the timing and amount of a class of provision: 10% of the fine has been paid in order to bring an appeal to the courts. Final sentence given rejecting the appeal. An appeal has been made by Aguas Andinas to the Santiago courts of appeal which was fully accepted revoking

the interposed fine. The claimed made an appeal, which was accepted, so the amount outstanding should now be determined.

- h) Nature of class of provision:** Sanitary Authority has applied administrative sanctioning processes to subsidiary Essal S.A., which are in process of legal claim by the society.

Timetable foreseen for release of class of provision: Not determined.

Uncertainties about the timing and amount of a class of provision: The legal claims corresponding to sanctions imposed by Chilean Treasury amounted to ThCh\$89,212.

2.- Other provisions, non-current

These relate basically to a transaction on July 10, 2007, signed before the notary María Gloria Acharan Toledo, between Aguas Cordillera S.A. and property developers by which should Aguas Cordillera S.A. in the future abandon and sell the land transferred to it, it would pay at least U.F.52,273.29. This amount will be set off against the debt receivable from the developers.

B.- Contingent liabilities

1. Aguas Andinas S.A. was sued by the National Corporation of Consumers and Users of Chile, CONADECUS, for breach of the supply contract and the terms of the water production and distribution concession, by delivering bad quality water, not providing water and not informing supply cuts promptly on January 21 and 22, and February 8 and 9, 2013. The damage caused to customers of Aguas Andinas S.A. would be the lack of this vital element for ordinary consumption, food preparation, not having water for the bathroom and personal cleanliness and being deprived of water for sanitation purposes. Users affected by the cuts would amount to around 4,000,000 people. The court upheld an administrative appeal by Aguas Andinas, declaring the collective action inadmissible. The plaintiffs filed an appeal against that decision, and against a presentation by Aguas Andinas which sought their appeal to be time barred. Currently the administrative appeal by CONADECUS was declared inadmissible and untimely respectively. The plaintiffs appealed "in fact" before the Court of Appeals of Santiago asking to be declared as admissible the case that was dismissed at first ruling. In turn Andinas appealed against the "in fact" appeal by CONADECUS. Later, on January 2nd of this year, the first instance tribunal annulled the resolution that declared the appeal untimely, declaring it admissible. Aguas Andinas appealed the decision and the Appeals Court denied Aguas Andinas' appeal and accepted CONADECUS' appeal, making the demand admissible and ordering that it went ahead. Do to this, Aguas Andinas will have to answer to this demand legally.
2. There is a demand for damages against Aguas Andinas S.A. with respect to bad odors from the El Trebal sewage treatment plant. The lawyer Bertolone, representing 314 residents of the district of El Trebal, adjoining this sewage plant, alleges moral damages produced by odors coming from the plant, plus other environmental damage. The demands amount to a total of ThCh\$10,990,000,



plus interest, indexation and costs. The suit was dismissed in its entirety and appealed to the Court of Appeals of Santiago by the plaintiff.

3. The Treasury has issued a demand against Aguas Andinas S.A. and Aguas Cordillera S.A., seeking the return of sums paid during 2004 with respect to the transfer of sanitation infrastructure in the Costanera Norte section. This demand amounts to ThCh\$2,745,993 plus indexation, interest and costs. Currently Aguas Andinas S.A. and its subsidiary Aguas Cordillera S.A. agreed with the plaintiff ended civil processes started by Chilean Treasury promising to pay the sum of ThCh\$597,632 and ThCh\$2,035,309 respectively which its made this semester. Although the trials are finished, subtracts the formality in which the courts judicially approved transactions.
4. Aguas Andinas S.A. was sued for damages for injuries allegedly suffered by a Mining Company for the installation of infrastructure on land on which the applicant had mining properties, thereby preventing mineral extraction and causing alleged damages. The amount claimed is ThCh\$1,093,564. The case is at the discussion stage.

The Society and subsidiaries are parties to other lawsuits of smaller amounts. It is believed that these will not have a material adverse effect on the financial statements of the respective societies.

16. GUARANTEES AND RESTRICTIONS

a) Direct guarantees

Guarantee policies and performance bonds have been granted in favor of various institutions, the principal ones being the SISS, to guarantee the conditions for the provision of services and development programs in the Company's concession areas, SERVIU Metropolitano to guarantee the replacement of paving, and other institutions, for ThCh\$30,700,455 and ThCh\$35,051,026 as of March 31, 2015 and December 31, 2014 respectively.

The detail of guarantees exceeding ThCh\$ 10,000 is as follows:



Creditor	Debtor	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Asoc. Canal Soc Maipo	Aguas Andinas S.A	6,960,807	6,962,028
S.I.S.S.	Aguas Andinas S.A	6,613,900	6,663,724
Serviu Metropolitano	Aguas Andinas S.A	5,688,337	6,374,779
Municipalidad de La Florida	Aguas Andinas S.A	412,358	412,430
Direc. de Obras Hidraulica	Aguas Andinas S.A	402,100	439,132
MOP Dir. Gral de Aguas	Aguas Andinas S.A	369,563	369,628
Dir. Regional de Vialidad	Aguas Andinas S.A	365,673	376,745
Constructora San Francisco	Aguas Andinas S.A	168,912	190,860
Municipalidad de Melipilla	Aguas Andinas S.A	158,408	63,363
Municipalidad de la Pintana	Aguas Andinas S.A	57,903	57,903
Municipalidad de Providencia	Aguas Andinas S.A	50,674	101,365
Municipalidad de Santiago	Aguas Andinas S.A	22,899	22,903
Municipalidad de San Joaquin	Aguas Andinas S.A	17,408	11,304
Municipalidad de Isla de Maipo	Aguas Andinas S.A	15,830	-
Municipalidad de Calera de Tango	Aguas Andinas S.A	12,702	25,403
Municipalidad de Las Condes	Aguas Andinas S.A	10,000	10,000
Asociación Canal de Maipo	Aguas Cordillera S.A	850,213	850,362
S.I.S.S.	Aguas Cordillera S.A	572,554	535,713
MOP Direcc. Gral	Aguas Cordillera S.A	366,436	366,501
Serviu Metropolitano	Aguas Cordillera S.A	320,096	406,347
Tesorero Municipalidad de Las Condes	Aguas Cordillera S.A	70,000	-
Municipalidad de Vitacura	Aguas Cordillera S.A	49,246	49,254
Municipalidad de Las Condes	Aguas Cordillera S.A	30,000	30,000
Municipalidad Lo Barnechea	Aguas Cordillera S.A	12,311	12,314
Asoc. Canal	Aguas Manquehue S.A	956,420	956,587
S.I.S.S.	Aguas Manquehue S.A	495,706	689,189
Serviu	Gestión y Servicios S.A	837,156	2,314,053
Municipalidad de Las Condes	Gestión y Servicios S.A	18,467	18,470
Essbio S.A.	Anam S.A.	286,205	279,827
CCU S.A	Anam S.A.	37,656	37,662
Minera Doña Ines de Collahuasi	Anam S.A.	14,598	14,598
SISS	Essal S.A	2,265,615	3,779,890
Director de Obras Hidraulicas	Essal S.A	865,538	901,552
Gobierno Regional de la Región de Los Ríos	Essal S.A	134,307	147,681
Director de Vialidad	Essal S.A	54,170	24,627
Serviu	Essal S.A	39,693	21,230
Secretaria Regional	Essal S.A	27,578	27,582
Director General del Territorio Marítimo y de Marina Mercante	Essal S.A	11,005	13,350
Total		29,642,444	33,558,357

b) Bond issue covenants

i. Aguas Andinas S.A.

The Society has restrictions and covenants relating to bond issues made on the domestic market, as follows:



1.- Send to the bond-holders' representative a copy of the interim consolidated financial statements, and of the subsidiaries registered with the SVS, both the quarterly and the audited annual statements, within the same time period that these have to be presented to the SVS, plus all public information reported to the SVS.

2.- Book in its accounts the provisions arising from adverse contingencies which, in the opinion of the Society's management, should be reflected in its financial statements and/or those of its subsidiaries.

3.- Maintain insurance to reasonably protect its assets, including its corporate offices, buildings, plants, furniture and office equipment and vehicles, in line with usual practices for industries of the society's kind.

4.- Obligation to ensure that transactions carried out with its subsidiaries or other related parties are made on equitable conditions similar to those normally prevailing in the market.

5.- At the end of each quarter maintain a debt ratio not exceeding 1.5 times. Nonetheless, the above limit is adjusted according to the ratio of the Consumer Price Index for the month in which the debt ratio is calculated and the Consumer Price Index at December 2009. The maximum limit will be 2 times.

The debt ratio is defined as the ratio of Total Liabilities/Total Equity. Total Liabilities are defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities in the Financial Statements of the Issuer.

For purposes of determining the aforementioned index, is included in the Liabilities amount of all joint or several guarantees, bonds, debts or other securities, which the Issuer or its subsidiaries have granted to secure the obligations of third parties, except: (i) those granted by the Issuer or its subsidiaries for obligations of other subsidiaries of the Issuer, (ii) those granted by subsidiaries for obligations of the Issuer, and (iii) those granted to public institutions to ensure compliance with public health legislation and execution of works in public spaces.

For these purposes, the Total Net Equity is the difference between Total Assets and the sum of Total Current Liabilities and Total Non-Current Liabilities in the Financial Statements of the Issuer.

The detail of the abovementioned accounts as of March 31, 2015 is as follows (ThCh\$):

Total current liabilities	133,673,913
Total non-current liabilities	770,468,108
Total IFRS liabilities	904,142,021
Third party guarantees (*)	509,822
Total liabilities	904,651,843
Total assets	1,619,310,923
Total current liabilities	-133,673,913
Total non-current liabilities	-770,468,108
Total net equity	715,168,902



The debt ratio was 1.26 times as of March 31, 2015.

* All joint or several guarantees, bonds, debts or other securities, which the Issuer or its subsidiaries have granted to secure the obligations of third parties, except: (i) those granted by the Issuer or its subsidiaries for obligations of other subsidiaries of the Issuer, (ii) those granted by subsidiaries for obligations of the Issuer, and (iii) those granted to public institutions to ensure compliance with public health legislation and execution of works in public spaces.

The variation in the debt ratio as of March 31, 2015 was the following:

31-12-2009	IPC Base 2009		Covenant	
	31-03-2015	Accumulated inflation	Base	Limit
90.28	107.35	18.91%	1.5	1.78

6.- Not sell, assign or transfer essential assets (public-utility concession granted by the S.I.S.S. for Greater Santiago), except for contributions or transfers of essential assets to subsidiary societies.

The Society is in compliance with all the covenants established in the bond indentures as of March 31, 2015 and December 31, 2014.

ii. Empresa de Servicios Sanitarios de Los Lagos S.A. (Essal S.A.)

The company has restrictions and covenants relating to bond issues made on the domestic market, as follows:

1.- Send to the bond-holders' representative a copy of the financial statements, both the quarterly and the audited annual statements, within the same time period that these have to be presented to the SVS, plus all public information reported to the SVS.

2.- Book in its accounts the provisions arising from adverse contingencies which, in the opinion of the society's management, should be reflected in its financial statements.

3.- Maintain insurance to reasonably protect its assets in line with usual practices for industries of the society's kind.



4.- Obligation to ensure that transactions carried out with related parties are made on equitable conditions similar to those normally prevailing in the market.

5.- Maintain a debt ratio no higher than 1.29:1, measured on its balance sheets, defined as the debt to equity ratio.

From 2010, the above covenant was adjusted according to the difference between the consumer price index (CPI) of the month in which the debt level is calculated and the CPI for December 2009. This ratio will be adjusted up to a maximum of 2.0:1 (debt ratio = total liabilities/total equity). As of March 31, 2015, the debt ratio was 0.88:1.

6.- Maintain a ratio of Ebitda to Financial expenses of no less than 3.5:1. As of March 31, 2015, the ratio was 8.99:1.

7.- Not to sell, assign or transfer essential assets.

The Society is in compliance with all the covenants established in the bond indentures as of March 31, 2015 and December 31, 2014.

c) Bank loan covenants

The Society has covenants and restrictions in loan agreements with various banks in Chile, as follows:

1.- Maintain a debt ratio no higher than 1.5:1, measured on its consolidated and unconsolidated balance sheets, defined as the ratio of total liabilities to equity.

2.- Prohibition on the disposal or loss of title to essential assets, except for contributions or transfers of essential assets to subsidiary societies.

3.- Send to the different banks with which the company has loans, a copy of the individual and interim consolidated financial statements, both the quarterly and the audited annual statements, within no more than five days of their presentation to the SVS.

4.- Book in its accounts the provisions arising from adverse contingencies which, in the opinion of the Society's management, should be reflected in its financial statements.



5.- Maintain insurance to reasonably protect its assets, including its corporate offices, buildings, plants, furniture and office equipment and vehicles, in line with usual practices for industries of the society's kind.

6.- Send a certificate signed by the society's chief executive officer declaring compliance with the obligations under the loan agreement.

7.- Prohibition on distribution of dividends, except for the obligatory minimum, if there is a situation of default or delay in the payment of any loan installment.

8.- Maintain a financial expense coverage ratio of at least 3:1, measured on the figures in its consolidated and unconsolidated statements of financial position, defined as the ratio between operating income plus depreciation for the period and amortization of intangible assets divided by financial expenses.

9.- Prohibition on liquidating or dissolving the society, liquidating its operations or businesses that constitute its business, or entering into any act or contract of merger or consolidation, except for mergers with its present subsidiaries.

10.- Ensure that transactions carried out with its subsidiaries or other related parties are made on equitable conditions similar to those normally prevailing in the market.

The Society is in compliance with all the covenants set out in bank loan agreements as of March 31, 2015.

The Society and sanitation subsidiaries are in compliance with all the provisions of DFL. N° 382 of the General Sanitation Services Law of 1988, and its Regulations (D.S. MOP N°1199/2004 published in November 2005).

d) Guarantees received from third parties

As of March 31, 2015 and December 31, 2014, the Society has received documents in guarantee for ThCh\$47,676,932 and ThCh\$45,423,369 respectively, arising mainly from works contracts with construction companies to guarantee their due performance. There are also other guarantees for service contracts and acquisition of materials to ensure timely delivery.

A detail of the more important bank guarantees received as of March 31, 2015 is summarized below:



Contractor or supplier	ThCh\$	Expiry date
EMP.dePURADORA de A.S. MAPOCHO EL TREBAL	12,775,383	30-07-2018
EMPRESA dePURADORA de AGUAS SERVIDAS LTDA	4,782,966	31-12-2017
EMP. deP. de A.S. MAPOCHO TREBAL LTDA	4,172,232	01-06-2017
ING. Y CONST. SIGDO KOPPERS S.A.	2,375,268	30-11-2016
ING. Y CONST. SIGDO KOPPERS S.A.	669,551	31-12-2016
INMOBILIARIA LAMPA ORIENTE	590,947	15-07-2015
AQUALOGY MEDIOAMBIENTE CHILE S.A.	553,274	19-11-2015
AQUALOGY MEDIOAMBIENTE CHILE S.A.	369,145	01-09-2016
CONSTRUCTORA CON-PAX S.A.	324,405	18-05-2015
CAPTAGUA INGENIERIA S.A.	267,700	09-07-2015
COSTANERA CENTER S.A	262,897	10-05-2016
AQUALOGY deVELOPMENT NETWORK S.A	261,543	30-07-2016
KDM S.A.	246,228	01-07-2016
CHILECTRA S.A.	246,228	03-08-2015
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
ING. Y CONST. SIGDO KOPPERS S.A.	246,228	31-12-2016
CHILECTRA S.A.	246,228	11-07-2015
SECURITAS S.A.	225,323	15-11-2015
BAPA S.A.	225,101	25-07-2015
BAPA S.A.	223,993	16-04-2015
AQUALOGY MEDIOAMBIENTE CHILE S.A.	213,480	15-05-2015
TOTAL	31,986,628	

17. ORDINARY REVENUE

The detail of ordinary revenue generated by Group companies is as follows:



Classes of ordinary revenue	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Sales of goods	1,690,980	2,140,165
Provision of services	129,236,290	117,333,307
Insurance repayment	38,327	200,260
Total	130,965,597	119,673,732

18. LEASES

Operative lease disclosures as lessee:

Included under this heading are certain installations where mainly commercial agencies operate.

Significant operative leasing agreements:

The most significant operative leases relate to the commercial agencies in different districts of the Metropolitan Region. In these cases, the terms range from 1 to 5 years with automatic one-year renewals. These contracts may be terminated in advance subject to giving notice within the term and conditions established with each lessor, which would not generate contingent payments.

Bases for determining a contingent rental:

Should it be decided to terminate in advance without complying with the period of notice, the installments stipulated in the original contract must be paid.

Existence and terms of renewal or purchase options and revision clauses, operative lease contracts:

There are agreed automatic one-year renewal periods.



Operative leases as lessors:

The Society has contracts of this kind where it acts as lessor, referring principally to parts of its operative premises, which are mostly used by telecommunications companies. The terms fluctuate between one and ten years, but the Society has the power to terminate them in advance at any time.

Future minimum non-cancellable lease receivables, lessors	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Future minimum non-cancellable lease receivables, up to 1 year, lessors	362,685	244,538
Amount of rentals booked in statement of results	215,550	649,171
Total	578,235	893,709

Significant operative leases of the lessor:

Income from these sources is immaterial for the society.

19. EMPLOYEE BENEFITS

The Society at the consolidated level has a workforce of 1,889, of whom 73 are managers and senior executives. Workers who are parties to collective agreements and individual work contracts with special indemnity clauses total 1,463 and 33 respectively, while 393 workers are covered by the Labor Code.

The collective agreement relating to the employees and operatives No. 1 and 2 Unions was signed on July 31, 2014, for a four year term.

The collective agreement with the Professionals and Technicians No.3 Union was signed on June 22, 2012, for a four year term.

The current collective agreements of Aguas Cordillera S.A., and personnel of Aguas Manquehue S.A., were signed on December 1, 2014 and December 23, 2014 for the No.1 and 2 Unions and the Workers and Supervisors Union respectively, all for terms of four years.

The current collective agreements of Essal S.A. were signed on December 31, 2014 by the company's two unions, covering the period to December 31, 2016.



Policies for defined benefits plans

Workers who are not party to the collective agreements of Aguas Andinas S.A. and its subsidiaries are governed by the rules contained in articles 159, 160 and 161 of the Labor Code, for which no provision is made for termination benefits.

The actuarial calculation is applied for workers who have indemnities at present value until 2002 (including indemnities in any event recognized to that date), as well as for advances granted against such indemnities.

For workers who form part of or were incorporated into current collective agreements at the date of the financial statements, the actuarial valuation calculation is applied for termination benefits.

Accounting policies for gains and losses on defined benefits plans

The termination benefits obligation which it is estimated will accrue to workers who retire from Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and Essal S.A., is booked at its actuarial value, determined using the projected credit-unit method. Actuarial gains and losses on indemnities deriving from changes in estimates or in rates of turnover, mortality, wage increases or discount rate are booked directly to Other comprehensive results in accordance with IAS 19R revised, directly affecting equity, which are later reclassified in Accumulated Results. This procedure began to be applied in 2013 following the effective date of IAS 19 revised. Until 2012, all variations in estimates and parameters used determined a direct effect on results for the year.

Actuarial assumptions

Years of service: In Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and Essal S.A. it is assumed that workers will remain with those companies until reaching the legal retirement age (women at 60 years of age and men at 65). In the subsidiary Essal S.A., there is a limit of 6 months indemnity payable to people who retire or die.

Participants in each plan: These benefits are extended to all workers who are part of a union agreement (indicated above) and to workers with individual contracts including an indemnity clause in any event. Workers forming part of the calculation of the actuarial indemnity are as follows, by company: Aguas Andinas S.A.: 856, Aguas Cordillera S.A.: 114, Aguas Manquehue S.A.: 19, and Essal S.A.: 256.

Mortality: The RV-2009 mortality tables of the SVS are used.



Employee turnover and disability rates and early retirements: Based on the Group's statistical experience, the turnover rate used is 6.6% (six point six) for the period 2015 and for the period ended December 31, 2014 for the objective workers. Disabled and early retirements have not been considered due to their infrequent nature.

Discount rate: During periods 2015 and 2014, the rate of 5.20% p.a. is used respectively, corresponding to the risk-free rate, plus the estimate of expected long-term inflation.

Inflation rate: The forecast long-term inflation rate of 3.0% reported by the Central Bank of Chile was used for making long-term estimates for both 2015 and 2014.

Wage increase rate: The rate uses for the both period 2015 and 2014 periods was 5.6%.

General description of defined benefits plans

The following benefits are in addition to those indicated in Note 2, O:

In the event of the death of a worker, an indemnity will be paid to their direct family in accordance with article 60 of the Labor Code.

In the case of the worker who retires from the Company in accordance with Nos. 2, 4 or 5 of article 159, 1 a) or No.6 of article 160 of the Labor Code, he will be paid as an indemnity the accumulated amount for this concept until July 31, 2002 in Aguas Andinas S.A., and December 31, 2002 in Aguas Cordillera S.A., adjusted quarterly for changes in the consumer price index, provided the change is positive.

Workers of Aguas Andinas S.A. and its subsidiaries who are not a party to their collective agreements, are covered by their individual work contracts. The non-sanitation companies, Gestión y Servicios S.A., Ecoriles S.A., Anam S.A. and Aguas del Maipo S.A., apply the provisions of the Labor Code.

The provision for the indemnity is shown after deducting advances made to the employees.

The following is the movement in actuarial provisions as of March 2015 and December 2014:

Provisions for employee benefits	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Movement in actuarial provision		
Initial balance	12,875,569	9,276,593
Cost of services	175,619	1,590,390
Interest cost	152,660	469,711
Actuarial gains or losses	0	1,626,011
Benefits paid	-105,586	-1,438,545
Special severance allowance for seniority ⁽¹⁾	0	1,099,483
Provision termination benefits	2,437,601	251,926
Sub-total	15,535,863	12,875,569
Profit sharing & bonuses	439,508	3,417,191
Total provisions for employee benefits current	3,573,575	4,310,289
Total provisions for employee benefits non-current	12,401,796	11,982,471

(1) During 2014, collective negotiations were conducted with the unions at: Aguas Andinas S.A., Aguas Cordillera S.A. Aguas Manquehue S.A., Ecoriles S.A., and Anam S.A., in which a special allowance for seniority was agreed. This compensation is in any event, and in addition to any other legal or conventional compensation.

Expected payment flows

The collective contract of Aguas Andinas S.A. indicates, in its 15th clause, that workers who resign voluntarily to be entitled to retirement shall have 120 days from the date they reach the legal retirement age to make their resignation effective.

The collective contracts of Aguas Cordillera S.A. and Aguas Manquehue S.A. indicate that a termination benefit will be made to workers who resign voluntarily on reaching the legal retirement age.

During 2015, the Company started a program which stimulate the voluntary retirement of our collaborators who are near to meet the legal retirement age.

According to the mentioned benefits plans, the following are the flows for the present and following period:



Society	Number of employees	Expected payment flow ThCh\$	Year
A. Andinas S.A	51	3,242,086	2015
A. Andinas S.A	18	1,286,276	2016
A. Cordillera S.A	5	309,675	2015
A. Cordillera S.A	3	179,715	2016
A. Manquehue S.A	1	82,817	2015
A. Manquehue S.A	1	35,176	2016
Essal S.A	3	49,700	2015
Essal S.A	3	38,197	2016
Total		5,223,642	

Projected liabilities to December 31, 2015

To calculate the projected liabilities for indemnities at actuarial value to December 2015, as indicated in IAS 19, the actuarial assumptions at December 31, 2014 have been used, already commented in this note. Only the amount of the legal bonus has been increased, in line with the minimum wage proposed by the government. The following is the summary by Society:

Society	Number of employees	Cost of services ThCh\$	Interest costs ThCh\$
A. Andinas S.A	856	2,417,546	414,101
A. Cordillera S.A	114	299,861	48,706
A. Manquehue S.A.	19	62,442	8,558
Gestión y Servicios S.A	2	982	93
ESSAL S.A.	256	15,552	9,576
Total		2,796,383	481,034

Sensitivity of assumptions

The sensitivity of the main assumptions has been made based on the actuarial calculation as of March 31, 2015:



Concept	Base	More than 0.5%	Less than 0.5%
		ThCh\$	ThCh\$
Discount rate	5.2%	-429,723	450,136
Turnover rate	6.6%	-829,164	946,215
Wage increase rate	5.6%	389,282	-368,945

Benefits on termination of the contractual relationship

The indemnity on termination of the labor relationship is governed by the provisions of the Labor Code, except for any special clauses in the respective collective agreements or individual contracts.

Profit sharing and bonuses

This relates to the Society's obligation with its personnel with respect to profit-sharing bonuses payable in February and March the following year. The accrued participation payable to personnel, as stipulated in current contracts, is settled during February on the basis of the statement of financial position for the immediately-preceding year. In periods 2015 and 2014, the amounts are ThCh\$439,508 and ThCh\$3,417,191 respectively. In addition, advances are made against this bonus in the months of March, June, September and December each year.

The annual amount will depend on the earnings of each Group society.

Personnel expenses

Personnel expenses to March 2015 and 2014 are as follows:

Personnel expenses	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Wages & salaries	-6,628,280	-6,137,776
Defined benefits	-3,033,873	-2,778,234
Termination benefits	-2,972,799	-543,984
Other personnel expenses	-529,067	-412,080
Total	-13,164,019	-9,872,074



20. EFFECT OF EXCHANGE DIFFERENCES

The detail of the Group's exchange differences is as follows:

Exchange differences	Currency	31-03-2015	31-03-2014
Trade debtors & other accounts receivable	eur	-1,104	192
	usd	76	71
Total variation assets		-1,028	263
Trade accounts & other accounts payable	eur	10,555	-8,689
	usd	-3,335	136
Accounts payable to related entities	eur		-30
Total variation liabilities		7,220	-8,583
Gain (loss) from exchange differences		6,192	-8,320

21. OTHER EXPENSES BY NATURE

Information concerning other expenses by nature is presented below:

Other expenses by nature	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Treatment plant operation	-7,039,662	-6,874,635
Commercial services	-4,617,087	-4,593,969
Insurance, taxation, licenses & permits	-1,278,766	-1,303,326
Maintenance of networks, equipment and enclosures	-5,488,019	-4,641,654
Supplies & basic services	-2,601,953	-2,438,635
Other expenses	-3,060,922	-2,774,830
Total	-24,086,409	-22,627,049

22. CAPITALIZED FINANCING COSTS

The detail of capitalized financing costs to March 31, 2015 and December 31, 2014 is as follows:

Capitalized interest costs:



Capitalized interest costs, property, plant & equipment	31-03-2015	31-12-2014
Rate of capitalization of capitalized interest costs, property, plant & equipment	7.72%	7.23%
Amount of capitalized interest, property, plant & equipment	614,413	2,429,963

23. INCOME TAX AND DEFERRED TAXES

As established in IAS 12, the following shows the net position of deferred tax assets and liabilities, determined by each individual entity and shown in the consolidated statement of financial position by aggregating each position.

Deferred tax net	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Deferred tax assets	12,277,922	12,254,100
Deferred tax liabilities	-42,814,050	-42,486,184
Net position of deferred tax	-30,536,128	-30,232,084

The net position shown originates from a variety of concepts constituting timing and permanent differences which at the consolidated level permit being shown under the following concepts.

Deferred tax assets

Deferred tax assets	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Water rights (amortization)	274,736	374,168
Provision for doubtful accounts	9,734,047	9,245,101
Provision for vacations	300,867	456,756
Litigation	181,066	740,986
Termination benefits	3,176,223	2,560,456
Other provisions	249,006	108,172
Revenue received in advance	249,458	9,188
Variation monetary correction & depreciation assets	58,959,851	59,936,509
Deferred income	1,969,571	1,969,571
La Dehesa dam transaction	347,521	347,582
Amortization	293,935	292,413
Others	677,746	708,622
Deferred tax assets	76,414,027	76,749,524



Deferred tax liabilities

Deferred tax liabilities	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Depreciation fixed assets	22,622,337	22,310,547
Amortization	443,736	463,889
Expense investment related companies	114,266	114,266
Revaluation of land	22,669,870	22,669,870
Revaluations of water rights	45,611,780	45,611,780
Fair value of assets on purchase Essal S.A.	15,458,514	15,754,843
Others	29,652	56,413
Deferred tax liabilities	106,950,155	106,981,608
Net position of deferred tax	30,536,128	30,232,084

On September 29, 2014 Law N° 20,780 was published, which establishes a permanent change in corporate income tax. Therefore, in accordance with IAS 12, deferred taxes were revalued using the new rates according to the corresponding year. These will increase from 20% to 21% in 2014, 22.5% in 2015, 24% in 2016, 25.5% in 2017 and 27% in 2018 onwards.

According to the provisions of Circular No. 856 of the Superintendence of Securities and Insurance, published on October 17, 2014, the changes resulting from these amendments to tax rates were recorded in equity as of 31-12-2014 for an amount of ThCh\$9,391,825 (includes effects in owners of the controller and minority), the main impact being on the revaluation of property, plant and equipment and intangibles.

	31-03-2015 ThCh\$	31-12-2014 ThCh\$
Movement in deferred tax liabilities		
Deferred tax liabilities, initial balance	106,981,608	81,924,286
Increases (decreases) in deferred tax liabilities	264,876	22,618,349
Increases (decreases) in acquisitions through combinations of businesses	-296,329	2,438,973
Changes in deferred tax liabilities	-31,453	25,057,322
Changes in deferred tax liabilities, total	106,950,155	106,981,608

Income tax charge

Charge (credit) for income taxes by current & deferred parts	31-03-2015 ThCh\$	31-03-2014 ThCh\$
Charge for current income taxes		
Charge for current taxes	-14,008,951	-11,621,378
Adjustment tax charge previous period	-602	-666
Charge for current taxes	-14,009,553	-11,622,044
Deferred income (expenses) for taxes related to creation & reversal of timing differences	-304,044	2,572,083
Charge for sole tax (disallowed expenses)	-14,171	2,731
Charge for income taxes	-318,215	2,574,814
Charge (credit) for income taxes	-14,327,768	-9,047,230

Numerical reconciliation of the charge (credit) for tax and the result of multiplying the accounting gain by the applicable tax rates.

	31-03-2015 ThCh\$	31-03-2014 ThCh\$
Charge for taxes using the statutory rate	-14,197,252	-10,190,413
Permanent difference for monetary correction tax equity	-11,286	1,247,322
Permanent difference for disallowed expenses	-14,171	2,731
Permanent difference for previous years' income tax	-602	-666
Other permanent differences	-104,457	-106,204
Adjustments to tax charge using the statutory rate	-130,516	1,143,183
Tax charge using the effective rate	-14,327,768	-9,047,230

Reconciliation of the statutory rate and the effective tax rate

	31-03-2015	31-03-2014
Statutory tax rate	22.50%	20.00%
Permanent difference for monetary correction tax equity	0.02%	-2.45%
Effect for change in deferred taxes rate	0.00%	0.00%
Permanent difference for disallowed expenses	0.02%	-0.01%
Permanent difference for previous years' income tax	0.00%	0.00%
Other permanent differences	0.17%	0.22%
Effective tax rate	22.71%	17.76%



24. EARNINGS PER SHARE

Basic earnings per share are calculated as the earnings (loss) for the period attributable to holders of net equity instruments of the controller divided by the weighted average number of common shares in circulation during that period.

	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Earnings (losses) attributable to shareholders in equity of the controller	47,593,901	40,896,473
Results available to common shareholders, basic	47,593,901	40,896,473
Weighted average number of shares, basic	6,118,965,160	6,118,965,160
Earnings per share	7.78	6.68

Diluted earnings (losses) per share

The Society has not carried out any type of transaction with a potential diluting effect that supposes diluted earnings per share to be different from basic earnings per share.

25. BUSINESS SEGMENTS

The Group discloses information by segment in accordance with IFRS 8, *Operative Segments*, which sets the reporting standards with respect to operative segments and related disclosures for products and services. The operative segments are defined as components of an entity for which separate financial information exists which is regularly used by management for taking decisions, assigning resources and evaluating performance.

The Group manages and measures the performance of its operations by business segment. The operative segments reported internally are the following:

- Operations related to the sanitation business (water).
- Operations unrelated to the sanitation business (non-water).

Types of products and services that provide the ordinary revenues of each segment reported.

The water segment consists only of sanitation services that permit the provision of products and production services, the distribution of water and the collection and treatment of sewage. This segment comprises the subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., and Essal S.A. through Iberaguas Ltda.



The non-water segment consists of services related to environmental analysis, liquid waste treatment and comprehensive engineering services, plus the sale of products related to the sanitation services and energy projects. The subsidiaries included are EcoRiles S.A., Anam S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A.

General information on results, assets and liabilities.

General information on results	31-03-2015		31-03-2014	
	Water ThCh\$	Non-water ThCh\$	Water ThCh\$	Non-water ThCh\$
Revenues from ordinary activities with external customers	125,551,803	5,413,794	113,439,196	6,234,536
Revenues from ordinary activities between segments	134,190	996,785	266,581	804,274
Operating expenses	-18,014,588	-4,066,049	-35,098,633	-5,918,472
Depreciation & amortization	-16,766,170	-136,489	-15,521,627	-125,961
Other revenue & expenses	-24,265,161	-1,147,974	526,336	0
Financial income	1,135,889	333,274	1,345,807	40,833
Financial costs	-6,636,303	-6,568	-6,764,350	-3,705
Result of indexation & exchange differences	572,985	-519	-8,274,675	1,926
Income tax charge	-14,025,352	-302,416	-8,863,053	-184,177
Earnings by segment	47,687,293	1,083,838	41,055,582	849,254
Earnings by segment attributable to owners of the controller	46,510,063	1,083,838	40,047,219	849,254
Earnings (losses) by segment attributable to non-controller participations	1,177,230	0	1,008,363	0

Total assets, liabilities & equity	31-03-2015		31-12-2014	
	Water ThCh\$	Non-water ThCh\$	Water ThCh\$	Non-water ThCh\$
Current assets	127,279,198	17,256,293	113,014,717	16,881,894
Non-current assets	1,468,511,063	10,795,820	1,468,639,445	10,804,367
Total assets	1,595,790,261	28,052,113	1,581,654,162	27,686,261
Current liabilities	133,186,745	5,018,619	173,601,032	5,773,341
Non-current liabilities	770,319,581	148,529	763,457,627	110,653
Equity attributable to owners of the controller	635,472,554	22,884,965	588,961,351	21,802,267
Non-controller participations	56,811,381	0	55,634,152	0
Total equity & liabilities	1,595,790,261	28,052,113	1,581,654,162	27,686,261

Significant items of revenue and expenses by segment

Water and non-water segments

The significant items of ordinary revenue and expenses are principally those related to the business of the segment. There are also significant sums in relation to expenses for depreciation, personnel and other sundry expenses including outsourced services.

Revenue



Revenue is mainly generated by the regulated services relating to the production and distribution of water, the collection, treatment and disposal of sewage and other regulated services (including revenue from suspending and restoring supplies, the monitoring of liquid waste discharges and fixed charges).

Detail of significant revenue items

Water Segment

The significant items of ordinary revenues are principally those related to the water and sewage businesses, i.e. from the sale of water, excess consumption, variable charge, fixed charge, sewage service, sewer use and sewage treatment. It is also possible to identify revenue sales of fixed assets.

Tariffs

The most important factor determining the results of the Company's operations and financial position are the tariffs set for its regulated sales and services. As regulated companies, Aguas Andinas and its sanitation subsidiaries are regulated by the SISS and their tariffs are set in accordance with the Sanitation Services Tariffs Law (No.70 of 1988).

The tariffs are reviewed every five years and, during that period, are subject to additional adjustments linked to indexation if the accumulated variation since the previous adjustment is 3.0% or more, according to calculations made as a function of different inflation indices.

Specifically, the adjustments are applied as a function of a formula that includes the consumer price index, the wholesale price index for imported industrial goods and the wholesale price index for national industrial goods, all published by the Chilean National Institute of Statistics. Tariffs are also subject to adjustment to reflect additional services previously authorized by the SISS.

Decree 60/2010 sets the tariffs for Aguas Andinas S.A., Decree 176/2010 sets those for Aguas Cordillera S.A and Decree 170/2010 those for Aguas Manquehue S.A., all for the same five-year period 2010 – 2015. The tariffs of Essal S.A. were approved by Decree 116 of August 31, 2011 for the five-year period 2011 – 2016. To this date, the publication of new tariff decrees of Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A. are in process for the periods 2015 to 2020, after the respective agreements that have been made with the Superintendence of Sanitary Services in the respective process of fixation.

Non-water segment

The significant items of ordinary revenues are mainly those related to a segment's business and are closely related to the principal business of each subsidiary, involving the sale of materials to third parties, operation of liquid-waste treatment plants, and revenue from drinking water and sewage services and analysis and biogas sale.



Significant expense items

Water segment

The significant expense items are mainly those related to remuneration, electricity, sewage treatment plant operation, depreciation of real and personal property, interest expenses and the charge for income tax.

Non-water segment

The significant items of expenses are mainly those related to remuneration, the cost of materials for sale and the charge for income tax.

Measurement of results, assets and liabilities of each segment

The measurement applicable to the segment relates to the grouping of those subsidiaries directly related to the segment.

The accounting criteria relate to the booking of economic events giving rise to rights and obligations in the same way that these arise in economic relations with third parties. These records will generate committed balances in an asset and liability account according to the spirit of the transaction in each related company according to the segment in which it operates. These accounts, called accounts receivable or payable from/to related companies, are netted in the consolidation of the financial statements in accordance with the rules of consolidation explained in IAS 27.

There are no differences in the nature of the measurement of results as, according to the standard, there are no accounting policies that show different criteria of assignment of costs or similar.

Reconciliation of revenues from ordinary activities	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Revenues from ordinary activities of the segments	132,096,571	120,744,586
Elimination of ordinary activity revenues between segments	-1,130,974	-1,070,854
Revenues from ordinary activities	130,965,597	119,673,732

Reconciliation of earnings	31-03-2015	31-03-2014
	ThCh\$	ThCh\$
Total consolidated earnings (loss) of segments	48,771,129	41,904,836
Consolidation of elimination of earnings (loss) between segments	-1,177,228	-1,008,363
Consolidation of earnings (loss)	47,593,901	40,896,473

Reconciliations of segment assets, liabilities & equity of segments	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Reconciliation of assets		
Consolidation total assets of segments	1,623,842,375	1,609,340,423
Elimination of accounts between segments	-4,531,452	-2,868,797
Total assets	1,619,310,923	1,606,471,626
Reconciliation of liabilities		
Consolidation total liabilities of segments	908,673,474	942,942,653
Elimination of accounts between segments	-4,531,453	-2,868,798
Total liabilities	904,142,021	940,073,855
Reconciliation of equity		
Consolidation total equities of segments	658,357,520	610,763,619
Equity attributable to owners of the controller	658,357,520	610,763,619

Principal customers of the subsidiaries:

Principal water segment customers:

- Administradora Plaza Vespucio S.A.
- Cervecera CCU Chile Ltda.
- Embotelladoras Chilenas Unidas S.A.
- Ilustre Municipalidad de Santiago
- Pontificia Universidad Católica de Chile
- Soprole S.A.
- Centro de detención preventiva Santiago 1
- Ejército de Chile
- Gendarmería de Chile
- Industrial Ochagavía Ltda.
- Soc. Concesionaria Autopista Central S.A.
- Universidad de Chile

Principal non-water segment customers:

- CMPC Cordillera S.A.
- Eme Servicios Generales Ltda.
- Essbio S.A.
- Metrogas S.A.
- Tecnología, Ingeniería y Montaje Ltda.
- Agroindustrial El Paico Ltda.
- Soprole S.A.
- Watt's Osorno.



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|--|--------------------------|
| - Ingeniería y Construcción Santa Fe Ltda. | - Evercrisp. |
| - Empresas CMPC Cartulinas Maule | - Colun |
| - CCU S.A. | - Dalco Ingeniería Ltda. |
| - Inmobiliaria y Cont. Nueva Pacifico | - Inversiones Ada Ltda. |

Types of products in the water and non-water segments:

Water segment

The types of products and services for the water segment are:

- Production and distribution of water.
- Collection and treatment of sewage.

This segment comprises Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., Essal S.A. and Iberaguas Ltda.

Non-water segment

The types of products and services for the non-water segment are:

- Outsourcing service in operations of industrial waste treatment plants and the treatment of excess organic load (subsidiary Ecoriles S.A.).
- Physical, chemical and biological analysis of water, air and solids (subsidiary Anam S.A.).
- Comprehensive engineering services and sale of products like tubes, valves, taps and other related items (subsidiary Gestión y Servicios S.A.).
- Energy projects (subsidiary Aguas del Maipo S.A.).

26. THE ENVIRONMENT

Disbursements related to the environment:

The following disbursements related to the environment are reported in accordance with SVS Circular 1901 of October 30, 2008:



Detailed information on disbursements related to the environment:

Matrix Aguas Andinas S.A.

Project Name	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Expansion & improvements Curacavi sewage treatment plant (STP)	0	1,652
Expansion & improvements Greater Santiago STP	1,058,299	7,121,288
Expansion & improvements Isla de Maipo STP	327,124	2,702,673
Expansion & improvements other districts STP	0	61,805
Expansion & improvements Paine STP	0	7,406
Expansion & improvements San José de Maipo STP	0	38,290
Expansion & improvements Talagante STP	338	4,673
Expansion & improvements Valdivia de Paine STP	0	3,097
Farfana - Trebal interceptor	0	0
Clean Urban Mapocho interceptor	0	17,261
Improvement & renewal equipment & installations	197,683	1,174,536
Total	1,583,444	11,132,682

Aguas Manquehue S.A.

Project Name	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Improvement & renewal equipment & installations	6,112	140,446
Total	6,112	140,446

Essal S.A.

Project Name	31-03-2015	31-12-2014
	ThCh\$	ThCh\$
Improvement in disposal infrastructure	24,388	178,067
Improvement of EDAR system	41,822	29,284
Renewal of treatment & disposal equipment	310	204,600
Total	66,520	411,950

Projected environmental investments for the period 2015:

Society	ThCh\$
Aguas Andinas S.A.	33,126,336
Aguas Manquehue S.A.	93,338
Essal S.A.	643,480
TOTAL	33,863,154

Indication of whether the disbursement forms part of the cost of an asset or is reflected as an expense, disbursements in the period:

All the projects mentioned form part of the cost of construction of the respective works.

The Society and its subsidiaries are affected by disbursements relating to the environment, i.e. compliance with orders, laws relating to industrial processes and installations and any other that could directly or indirectly affect protection of the environment.

27. EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

AGUAS ANDINAS S.A.

The ordinary shareholders' meeting held on April 28, 2015, in which the issues specific to such a meeting were discussed, highlighting the approval of the final dividend, which amounted to 100% of net earnings for 2014, the latter will be deducted the interim dividend paid in January 2015 for an amount of ThCh\$38,855,429. Consequently distributable earning amounted to ThCh\$80,567,045, corresponding to a dividend of \$13.1667 per share, payable on May 26, 2015.

On April 29, 2015, the Company placed bonds in the domestic market X series, for a total of UF 1,600,0000 for a term of 23 years, obtaining a placement rate of 3.19%. The funds from the placement of bonds series "X" will be used to finance new investments and to refinance liabilities.

AGUAS CORDILLERA S.A.

The ordinary shareholders' meeting held on April 27, 2015 in which the issues specific to such a meeting were discussed, highlighting the approval of the final dividend, which amounted to 100% of net earnings for 2014, the latter will be deducted the interim dividend paid during 2014. Consequently distributable earning amounted to ThCh\$ 4.826.864.- This means a dividend of \$96.292,6876.- per share, payable on May 25, 2015.

AGUAS MANQUEHUE S.A.

The ordinary shareholders' meeting held on April 27, 2015, in which the issues specific to such a meeting were discussed, highlighting the renovation of the board.

ESSAL S.A.

The ordinary shareholders' meeting held on April 24, 2015 in which the issues specific to such a meeting were discussed, highlighting the approval of the final dividend, which amounted to 100% of net earnings for 2014, the latter will be deducted the interim dividend paid in January 2015 for an amount of ThCh\$ 4,662,798. Consequently distributable earning amounted to ThCh\$6,856,543, corresponding to a dividend of \$7.1552 per share, payable on May 20, 2015.

