



Consolidated Financial Statements

**For the periods ending
March 31, 2017 and 2016**

AGUAS ANDINAS S.A.

CONSOLIDATED FINANCIAL STATEMENTS

AGUAS ANDINAS S.A. AND SUBSIDIARIES

This document contains the following:

**Interim Consolidated Statements of Financial Position
Interim Consolidated Statements of Comprehensive Revenues by Nature
Interim Consolidated Statements of Direct Cash Flow
Interim Consolidated Statement of Changes in Equity
Explanatory Notes to the Interim consolidated financial statements**

Consolidated Statements of Financial Position

As of March 31, 2017 and December 31, 2016
(Thousands of pesos - Th\$)

ASSETS	Note	31-03-2017 Th\$	31-12-2016 Th\$
CURRENT ASSETS			
Cash & cash equivalents	7	52,004,635	64,876,443
Other current financial assets	8	8,189,290	0
Other non-financial assets		3,076,782	334,293
Trade debtors & other accounts receivable	8	112,744,745	106,288,544
Accounts receivable from related entities	9	1,188,272	1,275,867
Inventories	10	3,274,933	3,309,945
Tax assets		6,380,981	5,986,263
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		186,859,638	182,071,355
TOTAL CURRENT ASSETS		186,859,638	182,071,355
NON-CURRENT ASSETS			
Other financial assets	8	7,792,445	7,792,445
Other non-financial assets		892,533	886,496
Receivables	8	2,091,376	2,082,334
Intangible assets other than goodwill	11	227,625,228	227,951,484
Goodwill	12	36,233,012	36,233,012
Property, plant & equipment	13	1,298,206,674	1,294,570,086
Deferred tax assets	23	21,188,332	20,231,924
TOTAL NON-CURRENT ASSETS		1,594,029,600	1,589,747,781
TOTAL ASSETS		1,780,889,238	1,771,819,136

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

**Consolidated Statements of Financial Position
As of March 31, 2017 and December 31, 2016
(Thousands of Chilean pesos - Th\$)**

EQUITY AND LIABILITIES	Note	31-03-2017 Th\$	31-12-2016 Th\$
CURRENT LIABILITIES			
Other financial liabilities	8	44,846,393	43,629,749
Trade creditors & other accounts payable	8	73,486,562	101,917,169
Accounts payable to related entities	9	14,471,911	38,225,005
Other provisions	15	2,762,510	2,628,225
Tax liabilities		6,671,049	2,857,217
Provisions for employee benefits	19	2,036,177	5,378,546
Other non-financial liabilities		18,276,871	17,295,140
Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale		162,551,473	211,931,051
TOTAL CURRENT LIABILITIES		162,551,473	211,931,051
NON-CURRENT LIABILITIES			
Other financial liabilities	8	814,819,113	808,003,406
Other accounts payable	8	935,110	949,408
Other provisions	15	1,284,054	1,277,574
Deferred tax liabilities	23	38,050,760	38,150,441
Provisions for employee benefits	19	15,840,820	16,032,827
Other non-financial liabilities	8	8,598,108	8,592,004
TOTAL NON-CURRENT LIABILITIES		879,527,965	873,005,660
TOTAL LIABILITIES		1,042,079,438	1,084,936,711
EQUITY			
Issued capital	3	155,567,354	155,567,354
Accumulated earnings	3	371,328,597	320,491,338
Issuance premiums	3	164,064,038	164,064,038
Other equity participations	3	-5,965,550	-5,965,550
Equity attributable to owners of the controller		684,994,439	634,157,180
Non-controller participations	4	53,815,361	52,725,245
TOTAL EQUITY		738,809,800	686,882,425
TOTAL EQUITY & LIABILITIES		1,780,889,238	1,771,819,136

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

Comprehensive Revenues Statements by Consolidated Nature
As of March 31, 2017 and 2016 (Thousands of Chilean pesos - Th\$)

STATEMENT OF RESULTS BY NATURE	Note	31-03-2017 Th\$	31-03-2016 Th\$
Revenues from ordinary activities	17	145,869,714	139,312,525
Raw materials & consumables used		-8,364,134	-8,915,144
Employee benefit expenses	19	-12,799,067	-12,466,122
Charges for depreciation & amortization	11-13	-17,794,254	-16,527,355
Other expenses, by nature	21	-28,915,796	-26,888,363
Other (losses) gains	5	91,894	-35,198
Financial income	5	1,577,091	193,299
Financial costs	5	-7,560,501	-6,863,310
Exchange differences	20	390	11,250
Results of indexation adjustments		-3,300,106	-5,455,579
Earnings before taxes		68,805,231	64,086,003
Charge for income taxes	23	-16,877,856	-14,412,344
Earnings from continuing operations		51,927,375	49,673,689
Earnings		51,927,375	49,673,689
Earnings attributable to:			
Owners of the controller		50,837,259	48,293,688
Earnings attributable to non-controller participations	4	1,090,116	1,380,001
Earnings		51,927,375	49,673,689
Earnings per share			
Basic earnings per share from continuing operations	24	8.308	7.892
Basic earnings per share		8.308	7.892

STATEMENT OF COMPREHENSIVE RESULTS	Note	31-03-2017 Th\$	31-03-2016 Th\$
Earnings		51,927,375	49,673,689
Comprehensive result attributable to			
Result attributable to owners of the controller		47,681,402	46,010,277
Result attributable to non-controller participations	4	4,245,973	3,663,412
Total comprehensive result		51,927,375	49,673,689

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

Consolidated Statements of Direct Cash Flows
As of March 31, 2017 and 2016 (Thousands of Chilean pesos - Th\$)

Statement of direct cash flow	Note	31-03-2017 Th\$	31-03-2016 Th\$
Proceeds classes from operating activities		164,393,900	160,322,456
Proceeds of sales of goods & services		164,178,166	159,877,668
Cobros procedentes de primas y prestaciones, anualidades y otros beneficios de pólizas suscritas		32,745	62,913
Other proceeds from operating activities		182,989	381,875
Payment classes from operating activities		-83,943,914	-75,303,289
Payments to suppliers of goods & services		-46,977,989	-44,816,412
Payments to & on behalf of employees		-17,321,599	-16,223,314
Payments of insurance premiums, annuities & other obligations		-3,337,723	-7,768
Other operating activity payments		-16,306,603	-14,255,795
Cash flow from (used in) operating activities		-21,919,649	-18,721,296
Interest paid		-7,532,327	-6,920,577
Interest received		302,839	695,059
Income taxes refunded (paid)		-14,097,712	-12,031,728
Other cash inflows (outflows)		-592,449	-464,050
Cash flow from (used in) operating activities		58,530,337	66,297,871
Proceeds of sales of property, plant & equipment		11,263	97,766
Purchases of property, plant & equipment		-24,067,840	-31,926,471
Purchases of intangible assets		-425,892	-205,502
Interest received		148	5,395
Other cash inflows (outflows)		-1,207,503	-1,377,269
Cash flow from (used in) investment activities		-25,689,824	-33,406,081
Proceeds of long-term loans		968,552	81,333,448
Proceeds of short-term loans		3,925,210	1,495,224
Loan proceeds from financing activities		4,893,762	82,828,672
Loan repayments		-6,531,549	-43,670,323
Dividends paid		-44,074,534	-42,278,972
Cash flow from (used in) financing activities		-45,712,321	-3,120,623
Net increase (decrease) in cash & cash equivalents		-12,871,808	29,771,167
Cash & cash equivalents at start of the period		64,876,443	32,953,529
Cash & cash equivalents at end of the period	7	52,004,635	62,724,696

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, 2017 and 2016
(Thousands of Chilean pesos - Th\$)

Statement of changes in equity	Note	Issued Capital	Other participations in the equity	Book of earnings and losses on defined benefit plans	Accumulated earnings (losses)	Equity attributable to owners of the controller	Non-controller participations	Total equity
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Initial balance as of 01-01-2017		155,567,354	164,064,038	-5,965,550	320,491,338	634,157,180	52,725,245	686,882,425
Comprehensive result								
Earnings		0	0	0	50,837,259	50,837,259	1,090,116	51,927,375
Other comprehensive result		0	0	0	0	0	0	0
Dividends	3	0	0	0	0	0	0	0
Decrease in transfers and other changes	3 - 4	0	0	0	0	0	0	0
Total changes in equity		0	0	0	50,837,259	50,837,259	1,090,116	51,927,375
Closing balance as of 31-12-2017	3-4	155,567,354	164,064,038	-5,965,550	371,328,597	684,994,439	53,815,361	738,809,800

Statement of changes in equity	Note	Issued Capital	Other participations in the equity	Book of earnings and losses on defined benefit plans	Accumulated earnings (losses)	Equity attributable to owners of the controller	Non-controller participations	Total equity
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Initial balance as of 01-01-2016		155,567,354	164,064,038	-5,965,550	303,530,135	617,195,977	54,394,490	671,590,467
Comprehensive result								
Earnings		0	0	0	48,293,688	48,293,688	1,380,001	49,673,689
Total changes in equity		0	0	0	48,293,688	48,293,688	1,380,001	49,673,689
Closing balance as of 31-03-2016	3-4	155,567,354	164,064,038	-5,965,550	351,823,823	665,489,665	55,774,491	721,264,156

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

Notes on the interim consolidated financial statements

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Note 1. GENERAL INFORMATION

Aguas Andinas S.A. (Hereinafter the "Company") and its subsidiaries compose the Aguas Andinas Group (hereinafter the "Group"). Its legal address is Avenida Presidente Balmaceda N° 1398, Santiago, Chile and its Unique Tax ID is 61.808.000-5.

Aguas Andinas S.A. was established as an open joint stock company by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An excerpt of the articles was published in the Official Gazette on June 10, 1989, being registered in the Registry of Commerce at page 13,981, No. 7,040 of 1989 of Real Estate Conservator of Santiago.

The Company's corporate purpose, in accordance with article two of its bylaws, is the provision of sanitation services, which includes the construction and operation of public services to produce and distribute drinking water and wastewater collection and disposal. Its current concession area is distributed in Greater Santiago and peripheral locations.

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

The Company and its subsidiary Essal are registered in the Securities Registry of the Superintendence of Securities and Insurance under N°346 and N°524, respectively. The subsidiaries Aguas Cordilleras S.A. and Aguas Manquehue S.A. are registered in the special information entities Registry of the Superintendence of Securities and Insurance with the N° 170 and N° 2, respectively. As companies in the sanitation sector, they are regulated by the Superintendence of Sanitary Services in accordance with Law N°18,902 of 1989 and the Decrees having the Force of Law N°382 and N°70, both of 1988.

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

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), a publicly traded company which in turn is controlled by Sociedad General Aguas Barcelona S.A. ("Agbar"), an entity located in Spain and one of the major operators of sanitation services in the world, which in turn is controlled by Suez (France), with ENGIE (France) being its major shareholder.



Note 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation

These Interim Consolidated Financial Statements corresponds to the statement of financial position as of March 31, 2017 and December 31, 2016 and to the consolidated statements of comprehensive results, changes in net equity and cash flows for the period ended at March 31, 2017 and 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (hereinafter "IASB"), and represents the comprehensive, explicit and unreserved adoption of IFRS.

The Group complies with the legal requirements of the environment in which it operates, particularly the sanitation subsidiaries with respect to the specific regulations of the sanitation sector. The Group's companies have normal operating conditions in each area in which they operate. Each company's projections show a profitable operation and they are able to access the financial system to finance their operations, which in the opinion of management determines their ability to continue as a company, as established by the accounting standards under which these interim consolidated financial statements are issued.

Functional and presentation currency

The financial statements of each of the Group's entities are presented 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 company in the Group are shown in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and its subsidiaries, and the presentation currency for the consolidated financial statements.

New accounting pronouncements

The following new standards and interpretations, as improvements and modifications to IFRS, have been issued, come into effect at the date of these financial statements and have been detailed below. The Company has applied these standards concluding that will not impact significantly the financial statements.

Improvements and modifications	Date of mandatory application
IFRS 12, Disclosure of interests in other Companies	Periodos anuales iniciados en o después del 01 de enero de 2017
IAS 7, Statement of cash flows	Annual periods starting or after January 1, 2017
IAS 12, Income tax	Annual periods starting or after January 1, 2017

The standards and interpretations, as improvements and modifications to IFRS, have been issued, but will not come into effect at the date of these financial statements and have been detailed below. The Company has not applied these standards in advance.

New IFRS	Date of mandatory application
IFRS 9, Financial instruments, classification and measurement	Annual periods starting or after January 1, 2018
IFRS 15, Revenue from Contracts with Customers	Annual periods starting or after January 1, 2018
IFRIC 22, Foreign currency transactions and prepayments	Annual periods starting or after January 1, 2018
IFRS 16, Leases	Annual periods starting or after January 1, 2019



Improvements and modifications	Date of mandatory application
IFRS 2, Share-based payments	Annual periods starting or after January 1, 2018
IFRS 4, Insurance contracts	Annual periods starting or after January 1, 2018
IAS 28, Investments in Associates and Joint Ventures	Annual periods starting or after January 1, 2018
IAS 40, Investment Properties	Annual periods starting or after January 1, 2018
IFRS 10, Consolidated Financial Statements	Determined

The Management of the Company is analyzing the eventual impact that the above standards and amendments have in the financial statements. However, those whose entry into force is in annual periods initiated January 1, 2018 onwards have been analyzed and it is estimated that will not have relevant effects in the preparation and presentation of future 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 Directors of the Company, which states that it has applied all principles and criteria included in the International Financial Reporting Standards (IFRS). The Board of Directors, in a meeting held on May 30, 2017 approved these interim consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries for the period 2016 were approved by the board at its meeting held on March 29, 2017.

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

- Useful life of fixed intangible assets
- Valuation of assets and goodwill purchased (commercial funds or lower investment value)
- 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 with invoice pending
- 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 consolidated financial statements, it is possible that events may occur in the future that cause them to be amended (upward or downward) in subsequent periods, which would be registered prospectively as soon as the variation is known, recognizing 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 consolidated financial statements.

A. Consolidation Basis

The interim consolidated financial statements include the financial statements of the Company 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 process.

The Company and its subsidiaries follow the Group's policies consistently.

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

Tax ID	Company	Direct %	Indirect %	Total 2017 (%)	Direct %	Indirect %	Total 2016 (%)
96.809.310-K	Aguas Cordillera S.A.	99.990300	0.00000	99.990300	99.990300	0.00000	99.990300
89.221.000-4	Aguas Manquehue S.A.	0.000400	99.999600	100.00000	0.000400	99.999600	100.00000
96.967.550-1	Análisis Ambientales S.A.	99.000000	1.00000	100.00000	99.000000	1.00000	100.00000
96.945.210-3	Ecoriles S.A.	99.038500	0.961500	100.00000	99.038500	0.961500	100.00000
96.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	2.506500	51.00000	53.50650	2.506500	51.00000	53.50650
96.828.120-8	Gestión y Servicios S.A.	97.847800	2.152200	100.00000	97.847800	2.152200	100.00000
96.897.320-7	Inversiones Iberaguas Ltda.	99.999998	0.000002	100.00000	99.999998	0.000002	100.00000
76.190.084-6	Aguas del Maipo S.A.	82.649996	17.350004	100.00000	82.649996	17.350004	100.00000

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 making 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 Company recognizes 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 subtracting 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, accounting for the effect of any change in the estimate from then on prospectively.



ii. Amortization method for intangibles:

Intangibles with defined useful lives

The amortization method employed by the Company reflects the pattern for which the future economic benefits of the asset is expected to be used by the entity. The Company 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 from them.

Intangibles 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 General Water 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 (subtracting the value of investments or commercial fund) generated in the business 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 control of the company is taken, 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.

In the event the definitive determination of goodwill is made in the financial statements of the year following the acquisition of the participation, the items 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 registered at that date, while goodwill generated later is registered 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 Company 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 they are incurred.

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

The depreciation method applied by the Company reflects the extent to which the assets are used by the entity during the period in which they generate economic benefits. The Company 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 life

The useful life considered in calculating the depreciation are based on technical studies prepared by external specialist firms, which are revised as new information arises that permits a 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 life (in years) by type of asset is as follows:

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

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

Due to the nature of the assets constructed by the Company and given that there are no contractual obligations or other construction requirements like those mentioned in the IFRS, the concept of dismantling costs is not applicable as of the date of these 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 registered 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, with useful life defined to see whether there exists any indication of a loss due to impairment. Should this exist, the recoverable value of such assets is estimated 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 the 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 minus 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.

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 Company and subsidiaries review their contracts to check for the possible existence of implicit leases, in accordance with IFRIC 4.

H. Financial assets

The 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 have been transferred and the Group has passed 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 bank Companies or subsidiaries of the Banks 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 (NPV) 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.

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, 2017, the Company 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 N°. 39. Their subsequent measurement will be at cost because there is no active market, as provided in the same standard.

iii. Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets that have fixed or determinable payments and that 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 debts or debts with 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 commercial debtors and other accounts receivable

The Company periodically evaluates impairments affecting its financial assets. The amount is booked as 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: considering recovery statistics, which indicate that eighth months after 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 more than 8 months overdue.

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 for customer debts more than 120 days overdue.

A 100% provision is made for overdue notes receivable.

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 Company'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 is compatible with the investment policies.

The minimum dividend established in the Corporations Law, equivalent to 30% of annual profits, will be shown at the end of each period. In the event there were no interim dividends or were less than the 30% referenced, the, the respective provision will be registered.

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	31-03-2017 \$	31-12-2016 \$
US Dollar	663.97	710.16
Euro	709.37	774.61

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, payable bonds 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 uses derivative financial instruments for hedging instruments to reduce risks from inflation, interest-rates and exchange rates on current positions to which it is exposed due to its business.

Derivatives are recorded at fair value on the date of the financial situation statement. In the case of financial derivatives, if the value is positive it is booked under "Other Financial Assets" and if negative under "Other Financial Liabilities."

Changes in the fair value are booked directly in results, except when a derivative has been designated as a hedge accounting instrument and meets all of the conditions established by the IFRS to apply hedge accounting.

The treatment of hedging operations with derivative instruments are the following:

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 expiration date of such transactions.

In the event of discontinuation of the hedge, the net equity loss or gain accumulated to that date 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 registers 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 for 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, as is required in the same regulation, they would be detailed in Note 15.

O. Employee benefits

The obligation of 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.

Compensation benefits for years of service 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.

Compensation for years of service 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 through 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 to whom this benefit is extended through their individual work contract. 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.

Compensations 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. Revenues 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.

Revenues 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 the closing date of each financial position statement and is reduced to the extent that it is unlikely 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 of settling the liability or realizing the asset, based on the tax rates that have been approved or have almost finalized 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 Company 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 periods ending March 31, 2017 and 2016.

During period March 31, 2017 and 2016, 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. Information on the environment

Assets of an environmental kind are those used constantly in the business of the Company and subsidiaries, whose main 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' businesses.

These assets are valued at cost, like any other asset. The Company 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 Value Added Tax (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

For 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 as of March 31, 2017, according to the following detail:

Reclassifications	Increase/Decrease Th\$
Statement of result by nature:	
Revenues from ordinary activities	246,664
Other expenses, by nature	-246,664

Note 3. EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER

The capital of the Company is divided into 6,118,965,160 nominative shares of no par value, completely subscribed and paid as of March 31, 2017, with 94.97% corresponding to series A and 5.03% to series B.

Series B shares have a veto preference, contained in Article 5 of the Company bylaws, consisting of special quorum required at the Extraordinary Shareholders Meeting to decide about acts and contracts related to the water rights and sanitation concessions of Aguas Andinas.

The composition of each series is as follows:

	31-03-2017	31-12-2016
Series A	5,811,030,417	5,811,029,417
Series B	307,934,743	307,935,743

The capital as of March 31, 2017 and December 31, 2016 amounts to Th\$155,567,354.

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

The Company 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.

No dividend payments has been agreed in period ended at March 31, 2017

In period 2016, the following dividend payment was agreed and made:



- The Ordinary Shareholders' Meeting held on April 27, 2016 agreed to distribute 100% of net earnings for 2015 deducting the interim dividend paid in January 2016. Because of this, the dividend N°62 of the Company amounted to Th\$88,442,910 equivalent to \$14.4539 per share. This payment was payable from May 25, 2016 being entitled to 6,118,965,160 shares.
- In board meeting held on November 29, 2016, it was unanimously agreed to distribute among shareholders the sum of Th\$41,984,668, as an interim dividend, based on the earnings for 2016. Because of this, the interim dividend N° 63 of the Company amounted to \$6.8614 per share, paid in January 18, 2017.

• **Provision for minimum dividend**

In accordance with the policy described in Note 2.2. Letter J, the Company has made no provision for the minimum dividend as of March 31, 2017. As of December 31, 2016, it was made a minimum dividend provision of Th\$3,213,905.

• **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 IFRS 1, IAS 16 and Circular N° 456 of June 20, 2008 of the Superintendence of Securities and Insurance. 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 total balance of accumulated earnings as of March 31, 2017 and December 31, 2016 amounted to Th\$371,328,597 and Th\$320,491,338 respectively.

Additionally, as of December 31, 2016, modifications were made to the calculation parameters in the actuarial earnings and losses on compensation, which generated a register in accumulated results of Th\$42,840. (see note 2.2. O)

• **Share premiums.**

The amount registered in share premiums is the premium on the sale of shares produced in 1999 due to the capital increase. The balance as of March 31, 2017 and December 31, 2016 amounted to Th\$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 Circular N° 456 of the Superintendence of Securities and Insurance, and the effects of businesses combinations of companies under common control made in 2007 and 2008. The balance as of March 31, 2017 and December 31, 2016 amounted to Th\$-5,965,550.



Note 4. EQUITY ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS

The detail broken down by Company of the effects caused by the third party participation in the equity and results as of March 31, 2017 and 2015 are as follows:

Company	% Participation		Non-controller participations			
	31-03-2017	31-03-2016	Equity		Result	
	%	%	31-03-2017 Th\$	31-12-2016 Th\$	31-03-2017 Th\$	31-03-2016 Th\$
Aguas Cordillera S.A.	0.00997%	0.00997%	21,993	21,198	795	659
Essal S.A. (1)	46.49350%	46.49350%	53,793,368	52,704,047	1,089,321	1,379,342
Total			53,815,361	52,725,245	1,090,116	1,380,001

(1) Includes the participations of third parties by assigning a market value of the assets and liabilities arising from the purchase of Inversiones Iberaguas Ltda. and Essal S.A., at the moment the businesses were merged.

The dividends paid to non-controlling participations of the subsidiary Essal S.A amounted to Th\$2,086,812 as of March 31, 2017 and Th\$1,713,904 as of March 31, 2016.

Note 5. OTHER REVENUE AND EXPENSES

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

Non-operating revenue & expenses	31-03-2017 Th\$	31-03-2016 Th\$
Gain on sale of non-current assets, not held for sale	55,874	-33,222
Other earnings (losses)	47,694	-1,976
Rejected projects	-11,674	0
Other losses (earnings)	91,894	-35,198
Bank loans interest expenses	-1,054,532	-1,162,000
AFR interest expenses	-1,720,427	-1,661,578
Bond interest expense	-4,622,203	-3,888,204
Other interest costs	-125,805	-114,198
Amortization of loan agreement complementary costs	-37,534	-37,330
Financial costs	-7,560,501	-6,863,310
Interest income	1,253,164	1,601,642
Gain on redemption & extinction of debt	323,927	311,657
Financial income	1,577,091	1,913,299



Note 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 consolidated financial statements:

Summarized financial information of subsidiaries (Statement of Financial Situation) as of March 31, 2017

31-03-2017	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	39,185,270	264,985,030	34,048,589	49,530,512	220,591,199
Aguas Manquehue S.A.	5,559,230	81,010,952	8,961,467	22,608,926	54,999,789
Inversiones Iberaguas Ltda.	33,338	67,728,895	70,060	0	67,692,173
Empresa de Servicios Sanitarios de Los Lagos S.A.	17,419,889	149,024,894	11,442,008	74,586,733	80,416,042
Ecoriles S.A.	5,441,951	425,050	2,329,828	0	3,537,173
Gestión y Servicios S.A.	5,776,529	810,482	3,469,817	40,489	3,076,705
Análisis Ambientales S.A.	2,315,051	5,267,660	2,853,613	0	4,729,098
Aguas del Maipo S.A.	404,178	8,319,439	123,383	89,305	8,510,929

Summarized financial information of subsidiaries (Statement of Comprehensive Results) as of March 31, 2017

31-03-2017	Result for the period	Ordinary revenue	Operating expenses (-)	Other net expenses (-) / revenue (+)
Subsidiaries	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	7,978,202	17,220,209	-8,801,780	-440,227
Aguas Manquehue S.A.	1,731,771	4,834,843	-2,428,986	-674,086
Inversiones Iberaguas Ltda.	1,647,887	0	-1,498	1,649,385
Empresa de Servicios Sanitarios de Los Lagos S.A.	3,324,128	13,799,588	-8,470,650	-2,004,810
Ecoriles S.A.	389,013	3,446,808	-2,947,034	-110,761
Gestión y Servicios S.A.	130,865	1,914,398	-1,823,531	39,998
Análisis Ambientales S.A.	302,157	1,963,882	-1,551,506	-110,219
Aguas del Maipo S.A.	-132,473	0	-127,117	-5,356



Summarized financial information of subsidiaries (Statement of Financial Situation) through December 31, 2016

31-12-2016	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	44,978,477	263,155,183	46,265,462	49,255,201	212,612,997
Aguas Manquehue S.A.	4,859,500	79,936,629	7,697,070	23,831,041	53,268,018
Inversiones Iberaguas Ltda.	2,305,082	66,033,589	24,386	0	68,314,285
Empresa de Servicios Sanitarios de Los Lagos S.A.	15,425,907	147,548,129	17,710,264	68,171,861	77,091,911
Ecoriles S.A.	5,103,621	425,004	2,380,465	0	3,148,160
Gestión y Servicios S.A.	5,768,832	907,094	3,690,043	40,043	2,945,840
Análisis Ambientales S.A.	2,029,111	5,354,352	2,956,521	0	4,426,942
Aguas del Maipo S.A.	477,419	8,347,776	99,426	82,367	8,643,402

Summarized financial information of subsidiaries (Statement of Comprehensive Results) as of March 31, 2016

31-03-2016	Result for the period	Ordinary revenue	Operating expenses (-)	Other net expenses (-) / revenue (+)
Subsidiaries	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	6,613,779	16,087,328	-9,287,821	-185,728
Aguas Manquehue S.A.	1,492,679	4,319,370	-2,207,979	-618,712
Inversiones Iberaguas Ltda.	2,015,733	0	-7,780	2,023,513
Empresa de Servicios Sanitarios de Los Lagos S.A.	3,967,673	13,814,776	-7,773,804	-2,073,299
Ecoriles S.A.	381,700	3,097,853	-2,619,784	-96,369
Gestión y Servicios S.A.	121,478	2,003,185	-1,874,384	-7,323
Análisis Ambientales S.A.	267,537	1,898,570	-1,536,133	-94,900
Aguas del Maipo S.A.	-422,098	0	-421,030	-1,068



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.
Chilean Tax ID	96.809.310-k	89.221.000-4	96.579.800-5
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	10.79%	3.08%	5.05%
Property, plant and equipment	8.22%	4.37%	10.92%
Net income for the period	12.29%	3.43%	2.47%

Note 7. CASH AND CASH EQUIVALENTS

The composition is as follows:

Cash & cash equivalents	31-03-2017 Th\$	31-12-2016 Th\$
Banks	4,322,384	27,691,838
Term deposits (see note 8.6)	47,682,251	37,184,605
Total	52,004,635	64,876,443

Cash equivalents relate to financial assets of deposits in-time and mutual funds with maturities of less than 90 days from the date of the originating 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.

No legal restrictions exist that impede the immediate availability of the accounts of cash and cash equivalents utilized by the Group.



Note 8. FINANCIAL INSTRUMENTS

8.1 Capital risk management

The Group manages its capital to ensure that Group entities will continue as a business 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, and 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 Note 2 Letters H, L and M to these interim consolidated financial statements.

8.3 Classes of financial instruments

Below is presented a summary of the financial instruments through March 31, 2017 and December 31, 2016:



Classes of financial instruments	Currency	Note	31-03-2017 Th\$	31-12-2016 Th\$
Financial assets				
Other financial assets, current			8,189,290	0
Advance bonds	CLP	8.10	7,996,463	0
Coverage	CLP	8.10	192,827	0
Total trade debtors and other accounts receivable, current			112,744,745	106,288,544
Trade debtors and other accounts receivable	CLP	8.5	112,725,282	106,219,612
Trade debtors and other accounts receivable	USD	8.5	9,541	25,312
Trade debtors and other accounts receivable	EUR	8.5	9,922	43,620
Information of related entities, current			1,188,272	1,275,867
Accounts receivable to related entities	CLP	9	1,188,272	1,275,867
Total financial assets, current			113,933,017	107,564,411
Rights receivable	CLP	8.5	2,091,376	2,082,334
Other financial assets	CLP	8.9	7,792,445	7,792,445
Total financial assets, non-current			9,883,821	9,874,779
Financial liabilities				
Other financial liabilities, current			44,846,393	43,629,749
Bank loans	CLP	8.4	721,474	3,630,278
Bonds	CLP	8.4	16,724,988	13,312,288
Reimbursable financial contributions (AFR)	CLP	8.4	27,399,931	26,687,183
Trade accounts and other payable accounts			73,486,562	101,917,169
Trade accounts and other payable accounts	CLP	8.7	73,188,222	101,803,633
Trade accounts and other payable accounts	USD	8.7	273,476	98,320
Trade accounts and other payable accounts	EUR	8.7	24,864	15,216
Information on related entities, current			14,471,911	38,225,005
Accounts receivable to related entities	CLP	9	14,471,911	38,225,005
Total current financial liabilities			132,804,866	183,771,923
Other non-current financial liabilities			814,819,113	808,003,406
Bank loans	CLP	8.4	100,019,209	94,019,209
Bonds	CLP	8.4	548,860,594	546,341,722
Reimbursable financial contributions (AFR)	CLP	8.4	165,939,310	167,642,475
Other payable accounts, non-current			935,110	949,408
Other payable accounts	CLP	8.7	935,110	949,408
Total non-current financial liabilities			815,754,223	808,952,814



8.4 Information to disclose on financial liabilities

Other financial liabilities

Other financial liabilities include bank loans, public obligations (bonds) and Reimbursable Financial Contributions (AFRs), which are valued at amortized cost, as explained below:

Reimbursable financial contributions (AFRs)

In accordance with article 42-A of MINECON decree N° 453 of 1989, "The 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 details of reimbursable financial contributions as of March 31, 2017 and December 31, 2016 are as follows:

Reimbursable Financial Contributions, current portion

Registration No. or Identification of the Instrument	Currency indexation unit	Residual UF 31-03-2017	Book value		Contract real interest rate	Effective rate	Placement in Chile or abroad	Issuing company	Issuer tax ID	Type of repayment	Secured (Yes/No)
			31-03-2017	31-12-2016							
			Th\$	Th\$							
AFR	UF	722,644	19,578,487	18,299,860	4.19%	4.08%	Chile	AguasAndinasS.A.	61.808.000-5	At maturity	No
AFR	UF	181,063	4,923,087	6,983,609	4.54%	4.45%	Chile	AguasCordillera S.A.	96.809.310-k	At maturity	No
AFR	UF	108,076	2,898,357	1,403,714	3.95%	3.86%	Chile	AguasManquehue S.A.	89.221.000-4	At maturity	No
Total		1,011,783	27,399,931	26,687,183							

Reimbursable Financial Contributions, non-current portion

Registration No. or Identification of the Instrument	Currency indexation unit	Residual UF 31-03-2017	Book value		Maturity Date	Contract real interest rate	Effective rate	Issuing company	Issuer tax ID	Type of repayment	Secured (Yes/No)
			31-03-2017	31-12-2016							
			Th\$	Th\$							
AFR	UF	4,416,306	117,970,803	118,691,514	30-03-2032	3.41%	3.31%	AguasAndinasS.A.	61.808.000-5	At maturity	No
AFR	UF	887,511	23,713,437	23,492,843	23-03-2032	3.33%	3.25%	AguasCordillera S.A.	96.809.310-k	At maturity	No
AFR	UF	579,502	15,489,893	16,662,840	16-03-2032	3.21%	3.13%	AguasManquehue S.A.	89.221.000-4	At maturity	No
AFR	UF	331,112	8,765,177	8,795,278	19-01-2032	3.56%	3.56%	Essal S.A	96.579.800-5	At maturity	No
Total		6,214,431	165,939,310	167,642,475							



The detail of bank loans as of March 31, 2017 and December 31, 2016 is as follows:

Total bank loans, current period

Debtor tax no.	61808.000-5	61808.000-5	96.809.310-K	96.579.800-5	96.579.800-5	96.579.800-5	
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	Essal S.A.	Essal S.A.	Essal S.A.	
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	
Creditor tax ID	97.004.000-5	97.006.000-6	97.032.000-8	97.004.000-7	97.004.000-7	97.018.000-1	
Bank or financial institution	Banco de Chile	Banco BCI	Banco BBVA	Banco de Chile	Banco de Chile	Banco Scotiabank	
Currency or indexation	CLP	CLP	CLP	CLP	CLP	CLP	
Repayment method	Semi-annual	At maturity	At maturity	At maturity	At maturity	At maturity	
Effective rate	4.44%	4.32%	4.41%	4.50%	4.50%	4.23%	
Nominal rate	4.44%	4.32%	4.41%	4.50%	4.50%	4.23%	
Nominal value							
To 1 year	355,329	64,218	67,511	65,994	112,727	55,695	721,474
To 90 days	355,329	64,218	67,511	65,994	112,727	55,695	721,474
Over 1 to 3 years	20,089,002	19,270,304	20,000,000	4,000,000	6,500,000	6,000,000	75,859,306
Over 1 to 2 years	6,283,344	0	20,000,000	0	0	0	26,283,344
Over 2 to 3 years	13,805,658	19,270,304	0	4,000,000	6,500,000	6,000,000	49,575,962
Over 3 to 5 years	24,159,903	0	0	0	0	0	24,159,903
Over 3 to 4 years	8,141,799	0	0	0	0	0	8,141,799
Over 4 to 5 years	16,018,104	0	0	0	0	0	16,018,104
Total nominal values	44,604,234	19,334,522	20,067,511	4,065,994	6,612,727	6,055,695	100,740,683
Book value							
Current bank loans	355,329	64,218	67,511	65,994	112,727	55,695	721,474
To 90 days	355,329	64,218	67,511	65,994	112,727	55,695	721,474
Non-current bank loans	44,248,905	19,270,304	20,000,000	4,000,000	6,500,000	6,000,000	100,019,209
Over 1 to 3 years	20,089,002	19,270,304	20,000,000	4,000,000	6,500,000	6,000,000	75,859,306
Over 1 to 2 years	6,283,344	0	20,000,000	0	0	0	26,283,344
Over 2 to 3 years	13,805,658	19,270,304	0	4,000,000	6,500,000	6,000,000	49,575,962
Over 3 to 5 years	24,159,903	0	0	0	0	0	24,159,903
Over 3 to 4 years	8,141,799	0	0	0	0	0	8,141,799
Over 4 to 5 years	16,018,104	0	0	0	0	0	16,018,104
Total bank loans	44,604,234	19,334,522	20,067,511	4,065,994	6,612,727	6,055,695	100,740,683

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



Balances of bank loans, previous period

Debtor tax no.	61808.000-5	61808.000-5	96.809.310-K	96579800-5	96579800-5	96579800-5	
Debtor name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	Essal S.A.	Essal S.A.	Essal S.A.	
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	
Creditor tax ID	97.004.000-5	97.006.000-6	97.032.000-8	97.004.000-7	97.004.000-7	97.006.000-6	
Bank or financial institution	Banco de Chile	Banco BCI	Banco BBVA	Banco de Chile	Banco de Chile	BCI	
Currency or indexation	CLP	CLP	CLP	CLP	CLP	CLP	
Repayment method	Semi-annual	At maturity	At maturity	At maturity	At maturity	At maturity	
Effective rate	4.44%	4.32%	4.41%	4.50%	4.75%	4.38%	
Nominal rate	4.44%	4.32%	4.41%	4.50%	4.75%	4.38%	
Nominal value							
To 1 year	905,933	286,742	303,800	21,998	37,015	2,074,790	3,630,278
To 90 days	905,933	286,742	303,800	21,998	37,015	2,074,790	3,630,278
Over 90 days to 1 year							0
Over 1 to 3 years	20,089,003	0	20,000,000	4,000,000	6,500,000	0	50,589,003
Over 1 to 2 years	6,283,345					0	6,283,345
Over 2 to 3 years	13,805,658		20,000,000	4,000,000	6,500,000	0	44,305,658
Over 3 to 5 years	24,159,903	19,270,304	0	0	0	0	43,430,207
Over 3 to 4 years	8,141,799	19,270,304				0	27,412,103
Over 4 to 5 years	16,018,104					0	16,018,104
Total nominal values	45,154,839	19,557,046	20,303,800	4,021,998	6,537,015	2,074,790	97,649,488
Book value							
Current bank loans	905,933	286,742	303,800	21,998	37,015	2,074,790	3,630,278
To 90 days	905,933	286,742	303,800	21,998	37,015	2,074,790	3,630,278
Over 90 days to 1 year							0
Non-current bank loans	44,248,905	19,270,304	20,000,000	4,000,000	6,500,000	0	94,019,209
Over 1 to 3 years	20,089,002	0	20,000,000	4,000,000	6,500,000	0	50,589,002
Over 1 to 2 years	6,283,344					0	6,283,344
Over 2 to 3 years	13,805,658		20,000,000	4,000,000	6,500,000	0	44,305,658
Over 3 to 5 years	24,159,903	19,270,304	0			0	43,430,207
Over 3 to 4 years	8,141,799	19,270,304		0	0	0	27,412,103
Over 4 to 5 years	16,018,104			0	0	0	16,018,104
Total bank loans	45,154,838	19,557,046	20,303,800	4,021,998	6,537,015	2,074,790	97,649,487

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 bonds outstanding as of March 31, 2017 and December 31, 2016 is as follows:

Total public obligations, current period

Debtor tax no.	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	61808.000-5	96.579.800-5
Debtor name	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	AguasAndinas S.A.	Essal S.A.
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
Registration number	580	630	655	655	712	713	713	778	778	806	777	806	284
Series	BAQUA-J	BAQUA-M	BAQUA-P	BAQUA-Q	BAQUA-R	BAQUA-S	BAQUA-U	BAQUA-V	BAQUA-W	BAQUA-X	BAQUA-Z	BAQUA-AA	Besal-B
Final maturity	01-12-2018	01-04-2031	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	01-06-2028
Currency or indexation unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF
Repayment period	At maturity	At maturity	At maturity	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	At maturity	Semi-annual	Semi-annual	Semi-annual
Effective rate	4.16%	4.15%	3.82%	3.94%	3.61%	3.93%	3.81%	3.50%	3.18%	3.23%	2.15%	3.29%	6.63%
Nominal rate	4.00%	4.20%	3.86%	4.00%	3.30%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	6.00%
Nominal value													
To 1 year	349,500	962,837	759,096	576,675	6,123,342	1,175,881	996,563	918,523	664,301	210,208	131,577	350,180	3,759,891
To 90 days	349,500	962,837	759,096	576,675	3,182,015	1,175,881	996,563	918,523	664,301	0	0	0	0
Over 90 days to 1 year	0	0	0	0	2,941,327	0	0	0	0	210,208	131,577	350,180	3,759,891
Over 1 to 3 years	26,471,940	0	0	0	8,823,980	0	0	0	0	0	6,617,985	0	6,130,342
Over 1 to 2 years	26,471,940	0	0	0	5,882,653	0	0	0	0	0	0	0	3,065,171
Over 2 to 3 years	0	0	0	0	2,941,327	0	0	0	0	0	6,617,985	0	3,065,171
Over 3 to 5 years	0	46,325,895	39,707,910	43,678,701	0	60,885,462	52,943,880	52,943,880	60,885,462	42,355,104	19,853,955	52,943,880	29,444,775
Over 3 to 4 years	0	0	0	0	0	0	0	0	0	0	6,617,985	0	3,065,171
Over 4 to 5 years	0	0	0	0	0	0	0	0	0	0	6,617,985	0	3,065,171
Over 5 years	0	46,325,895	39,707,910	43,678,701	0	60,885,462	52,943,880	52,943,880	60,885,462	42,355,104	6,617,985	52,943,880	23,314,433
Total nominal values	26,821,440	47,288,732	40,467,006	44,255,376	14,947,322	62,061,343	53,940,443	53,862,403	61,549,763	42,565,312	26,603,517	53,294,060	39,335,008
Book value													
Current public obligations	311,100	974,847	768,232	589,735	6,079,955	1,168,221	993,848	918,523	651,341	155,018	148,162	299,230	3,666,836
To 90 days	311,100	974,847	768,232	589,735	3,160,322	1,168,221	993,848	918,523	651,341	0	0	0	0
Over 90 days to 1 year	0	0	0	0	2,919,633	0	0	0	0	155,018	148,162	299,230	3,666,836
Non-current public obligation	26,445,061	46,535,877	39,903,489	43,929,026	8,825,610	60,709,215	52,855,625	52,943,880	61,921,042	41,373,618	26,528,152	51,855,599	35,034,400
Over 1 to 3 years	26,445,061	0	0	0	8,825,610	0	0	0	0	0	6,632,038	0	6,027,350
Over 1 to 2 years	26,445,061	0	0	0	5,883,740	0	0	0	0	0	0	0	3,013,675
Over 2 to 3 years	0	0	0	0	2,941,870	0	0	0	0	0	6,632,038	0	3,013,675
Over 3 to 5 years	0	46,535,877	39,903,489	43,929,026	0	60,709,215	52,855,625	52,943,880	61,921,042	41,373,618	19,896,114	51,855,599	29,007,050
Over 3 to 4 years	0	0	0	0	0	0	0	0	0	0	6,632,038	0	3,013,675
Over 4 to 5 years	0	0	0	0	0	0	0	0	0	0	6,632,038	0	3,013,675
Over 5 years	0	46,535,877	39,903,489	43,929,026	0	60,709,215	52,855,625	52,943,880	61,921,042	41,373,618	6,632,038	51,855,599	22,979,700
Total public obligations	26,756,161	47,510,724	40,671,721	44,518,761	14,905,565	61,877,436	53,949,473	53,862,403	62,572,383	41,528,636	26,676,254	52,154,829	38,701,236



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.	Esael S.A.
Debtor country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
Registration number	580	630	655	655	712	713	713	778	778	806	777	806	284
Series	BAQUA-J	BAQUA-M	BAQUA-P	BAQUA-Q	BAQUA-R	BAQUA-S	BAQUA-U	BAQUA-V	BAQUA-W	BAQUA-X	BAQUA-Z	BAQUA-AA	Besal-B
Final maturity	01-12-2018	01-04-2031	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	01-06-2028
Currency or indexation unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF
Repayment period	At maturity	At maturity	At maturity	At maturity	Semi-annual	At maturity	At maturity	At maturity	At maturity	At maturity	Semi-annual	Semi-annual	Semi-annual
Effective rate	4.96%	4.95%	3.82%	3.94%	3.61%	3.93%	3.8%	3.50%	3.9%	3.23%	2.15%	3.29%	6.63%
Nominal rate	4.00%	4.20%	3.86%	4.00%	3.30%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	6.00%
Nominal value													
To 1 year	86,966	479,164	377,771	143,494	5,974,887	585,187	495,948	457,111	165,298	523,060	288,112	766,788	3,223,684
To 90 days										523,060	288,112	766,788	1,577,960
Over 90 days to 1 year	86,966	479,164	377,771	143,494	5,974,887	585,187	495,948	457,111	165,298				3,223,684
Over 1 to 3 years	26,347,980	0	0	0	8,782,661	0	0	0	0	0	3,293,498	0	6,101,636
Over 1 to 2 years					5,855,107								3,050,818
Over 2 to 3 years	26,347,980				2,927,554						3,293,498		3,050,818
Over 3 to 5 years	0	46,108,965	39,521,970	43,474,167	0	60,600,354	52,695,960	52,695,960	60,600,354	42,156,768	23,054,483	52,695,960	29,398,688
Over 3 to 4 years											6,586,995		3,050,818
Over 4 to 5 years											6,586,995		3,050,818
Over 5 years		46,108,965	39,521,970	43,474,167		60,600,354	52,695,960	52,695,960	60,600,354	42,156,768	9,880,493	52,695,960	23,297,053
Total nominal values	26,434,946	46,588,129	39,899,741	43,617,661	14,757,548	61,185,541	53,191,908	53,153,071	60,765,652	42,679,828	26,636,093	53,462,748	561,096,875
Book value													
Current public obligations	48,567	491,052	386,822	156,553	5,931,501	577,600	493,259	457,111	152,338	467,870	304,639	715,837	3,129,139
To 90 days	0	0	0	0	0	0	0	0	0	467,870	304,639	715,837	1,488,346
Over 90 days to 1 year	48,567	491,052	386,822	156,553	5,931,501	577,600	493,259	457,111	152,338	0	0	0	3,129,139
Non-current public obligation	26,311,664	46,321,979	39,719,854	43,727,674	8,774,028	60,422,174	52,607,020	52,695,960	61,638,393	41,175,282	26,404,869	51,606,287	34,936,538
Over 1 to 3 years	26,311,664	0	0	0	8,774,028	0	0	0	0	0	3,300,609	0	5,994,248
Over 1 to 2 years	0	0	0	0	5,849,352	0	0	0	0	0	0	0	2,997,124
Over 2 to 3 years	26,311,664	0	0	0	2,924,676	0	0	0	0	0	3,300,609	0	2,997,124
Over 3 to 5 years	0	46,321,979	39,719,854	43,727,674	0	60,422,174	52,607,020	52,695,960	61,638,393	41,175,282	23,104,260	51,606,287	28,942,290
Over 3 to 4 years	0	0	0	0	0	0	0	0	0	0	6,601,217	0	2,997,124
Over 4 to 5 years	0	0	0	0	0	0	0	0	0	0	6,601,217	0	2,997,124
Over 5 years	0	46,321,979	39,719,854	43,727,674	0	60,422,174	52,607,020	52,695,960	61,638,393	41,175,282	9,901,826	51,606,287	22,948,042
Total public obligations	26,360,231	46,813,031	40,106,676	43,884,227	14,705,529	60,999,774	53,100,279	53,153,071	61,790,731	41,643,152	26,709,508	52,322,124	559,654,010



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. To achieve the objectives, financial risk management is 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 Company's 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 cut the service. The method for analysis is based on historic data on customer accounts receivable and other debtors.

Credit risk	31-03-2017 Th\$	31-12-2016 Th\$
Gross exposure per balance sheet for risks of accounts receivable	149,197,675	139,680,913
Gross exposure per estimates of risks of accounts receivable	-34,361,555	-31,310,035
Net exposure, risk concentration	114,836,120	108,370,878

Movement of credit risk, accounts receivable	31-03-2017 Th\$	31-12-2016 Th\$
Initial balance as of 01-01-2017	-31,310,035	-32,930,617
Increase in existing provisions	-3,051,520	-4,102,952
Reductions	0	5,723,534
Changes, total	-3,051,520	1,620,582
Closing balance as of 31-03-2017	-34,361,555	-31,310,035



The following shows the composition of gross debt by age:

Ageing of debt	31-03-2017 Th\$	31-12-2016 Th\$
Less than three months	110,004,240	104,479,708
Three to six months	2,730,007	2,057,176
Six to eight months	1,071,517	743,934
More than eight months	35,391,911	32,400,095
Total	149,197,675	139,680,913

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

Past-due debt	31-03-2017 Th\$	31-12-2016 Th\$
Less than three months	12,087,426	11,014,577
Three to six months	2,205,737	1,625,815
Six to eight months	955,770	656,727
Total	15,248,933	13,297,119

Past-due net debt comprises all those sums in which the counterpart stopped making a payment when contractually should do. Balances with ageing less than 8 months, according to Company policies, does not provisioned.

ii. Liquidity risk

Liquidity risk is the possibility that the Group has difficulties to commit its obligations associated with financial liabilities which are liquidated from the delivery of cash or other financial asset and not be able to finance its acquired commitments, such as long-term investments and working capital needs at reasonable market prices.

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

Preventive measures taken to manage liquidity risk include the following:

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

Maturity structure (non-discounted flows)

Maturity structure	Up to 90 days		91 days to 1 year		13 months to 3 years		3 to 5 years		More than 5 years	
	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate
Bank loans	59,013	4.56%	3,299,014	3.93%	810,16,043	4.02%	25,272,585	3.96%	-	-
Bonds	10,380,631	3.58%	17,666,064	4.09%	83,083,925	3.76%	52,555,520	3.85%	699,602,794	3.67%
AFR	6,946,448	4.54%	19,707,785	4.15%	28,519,938	3.76%	29,007,558	3.38%	148,054,516	3.30%
Trade accounts and other payable accounts	64,914,013	-	8,572,549	-	228,092	-	164,129	-	542,889	-
Total	82,300,104		49,245,412		192,849,998		106,999,792		848,200,199	



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	11.72%
Bonds	Fixed	65.79%
Reimbursable financial contributions (AFR)	Fixed	22.49%
Total		100.00%

Interest rate sensitivity analysis

A rate analysis is made, with respect to the TAB (Banking Asset Rate), assuming all 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%.

Company	Nominal amount of debt Th\$	Variable rate	Points (+/-)	Impact on result Th\$ (+/-)
Aguas Andinas Consolidated	100,740,673	180-day TAB	37.6	378,764

For loans based on 180-day TAB, the positive or negative change in nominal TAB of 37.6 basis points, calculated annually, would have an impact on results of +/- Th\$378,764.

8.6 Cash equivalents

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

Company	Instruments	31-03-2017 Th\$	31-12-2016 Th\$
Aguas Andinas S.A.	Term deposit	16,775,053	25,015,658
Aguas Cordillera S.A.	Term deposit	26,133,500	8,887,528
Aguas Manquehue S.A.	Term deposit	1,175,226	840,410
Aguas del Maipo S.A.	Term deposit	0	90,016
Gestión y Servicios S.A.	Term deposit	1,350,192	930,418
Eco-Riles S.A.	Term deposit	1,450,280	1,420,575
Essal S.A.	Term deposit	798,000	0
Total		47,682,251	37,184,605



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 time deposits, 10% of the bank's equity.

8.7 Trade accounts and other current and noncurrent accounts payable

The principal concepts included in this account are the following:

Trade creditors & other accounts payable, current	Currency or indexation unit	31-03-2017 Th\$	31-12-2016 Th\$
Dividends	CLP	1,669,441	24,706,518
Suppliers for investments in progress (investment)	CLP	28,696,722	28,999,464
Personnel	CLP	2,981,957	3,156,687
Suppliers (expense)	CLP	15,148,005	17,428,332
Suppliers (expense)	USD	273,476	98,320
Suppliers (expense)	EUR	24,864	15,216
Suppliers (investment)	CLP	5,233,968	8,409,385
Accrued services	CLP	16,923,746	17,076,009
AFR (expense)	CLP	1,851,914	1,369,276
Others (expense)	CLP	682,469	657,962
Sub-total current		73,486,562	101,917,169
AFR water	CLP	701,680	698,095
Suppliers for investments in progress	CLP	163,035	180,917
Sundry creditors	CLP	70,395	70,396
Sub total non-current		935,110	949,408
Total current & non-current		74,421,672	102,866,577



Information regarding the trade accounts according to maturity date is provided below:

Trade Accounts

Current Period

Current trade accounts according to term	31-03-2017			
	Goods	Services	Other	Total
To 30 days	2,641,801	7,404,366	226,339	10,272,506
From 31 to 60 days	102,647	54,385	0	157,032
From 61 to 90 days	0	610	0	610
From 91 to 120 days	0	-8,078	0	-8,078
From 121 to 365 days	0	-59,190	0	-59,190
More than 365 days	0	-16,156	0	-16,156
Total	2,744,448	7,375,937	226,339	10,346,724

Overdue trade accounts according to term	31-03-2017			
	Goods	Services	Other	Total
To 30 days	27,669	506,672	2963	537,304
From 31 to 60 days	1,313,831	326,317	2,060	1,642,208
From 61 to 90 days	-45,703	765,341	56	719,694
From 91 to 120 days	192,074	154,791	11	346,876
From 121 to 365 days	2,963	178,845	55	181,863
More than 365 days	1,685	131,298	0	132,983
Total	1,492,519	2,063,264	5,145	3,560,928

Previous Period

Current trade accounts according to term	31-12-2016			
	Goods	Services	Other	Total
To 30 days	2,811,143	10,267,940	201,588	13,280,671
From 31 to 60 days	161,139	298,461	0	459,600
Total	2,972,282	10,566,401	201,588	13,740,271

Overdue trade accounts according to term	31-12-2016			
	Goods	Services	Other	Total
To 30 days	1,638,257	1,509,769	23,633	3,171,659
From 31 to 60 days	369	164,982	0	165,351
From 61 to 90 days	57	61,556	28	61,641
From 91 to 120 days	96	154,516	14	154,626
From 121 to 365 days	9,382	41,781	0	51,163
More than 365 days	660	15,489	0	16,149
Total	1,648,821	1,948,093	23,675	3,620,589



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:

	31-03-2017	
	Amortized cost Th\$	Fair value Th\$
Cash & cash equivalents		
Investments booked at fair value	47,682,251	47,682,251
Term deposits, level 1	47,682,251	47,682,251
Other financial liabilities		
Financial liabilities booked at amortized cost	859,665,506	922,946,880
Bank debt, level 2	100,740,683	103,872,723
Bonds, level 1	565,585,582	625,734,916
AFR, level 3	193,339,241	193,339,241

Methodology and assumptions used in the calculation of fair value

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

- The amortized cost of deposits is a good approximation of fair value as they are very short-term operations.
- 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 N° 70).
- 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.
- 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 financial statements and the date of the cash disbursement.

Booking hierarchy of fair value measurements in the Consolidated Financial Information 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, that are not based on observable market data.



8.9 Other current financial assets

These mainly relate to the acquisition of shares in Sociedad Eléctrica Puntilla S.A. (EPSA) for a total amount of M \$7,774,928 as of March 31, 2017 and December 31, 2016 (see Note 2.2, letter h, ii), over which the Group has no control or significant influence. The balance of Th\$17,517 relates to other financial investments in both periods.

Related to this acquisition is an obligation with the Asociación Sociedad de Canalistas del Maipo not to move the location of current water rights, for Th\$7,294,709 as of March 31, 2017 and December 31, 2016.

8.10 Other noncurrent financial assets

- a) As of March 31, 2017, and according to established in respective contracts, it was delivered to Paying Bank and the Representative of Bondholders, an advance for a value of Th\$7,996,462 corresponding to available values for interest payment and bonds amortization, which became effective at April 1, 2017.
- b) Additionally at March 31, 2017, Aguas Group presents the effect in interim consolidated financial statements of the market valorization of the coverage contracts of U.F, detailed below:

Company	Detail of the hedging	Coverage description	Hedged item	Nature of hedged risk	31-03-2017 Th\$	31-12-2016 Th\$
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	23,476	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	31,305	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	29,346	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	29,346	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	8,435	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	28,117	0
Aguas Andinas S.A	Forward	Exchange rate	Liabilities	Fair value	42,802	0
Total					192,827	0



Note 9. INFORMATION ON RELATED ENTITIES

Balances and transactions with related entities

Transactions between the Company 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

Accounts receivable from related entities are originated in Chile, the currency of the transactions is pesos, and the maturity dates are 30 days.

Tax ID related party	Name of related party	Relationship	Nature of transaction with related parties	Security	31-03-2017 Th\$	31-12-2016 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Laboratory analysis and sampling services	Unsecured	5,697	3,504
76.432.328-9	Gestion Hidrica Minera Ltda.	Related to the controller	Laboratory analysis and sampling services	Unsecured	1,262	0
77.329.730-4	Suez Inversiones Aguas del Gran Santiago Ltda.	Related to the controller	Laboratory analysis and sampling services	Unsecured	9,109	0
76.148.998-4	Suez Medio ambiente Chile S.A.	Related to the controller	Laboratory analysis and sampling services	Unsecured	103,522	80,693
76.148.998-4	Suez Medio ambiente Chile S.A.	Related to the controller	Collector cleaning contract	Unsecured	1,080	1,080
76.148.998-4	Suez Medio ambiente Chile S.A.	Related to the controller	Basis proposed in tenders	Unsecured	77	66
76.148.998-4	Suez Medio ambiente Chile S.A.	Related to the controller	Counseling realized by support for technical inspection of Effluents Treatment Plants in CMPC Santa Fe	Unsecured	21,978	21,978
59.066.560-6	Suez International	Related to the controller	Supply of equipment, mounting and launch of second phase of Mapocho Wastewater Treatment Plant, module 4	Security full compliance with contract for UF 213,320	1,037,104	1,140,331
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Sale of materials	Unsecured	8,443	28,215
Total					1,188,272	1,275,867



Accounts payable to related entities

Accounts receivable to related entities are originated in Chile and the currency of the transactions is pesos.

Tax ID related party	Name of related party	Relationship	Nature of transaction with related parties	Period	Security	31-03-2017	31-12-2016
						Th\$	Th\$
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Hydraulic efficiency project	30 days	Guaranteed fulfillment of contract for UF: 14.992	252,283	274,911
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Ice-Pigging network cleaning service contract	30 days	Guaranteed fulfillment of contract for Th\$26.600	4,765	107,442
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Construction and expansion of sludge line La Union	30 days	Guaranteed fulfillment of contract for Th\$47.110	0	23,359
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Río Bueno Sludge Plant	30 days	Unsecured	0	11,477
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Update service of the operation and security of dam Pudeto and Gamboa	30 days	Guaranteed fulfillment of contract for Th\$705	14,729	14,729
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	SCADA Platform	30 days	Unsecured	20,210	20,210
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Arsenic Plant San Antonio	30 days	Guaranteed fulfillment of contract for Th\$24,264.05	2,763,293	2,210,511
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero plant	30 days	Guaranteed fulfillment of contract for UF 66,809.74	2,502,779	2,233,069
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Chañaral Plant service and modeling of odor panels	30 days	Unsecured	0	14,084
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform, Siebel	30 days	Unsecured	184,039	295,079
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	60 days	Guaranteed fulfillment of contract for Th\$279,298	46,345	170,957
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Implementation of geographic information system Essal S.A.	30 days	Guaranteed fulfillment of contract for UF 887	29,625	14,164
76.046.628-K	Asterión S.A.	Related to the controller	Process re-engineering service contract and implementation of new customer service information systems	30 days	Guaranteed fulfillment of contract for Th\$845,149	153,692	157,544
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	La Farfana Wastewater Treatment Plant operation and maintenance services	30 days	Bail strict compliance with the obligations from the contract. Amount UF 194.249,62	3,087,237	3,296,972
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	El Trebal Wastewater Treatment Plant services of operation and maintenance and construction, operation and maintenance Mapocho Wastewater Treatment Plant	30 days	Guaranteed fulfillment of contract for UF 357.863	2,048,104	2,363,175
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Biogas plant operation services	30 days	Unsecured	97,020	79,376
No tax ID	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	30 days	Unsecured	7,890	44,165
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Dividends payable	30 days	Unsecured	1610,240	22,645,539
96.817.230-1	EPSA Electrica Puntilla S.A.	Common board member	Recalculation of energy supply	30 days	Unsecured	19,117	9,044
65.113.732-2	Corporacion Chilena de Investigación del Agua	Related to the controller	Consulting services	30 days	Unsecured	0	69,466
59.066.560-6	Suez International	Related to the controller	Supply of equipment, mounting and launch of second phase of Mapocho Wastewater Treatment Plant, module 4	30 days	Security full compliance with contract for UF 218.320	1,630,543	4,169,732
Total						14,471,911	38,225,005



Transactions with related entities

Transactions with related entities are originated in Chile and the currency of the transactions is pesos.

Tax ID Related party	Name of related party	Relationship	Nature of transaction with related parties	31-03-2017		31-03-2016	
				Th\$ Amount	Effect on results (Charge)/ Credit	Th\$ Amount	Effect on results (Charge)/ Credit
79.046.628-K	Asterión S.A.	Related to the controller	Process re-engineering service contract and implementation of new customer service information systems	210,265	-210,265	1,046,759	-1,039,536
No tax ID	Aqua Development Network	Related to the controller	Integrated talent management contract	0	0	245,183	-245,183
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	162,811	-162,811	381,114	-312,547
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero plant	168,169	0	0	0
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Hydraulic efficiency project	62,908	0	702,401	-702,401
76.148.998-4	Suez Medioambiente Chile S.A.	Related to the controller	Arsenic Plant San Antonio	757,550	0	0	0
59.066.560-6	Suez International	Related to the controller	Advance loan for concept of supply of equipment, mounting and launch of second phase of Mapocho Wastewater Treatment Plant, module 4	-2,027,033	0		
59.066.560-6	Suez International	Related to the controller	Supply of equipment, mounting and launch of second phase of Mapocho Wastewater Treatment Plant, module 4	743,653	0	7,092,733	0
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the controller	El Trebal Wastewater Treatment Plant services of operation and maintenance and construction, operation and maintenance Mapocho Wastewater Treatment Plant	3,122,351	-2,688,468	11,625,252	-4,755,303
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the controller	La Farfana Wastewater Treatment Plant operation and maintenance services	4,167,057	-3,307,849	5,009,524	-4,162,814
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common board member	Compensation for lower flow	360,851	-360,851	69,723	-69,723
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Dividends paid	22,104,890	0	20,324,047	0

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

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

	31-03-2017	31-03-2016
	Th\$	Th\$
Directors	82,013	80,610
Directors' committee	5,665	4,621
Total	87,678	85,232

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 Board Members and Executives

The Company's management is unaware of any transactions between related parties and directors and/or executives, other than their fees and compensation.



Note 10. INVENTORIES

The detail by class of inventories through March 31, 2017 and December 31, 2016 is the following:

Inventory class	31-03-2017 Th\$	31-12-2016 Th\$
Spares & meters	2,143,443	2,423,788
Supplies for production	939,378	752,216
Others	192,112	133,941
Total	3,274,933	3,309,945

The cost of the inventories shown as an expense in the statement of results during March 31, 2017 and 2016 amounts to Th\$2,756,705 and Th\$2,505,625 respectively.

Note 11. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

	31-03-2017 Th\$	31-12-2016 Th\$
Intangible assets, net	227,625,228	227,951,484
Trademarks, net	13,000	13,000
Computer programs, net	8,665,341	9,203,521
Other intangible assets, net*	218,946,887	218,734,963
Intangible assets, gross	277,105,593	276,075,948
Trademarks, gross	13,000	13,000
Computer programs, gross	45,531,594	44,760,678
Other intangible assets, gross	231,560,999	231,302,270
Intangible assets, accumulated amortization	49,480,365	48,124,464
Computer programs, accumulated amortization	36,866,253	35,557,157
Other intangible assets, accumulated amortization	12,614,112	12,567,307

*Corresponds to water rights, easements and others.



Movement of intangible assets as of March 31, 2017

Intangible assets movements	Trademarks, net Th\$	Computer programs, net Th\$	Other intangible assets, net Th\$	Total Th\$
Initial balance as of 01-01-2017	13,000	9,203,521	218,734,963	227,951,484
Amortization	0	-1,309,450	-46,805	-1,356,255
Increases (reductions) for transfers	0	330,910	-158	330,752
Increases (reductions) for other changes	0	440,360	269,142	709,502
Disposals and withdrawals from service	0	0	-10,255	-10,255
Changes, total	0	-538,180	211,924	-326,256
Closing balance as of 31-03-2017	13,000	8,665,341	218,946,887	227,625,228

Movement of intangible assets as of December 31, 2016

Intangible assets movements	Trademarks, net Th\$	Computer programs, net Th\$	Other intangible assets, net Th\$	Total Th\$
Initial balance as of 01-01-2016	13,000	11,875,731	218,638,958	230,527,689
Amortization	0	-5,517,913	-187,215	-5,705,128
Increases (reductions) for transfers	0	850,640	-36,626	814,014
Increases (reductions) for other changes	0	1,995,063	581,823	2,576,886
Disposals and withdrawals from service	0	0	-261,977	-261,977
Changes, total	0	-2,672,210	96,005	-2,576,205
Closing balance as of 31-12-2016	13,000	9,203,521	218,734,963	227,951,484

Disclosure information on intangible assets (gross value)

Current Period 31-03-2017

Intangible assets movements	Trademarks, gross Th\$	Computer programs, gross Th\$	Other intangible assets, gross Th\$	Total Th\$
Initial balance as of 01-01-2016	13,000	44,760,678	231,302,270	276,075,948
Increases (reductions) for transfers	0	330,910	-158	330,752
Increases (reductions) for other changes	0	440,006	269,142	709,148
Disposals and withdrawals from service	0	0	-10,255	-10,255
Changes, total	0	770,916	258,729	1,029,645
Closing balance as of 31-03-2017	13,000	45,531,594	231,560,999	277,105,593



Previous Period 31-12-2016

Intangible assets movements	Trademarks, gross Th\$	Computer programs, gross Th\$	Other intangible assets, gross Th\$	Total Th\$
Initial balance as of 01-01-2016	13,000	41,889,777	231,019,050	272,921,827
Increases (reductions) for transfers	0	880,240	-36,626	843,614
Increases (reductions) for other changes	0	1,995,063	581,823	2,576,886
Disposals and withdrawals from service	0	-4,402	-261,977	-266,379
Changes, total	0	2,870,901	283,220	3,154,121
Closing balance as of 31-12-2016	13,000	44,760,678	231,302,270	276,075,948

Disclosure information on intangible assets (accumulated amortization)

Current Period 31-03-2017

Intangible assets movements	Trademarks, accumulated amortization Th\$	Computer programs, accumulated amortization Th\$	Other intangible assets, accumulated amortization Th\$	Total Th\$
Initial balance as of 01-01-2017	0	35,557,157	12,567,307	48,124,464
Amortization	0	1,309,450	46,805	1,356,255
Increases (reductions) for other changes	0	-354	0	-354
Changes, total	0	1,309,096	46,805	1,355,901
Closing balance as of 31-03-2017	0	36,866,253	12,614,112	49,480,365

Previous period 31-12-2016

Intangible assets movements	Trademarks, accumulated amortization Th\$	Computer programs, accumulated amortization Th\$	Other intangible assets, accumulated amortization Th\$	Total Th\$
Initial balance as of 01-01-2016	0	30,014,046	12,380,092	42,394,138
Amortization	0	5,517,913	187,215	5,705,128
Increases (reductions) for transfers	0	29,600	0	29,600
Changes, total	0	5,543,111	187,215	5,730,326
Closing balance as of 31-12-2016	0	35,557,157	12,567,307	48,124,464



Detail of significant individual intangible assets (others):

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

Company	31-03-2017			31-12-2016		
	Water rights Th\$	Easements Th\$	Others Th\$	Water rights Th\$	Easements Th\$	Others Th\$
Aguas Andinas S.A.	75,928,324	8,220,161	4,902,944	75,928,312	8,182,421	4,949,427
Aguas Cordillera S.A.	92,703,055	7,761,932	0	92,702,863	7,761,746	0
Aguas Manquehue S.A.	21,853,127	866,424	0	21,814,071	744,190	0
Essal S.A.	5,568,222	1,087,898	0	5,509,828	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	196,107,528	17,936,415	4,902,944	196,009,874	17,775,662	4,949,427

Intangible assets with undefined useful lives:

Both the water rights and easements are rights of the Company 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 2017 period relate to water rights, easements and computer programs necessary for the normal operation of the Group's companies, and in particular for new works under development or in preliminary study stages, plus the expansion of concession zones, shown as follows:

Company	Th\$
Aguas Andinas S.A.	1,826,095
Aguas Cordillera S.A	14,621
Aguas Manquehue S.A.	28,471
Essal S.A.	358,503
Análisis Ambientales S.A	166,306
Total	2,393,996



Note 12. GOODWILL

The detail of goodwill follows for the different Cash Generating Units (CGUs) or groups to which they are assigned, through March 31, 2017 and December 31, 2016:

Tax ID	Company	31-03-2017 Th\$	31-12-2016 Th\$
96.809.310-k	Aguas Cordillera S.A.	33,823,049	33,823,049
96.579.800-5	Empresa de Servicios Sanitarios de Los Lagos 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



Note 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant & equipment, net	31-03-2017	31-12-2016
	Th\$	Th\$
	1,298,206,674	1,294,570,086
Land	160,119,002	160,070,637
Buildings	77,880,886	74,440,293
Machinery	120,379,434	99,318,272
Transport vehicles	1,677,787	1,861,338
Fixed installations & accessories	730,556	701,742
Computer equipment	2,825,885	2,659,948
Improvements to leased assets	87,009	61,285
Construction in progress	119,980,552	180,506,784
Additional works	22,719,040	21,252,123
Production facilities	163,741,762	162,939,794
Drinking water networks	164,350,705	163,124,828
Sewerage networks	246,674,999	247,188,146
Wastewater treatment plants	171,563,990	143,756,791
Other facilities	45,237,420	36,448,254
Goods out of service	237,647	239,851
Property, plant & equipment, gross	2,466,701,794	2,446,766,910
Land	160,119,002	160,070,637
Buildings	107,549,920	103,580,338
Machinery	345,688,354	318,777,368
Transport vehicles	6,096,867	6,295,614
Fixed installations & accessories	5,318,311	5,259,569
Computer equipment	11,914,660	11,404,754
Improvements to leased assets	644,678	611,414
Construction in progress	119,980,552	180,506,784
Additional works	42,479,606	40,632,428
Production facilities	307,799,033	305,539,500
Drinking water networks	477,313,487	474,364,900
Sewerage networks	510,659,210	508,150,937
Wastewater treatment plants	226,919,553	197,861,144
Other facilities	142,030,680	131,523,642
Goods out of service	2,187,881	2,187,881
Accumulated depreciation	1,168,495,120	1,152,196,824
Land	29,669,034	29,140,045
Buildings	225,308,920	219,459,096
Machinery	4,419,080	4,434,276
Transport vehicles	4,587,755	4,557,827
Fixed installations & accessories	9,088,775	8,744,806
Computer equipment	557,669	550,129
Additional works	19,760,566	19,380,305
Production facilities	144,057,271	142,599,706
Drinking water networks	312,962,782	311,240,072
Sewerage networks	263,984,211	260,962,791
Wastewater treatment plants	55,355,563	54,104,353
Other facilities	96,793,260	95,075,388
Goods out of service	1,950,234	1,948,030



Showing up next the information about the main shares of the Group companies:

Property, plant & equipment	31-03-2017	A. Andinas S.A	A. Cordillera S.A	A. Manquehue S.A	Essal S.A	Others
	Th\$	%	%	%	%	%
Property, plant & equipment, net	1,298,206,674	76%	8%	4%	10%	2%
Land	160,119,002	75%	13%	1%	11%	0%
Buildings	77,880,886	74%	4%	2%	17%	3%
Machinery	120,379,434	80%	5%	3%	10%	2%
Transport vehicles	1,677,787	92%	0%	0%	4%	4%
Fixed installations & accessories	730,556	36%	1%	0%	23%	40%
Computer equipment	2,825,885	85%	0%	0%	12%	3%
Improvements to leased assets	87,009	8%	0%	0%	0%	92%
Construction in progress	119,980,552	63%	12%	9%	16%	0%
Additional works	22,719,040	81%	4%	3%	11%	1%
Production facilities	163,741,762	63%	15%	13%	8%	1%
Drinking water networks	164,350,705	67%	18%	2%	12%	1%
Sewerage networks	246,674,999	83%	2%	4%	11%	0%
Wastewater treatment plants	171,563,990	93%	0%	0%	6%	1%
Other facilities	45,237,420	73%	7%	6%	12%	2%
Goods out of service	237,647	34%	66%	0%	0%	0%

As required by IAS 16, paragraph 79, letter d, the Group presents information about fair value of its main assets:

Class	Cost	Fair value
	31-03-2017	31-03-2017
	Th\$	Th\$
Buildings	77,880,886	114,959,729
Additional works	22,719,040	38,459,865
Production facilities	163,741,762	282,036,417
Drinking water networks	164,350,705	424,398,942
Sewerage networks	246,674,999	444,148,170
Wastewater treatment plants	171,563,990	191,615,931
Other facilities	45,237,420	47,150,527
Machines and equipment	120,379,434	145,550,908
Total valued	1,012,548,236	1,688,320,488

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

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



Movements in property, plant and equipment through March 31, 2017 (Net Value)

Concept	Initial balance	Depreciation	Increases (reductions) for transfers from construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	160,070,637	0	3,786	44,579	0	48,365	160,119,002
Buildings	74,440,293	-528,989	5,898,112	-1,928,530	0	3,440,593	77,880,886
Machinery	99,318,272	-5,849,824	29,235,163	-2,324,177	0	21,061,162	120,379,434
Transport vehicles	1,861,338	-124,507	34,492	5,270	-98,806	-183,551	1,677,787
Fixed installations & accessories	701,742	-29,928	55,315	3,427	0	28,814	730,556
Computer equipment	2,659,948	-343,969	491,538	18,368	0	165,937	2,825,885
Improvements to leased assets	61,285	-7,540	32,239	1,025	0	25,724	87,009
Construction in progress	180,506,784	0	-82,927,169	22,402,357	-1,420	-60,526,232	119,980,552
Additional works	21,252,123	-380,261	1,691,257	155,921	0	1,466,917	22,719,040
Production facilities	162,939,794	-1,464,033	2,248,663	17,338	0	801,968	163,741,762
Drinking water networks	163,124,828	-1,722,710	1,893,998	1,054,589	0	1,225,877	164,350,705
Sewerage networks	247,188,146	-3,014,952	1,885,400	616,404	0	-513,148	246,674,998
Wastewater treatment plants	143,756,791	-1,251,210	28,788,662	269,747	0	27,807,199	171,563,990
Other facilities	36,448,254	-1,717,872	10,337,799	169,239	0	8,789,166	45,237,420
Goods out of service	239,851	-2,203	0	0	0	-2,203	237,648
Class of property, plant & equipment, net	1,294,570,086	-16,437,999	-330,745	20,505,557	-100,226	3,636,588	1,298,206,674

Movements in property, plant and equipment through December 31, 2016 (Net Value)

Concept	Initial balance	Depreciation	Increases (reductions) for transfers from construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	160,423,927	0	39,568	-374,897	-17,961	-353,290	160,070,637
Buildings	74,367,058	-1,996,991	1,216,496	906,270	-52,540	73,235	74,440,293
Machinery	103,872,419	-21,105,106	15,233,248	1,518,538	-200,827	-4,554,147	99,318,272
Transport vehicles	2,132,247	-539,295	61,542	245,023	-38,179	-270,909	1,861,338
Fixed installations & accessories	683,380	-113,932	45,651	86,646	-3	18,362	701,742
Computer equipment	2,486,497	-1,293,633	250,610	1,216,474	0	173,451	2,659,948
Improvements to leased assets	83,068	-27,893	1,356	4,754	0	-21,783	61,285
Construction in progress	144,232,818	0	-47,756,099	85,246,536	-1,216,471	36,273,966	180,506,784
Additional works	21,048,281	-1,453,845	908,308	749,626	-247	203,842	21,252,123
Production facilities	149,021,755	-5,722,133	15,733,702	4,040,989	-134,519	13,918,039	162,939,794
Drinking water networks	155,110,210	-6,771,912	6,963,502	7,823,028	0	8,014,618	163,124,828
Sewerage networks	250,020,262	-11,901,067	2,463,372	6,605,579	0	-2,832,116	247,188,146
Wastewater treatment plants	147,687,828	-4,450,160	120,471	557,909	-159,257	-3,931,037	143,756,791
Other facilities	36,724,335	-5,919,380	3,853,169	1,790,281	-151	-276,081	36,448,254
Goods out of service	241,199	-9,228	21,475	-13,595	0	-1,348	239,851
Class of property, plant & equipment, net	1,248,135,284	-61,304,575	-843,629	110,403,161	-1,820,155	46,434,802	1,294,570,086

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



Current Period 31-03-2017

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	160,070,637	3,786	44,579	0	48,365	160,119,002
Buildings	103,580,338	5,898,112	-1,928,530	0	3,969,582	107,549,920
Machinery	318,777,368	29,235,163	-2,324,177	0	26,910,986	345,688,354
Transport vehicles	6,295,614	34,492	5,270	-238,509	-198,747	6,096,867
Fixed installations & accessories	5,259,569	55,315	3,427	0	58,742	5,318,311
Computer equipment	11,404,754	491,538	18,368	0	509,906	11,914,660
Improvements to leased assets	611,414	32,239	1,025	0	33,264	644,678
Construction in progress	180,506,784	-82,927,169	22,402,357	-1,420	-60,526,232	119,980,552
Additional works	40,632,428	1,691,257	155,921	0	1,847,178	42,479,606
Production facilities	305,539,500	2,248,663	10,870	0	2,259,533	307,799,033
Drinking water networks	474,364,900	1,893,998	1,054,589	0	2,948,587	477,313,487
Sewerage networks	508,150,937	1,885,400	622,873	0	2,508,273	510,659,210
Wastewater treatment plants	197,861,144	28,788,662	269,747	0	29,058,409	226,919,553
Other facilities	131,523,642	10,337,799	169,239	0	10,507,038	142,030,680
Goods out of service	2,187,881	0	0	0	0	2,187,881
Class of property, plant & equipment, gross	2,446,766,910	-330,745	20,505,558	-239,929	19,934,884	2,466,701,794

Previous period 31-12-2016

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	160,423,927	39,568	-374,897	-17,961	-353,290	160,070,637
Buildings	101,522,741	1,216,496	906,270	-65,169	2,057,597	103,580,338
Machinery	303,870,719	15,233,248	1,505,136	-1,831,735	14,906,649	318,777,368
Transport vehicles	6,430,584	61,542	258,134	-454,646	-134,970	6,295,614
Fixed installations & accessories	5,133,162	45,651	86,674	-5,918	126,407	5,259,569
Computer equipment	10,179,797	250,610	1,216,459	-242,112	1,224,957	11,404,754
Improvements to leased assets	605,304	1,356	4,754	0	6,110	611,414
Construction in progress	144,232,818	-47,756,099	85,246,536	-1,216,471	36,273,966	180,506,784
Additional works	38,974,876	908,308	749,625	-381	1,657,552	40,632,428
Production facilities	286,207,959	15,733,702	4,024,156	-426,317	19,331,541	305,539,500
Drinking water networks	459,581,460	6,963,502	7,819,938	0	14,783,440	474,364,900
Sewerage networks	499,081,885	2,463,372	6,605,680	0	9,069,052	508,150,937
Wastewater treatment plants	197,838,500	120,471	557,045	-654,872	22,644	197,861,144
Other facilities	125,917,608	3,853,169	1,784,431	-31,566	5,606,034	131,523,642
Goods out of service	2,180,001	21,475	-13,595	0	7,880	2,187,881
Class of property, plant & equipment, gross	2,342,181,341	-843,629	110,376,346	-4,947,148	104,585,569	2,446,766,910

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



Current Period 31-03-2017

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	29,140,045	528,989	0	0	528,989	29,669,034
Machinery	219,459,096	5,849,824	0	0	5,849,824	225,308,920
Transport vehicles	4,434,276	124,507	0	-139,703	-15,196	4,419,080
Fixed installations & accessories	4,557,827	29,928	0	0	29,928	4,587,755
Computer equipment	8,744,806	343,969	0	0	343,969	9,088,775
Improvements to leased assets	550,129	7,540	0	0	7,540	557,669
Additional works	19,380,305	380,261	0	0	380,261	19,760,566
Production facilities	142,599,706	1,464,033	-6,468	0	1,457,565	144,057,271
Drinking water networks	311,240,072	1,722,710	0	0	1,722,710	312,962,782
Sewerage networks	260,962,791	3,014,952	6,468	0	3,021,420	263,984,211
Wastewater treatment plants	54,104,353	1,251,210	0	0	1,251,210	55,355,563
Other facilities	95,075,388	1,717,872	0	0	1,717,872	96,793,260
Goods out of service	1,948,030	2,204	0	0	2,204	1,950,234
Class of property, plant & equipment, accumulated depreciation	1,152,196,824	16,437,999	0	-139,703	16,298,296	1,168,495,120

Previous Period 31-12-2016

Concept	Initial balance	Increases (reductions) for transfers from Construction in progress	Other increases (decreases)	Disposals & withdrawals from service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	27,155,683	1,996,991	0	-12,629	1,984,362	29,140,045
Machinery	199,998,300	21,105,106	-13,402	-1,630,908	19,460,796	219,459,096
Transport vehicles	4,298,337	539,295	13,111	-416,467	135,939	4,434,276
Fixed installations & accessories	4,449,782	113,932	28	-5,915	108,045	4,557,827
Computer equipment	7,693,300	1,293,633	-15	-242,112	1,051,506	8,744,806
Improvements to leased assets	522,236	27,893	0	0	27,893	550,129
Additional works	17,926,595	1,453,845	-1	-134	1,453,710	19,380,305
Production facilities	137,186,204	5,722,133	-16,833	-291,798	5,413,502	142,599,706
Drinking water networks	304,471,250	6,771,912	-3,090	0	6,768,822	311,240,072
Sewerage networks	249,061,623	11,901,067	101	0	11,901,168	260,962,791
Wastewater treatment plants	50,150,672	4,450,160	-864	-495,615	3,953,681	54,104,353
Other facilities	89,193,273	5,919,380	-5,850	-31,415	5,882,115	95,075,388
Goods out of service	1,938,802	9,228	0	0	9,228	1,948,030
Class of property, plant & equipment, accumulated depreciation	1,094,046,057	61,304,575	-26,815	-3,126,993	58,150,767	1,152,196,824



The detail of each consolidated Company of the Group, for the amount of future commitments for acquisitions of property, plant and equipment for the period 2017, is as follows:

Company	Th\$
Aguas Andinas S.A.	77,881,027
Aguas Cordillera S.A.	4,836,812
Aguas Manquehue S.A.	11,413,018
Essal S.A.	9,524,710
Ecoriles S.A.	52,223
Gestión y Servicios S.A.	14,307
Análisis Ambientales S.A.	145,948
Total	103,868,045

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

Company	Gross Value Th\$	Accumulated Depreciation Th\$	Net Value Th\$
Aguas Andinas S.A.	1,913,549	-1,833,787	79,762
Aguas Cordillera S.A.	274,332	-116,447	157,885
Total	2,187,881	-1,950,234	237,647

Note 14. IMPAIRMENT OF VALUE OF ASSETS

Disclosure information on asset impairment by cash generating unit:

Each company as a whole is defined as a Cash Generating Unit (CGU), 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 Company will evaluate, at the close of each financial position statement, whether there is any sign of impairment of value of any asset. If there is, the Company will estimate the amount recoverable for the asset. For assets with an indefinite useful life and for goodwill, the impairment test will at a minimum be made at the close of the period or when there are signs.

For intangible assets with indefinite useful life, e.g. water rights, a study was carried out to determine the values at market price, which are compared to the values assigned to them as costs at the date of adoption of the IFRS rules.

For lesser values, the calculation was made as to their useful value, considering the different companies as CGUs, using recent estimates of budgets over the medium term, determining the different parameters for according to models widely used in the market. The parameters are set via the current information for benchmark risk free rates in the market, the useful life for each company and growth rates for regular income of the companies, looking at growth in the population and changes in consumption through the years.

The Company and subsidiaries make annual impairment tests of their intangible assets of indefinite useful life,



and lesser investment value.

The respective tests for impairment were made at the end of December 31, 2016 based on the Group's estimates and projections. These estimates indicated that the benefits attributable to the participations with lower associated values individually exceed their consolidated book values in all cases. Additionally, the intangible assets with indefinite useful lives were evaluated, resulting in a higher value registered on the books.

As of March 31, 2017 no impairment of assets has been registered and there are not indications of impairment.

Note 15. PROVISIONS AND CONTINGENT LIABILITIES

A. Provisions

The detail of these as of March 31, 2017 and December 31, 2016 is as follows:

Classes of provisions	31-03-2017 Th\$	31-12-2016 Th\$
Provisions for legal claims	2,762,510	2,628,225
Other provisions, current	2,762,510	2,628,225
Other provisions, non-current	1,284,054	1,277,574
Provisions, non-current	1,284,054	1,277,574

The movement in current provisions for the periods was:

Legal claims	31-03-2017 Th\$	31-12-2016 Th\$
Initial balance provisions	2,628,225	547,288
Increase in existing provisions	145,358	2,561,407
Provision used	-11,073	-448,719
Other increases (decreases)	0	-31,751
Changes in provisions, total	134,285	2,080,937
Total	2,762,510	2,628,225

The provisions under this heading are described as follows:

1.- Legal claims

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

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

- a) Nature of class of provision:** The Superintendence of Sanitation Services (SISS) has levied fines against 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 Company. The total of the demands presented amount to Th\$ 946,650.-, of which Th\$795,062 were paid before the demand procedures began.

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 Company did not commit the breach and therefore that its appeals will be accepted.

- b) **Nature of class of provision:** The Superintendence of Sanitation Services initiated proceedings to sanction Aguas Andinas S.A. with respect to overflows of waste waters due to an obstruction of Aguas Andinas' 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.

- c) **Nature of class of provision:** The Superintendence of Sanitation Services initiated two sanction proceedings against Aguas Andinas S.A. concerning alleged breaches of Law 18,902, article 11, letters a) b) & c), as a result of water cuts produced by ruptures in the water main in the districts of Macul.

Timetable foreseen for release of class of provision: Undetermined.

Uncertainties about the timing and amount of a class of provision: The fine proceeding initiated against Aguas Andinas S.A. determines an amount of 101 UTA adjusted. The fine was paid prior to claim. A sentence was issued reducing the fine to 81 UTA, with both parties appealing the case, which resolution is pending. In accordance to the status of the case, is not possible to estimate the result.

- d) **Nature of class of provision:** The Metropolitan COREMA (regional environmental authority) applied a fine of 500 UTM through Resolution N° 177/2004 of May 28, 2004 for the alleged infringement of the Resolution of Environmental Qualification for the La Farfana Wastewater 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.

- e) **Nature of class of provision:** CONAMA (formerly the national environmental authority) applied a fine of 300 UTM through Resolution N°069/2005 of February 17, 2005, for alleged infringement caused by foul odors originating from the La Farfana Wastewater Treatment Plant for the removal of sludge from the drying field.

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. Currently, notification of the sentence in the first instance is pending, rejecting the appeal made by the company.



f) 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 a challenge to the courts. A final sentence was given rejecting the challenge, and an appeal was made by Aguas Andinas which was fully accepted revoking the interposed fine. The claimed made an appeal, which was accepted, so the amount outstanding should now be determined.

g) Nature of class of provision: The Sanitation Authority has applied administrative sanctioning processes to the Essal S.A. subsidiary, which are in process of legal claim by the company.

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

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

2.- Other provisions, non-current

These relate basically to a transaction on July 10, 2007, signed before the Notary of Mrs. María Gloria Acharan Toledo, between Aguas Cordillera S.A. and property developers by which, should Aguas Cordillera S.A. abandon and sell the land transferred to it in the future, 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 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 Th\$1,093,564.- The cause is tested, designating expert in investigation process. Trial in probationary stage.
- 2.- As of June 9, 2016 and product of a potable water Matrix break that affect Providencia district, Aguas Andinas S.A. is compensating the damages. In response to the indicated emergency, the Company is in control process by the Superintendence of Sanitation Services.

The Company 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.



Note 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 to other institutions, for Th\$33,628,512 as of March 31, 2017 and Th\$33,458,982 as of December 31, 2016 respectively.

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

Creditor of the guarantee	Debtor	Type of guarantee	31-03-2017 Th\$	31-12-2016 Th\$
Asociación de Canalistas Sociedad del Canal Maipo	Aguas Andinas S.A.	Performance bon	7,542,619	7,507,300
Superintendencia de Servicios Sanitarios	Aguas Andinas S.A.	Performance bon	6,509,079	6,457,521
Servicio de Vivienda y Urbanismo Metropolitano	Aguas Andinas S.A.	Performance bon	5,699,176	6,088,905
Dirección de Obras Hidráulica	Aguas Andinas S.A.	Performance bon	591,815	652,933
Municipalidad de La Florida	Aguas Andinas S.A.	Performance bon	443,326	441,250
Municipalidad de Providencia	Aguas Andinas S.A.	Performance bon	54,479	108,448
Municipalidad de Peñalolen	Aguas Andinas S.A.	Performance bon	42,986	42,785
Dirección Regional de Vialidad	Aguas Andinas S.A.	Performance bon	101,759	53,592
Constructora San Francisco	Aguas Andinas S.A.	Performance bon	24,487	20,156
Municipalidad de Santiago	Aguas Andinas S.A.	Performance bon	24,619	24,504
Municipalidad de La Pintana	Aguas Andinas S.A.	Performance bon	31,440	31,440
Municipalidad de San Bernardo	Aguas Andinas S.A.	Performance bon	7,942	15,809
Municipalidad de Macul	Aguas Andinas S.A.	Performance bon	9,292	18,496
Superintendencia de Servicios Sanitarios	Aguas Cordillera S.A.	Performance bon	1,210,138	1,204,472
Asociación de Canalistas Sociedad del Canal Maipo	Aguas Cordillera S.A.	Performance bon	914,063	909,783
Servicio de Vivienda y Urbanismo Metropolitano	Aguas Cordillera S.A.	Performance bon	383,843	724,569
Municipalidad de Las Condes	Aguas Cordillera S.A.	Performance bon	173,794	173,790
Municipalidad de Vitacura	Aguas Cordillera S.A.	Performance bon	52,944	52,696
Municipalidad Lo Barnechea	Aguas Cordillera S.A.	Performance bon	102,208	17,126
Ministerio de Obras Publicas - Dirección General de Aguas	Aguas Cordillera S.A.	Performance bon	393,955	392,111
Sencorp S.A.	Aguas Cordillera S.A.	Performance bon	301,515	300,103
Asociación de Canalistas Sociedad del Canal Maipo	Aguas Manquehue S.A.	Performance bon	1,199,054	1,193,440
Superintendencia de Servicios Sanitarios	Aguas Manquehue S.A.	Performance bon	992,433	987,786
Municipalidad de Vitacura	Aguas Manquehue S.A.	Performance bon	10,589	10,538
Municipalidad Lo Barnechea	Aguas Manquehue S.A.	Performance bon	52,875	108,432
Surlat Industria	Ecoriles	Performance bon	13,231	13,169
Superintendencia de Servicios Sanitarios	Essal S.A.	Insurance policy	2,435,128	2,287,664
Director de Obras Hidráulicas	Essal S.A.	Performance bon	1,172,108	1,123,446
Gobierno Regional de la Región de Los Ríos	Essal S.A.	Performance bon	82,882	76,212
Servicio de Vivienda y Urbanismo	Essal S.A.	Performance bon	146,919	146,231
Director de Vialidad	Essal S.A.	Performance bon	15,883	15,809
Total			33,090,876	32,914,890

b) Bond issue restrictions

i) Aguas Andinas S.A.

The Company maintains restrictions and obligations related to bond issues made on the national market, as follows:

1.- Send a copy of the consolidated financial statements to the representative of the Bondholders, and send both the quarterly and the audited annual statements to the Company Subsidiaries registered with the SVS, ,



within the same time period that these have to be presented to the SVS, plus all public information reported to the SVS.

2.- Register in its accounting books the provisions arising from adverse contingencies which, in the opinion of the Company'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 company's kind.

4.- The Company is obligated 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 in the Issuer's Financial Statements, 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. For all, the aforementioned limit will be adjusted up to a maximum of 2 times.

For these purposes the Debt Ratio is defined as the ratio of Total Liabilities to Total Equity. Total Liabilities are defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities in the Issuer's Financial Statements.

For purposes of determining the aforementioned index, Liabilities include the amount of all joint or several guarantees, simple or joint bonds, joint assumption of debt or other guarantees, personal or real, 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 sanitation 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 Issuer's Financial Statements.

As of March 31, 2017, the abovementioned accounts are as follows (Th\$):

Total current liabilities	162,551,473
Total non-current liabilities	879,527,965
Total IFRS liabilities	1,042,079,438
Third party guarantees (*)	511,071
Total liabilities	1,042,590,509
Total assets	1,780,889,238
Total current liabilities	-162,551,473
Total non-current liabilities	-879,527,965
Total net equity	738,809,800

The debt ratio was 1.41 times, as of March 31, 2017.

* The amount of all joint or several guarantees, simple or joint bonds, joint assumption of debt or other guarantees, personal or real, 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 sanitation legislation and execution of works in public spaces.



The variation in the Debt Level as of March 31, 2017 was the following:

IPC Base 2009			Covenant	
31-12-2009	31-03-2017	Accumulated inflation	Basis	Limit
90.28	115.2	27.60%	1.5	1.91

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 Companies.

The Company is in compliance with all the covenants established in the bond indentures as of March 31, 2017 and December 31, 2016.

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

The company has restrictions and obligations relating to bond issues made on the national 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.- Register in its accounting books the provisions arising from adverse contingencies which, in the opinion of the Company'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 Company'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, 2017, the debt ratio was 1.1:1.

6.- Maintain a ratio of Ebitda to Financial expenses of no less than 3.5:1. As of March 31, 2017, the ratio was 7.8:1.

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

The Company is in compliance with all obligations established in the bond indentures as of March 31, 2017 and December 31, 2016.



c) Bank loan restrictions

i) Aguas Andinas S.A.

The Company has covenants and restrictions for obtaining loan agreements with various national banks, as follows:

- 1.- Maintain a debt ratio no higher than 1.5:1, measured on its consolidated and unconsolidated balance sheets. Notwithstanding the above, the previous limit shall be adjusted according to the ratio between the Consumer Price Index for the month in which the debt level and the consumer price index in December 2009 is calculated. In any case the limit shall be adjusted up to a maximum level of 2.0:1. To this end, the level of indebtedness shall be defined as the ratio of total debt of assets. As of March 31, 2017 the debt level amounted to 1.89 times.
- 2.- Prohibition on the disposal or loss of title to essential assets, except for contributions or transfers of essential assets to Subsidiary Companies.
- 3.- Send a copy of the individual and interim consolidated financial statements and both the quarterly and the audited annual statements to the different banks with which the Company has loans, within no more than five days of their presentation to the SVS.
- 4.- Record in its accounting books the provisions arising from adverse contingencies which, in the opinion of the Company'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 Company's kind.
- 6.- Send a certificate signed by the Company'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 Company, 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.

ii) Aguas Cordillera S.A.

The Company has covenants and restrictions for obtaining loan agreements with a national bank, as follows:

- 1.- Maintain a debt ratio no higher than 1.5:1, measured on its consolidated and consolidated balance sheets. Notwithstanding the above, the previous limit shall be adjusted according to the ratio between the Consumer Price Index for the month in which the debt level and the consumer price index in December 2009 is calculated.



In any case the limit shall be adjusted up to a maximum level of 2.0:1. To this end, the level of indebtedness shall be defined as the ratio of total debt to assets. As of March 31, 2017 the debt level amounted to 0.52 times.

2.- Maintain a coverage ratio of financial expenses equal to or more than 3.0:1, measured on its annual consolidated balance sheet, defined as the ratio between operating income plus depreciation and amortization of intangibles divided by financial expenses. As of March 31, 2017, the coverage of financial expenses amounted to 15.07 times.

3.- Send the bank a copy of the debtor's annual interim consolidated financial statements, within no more than thirty days of their presentation to the Superintendence of Securities and Insurance.

4.- Send a certificate signed by the Company's Chief Executive Officer declaring compliance with the obligations under the loan agreement.

5.- Maintain in full force all rights, licenses, permits, trademarks, franchises, concessions or relevant parts thereof.

6.- Maintain insurance coverage 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 Company's kind.

7.- Undertake to ensure that its transactions with its subsidiary or other related parties are made on equitable conditions similar to those normally prevailing in the market.

iii) Essal S.A.

The Subsidiary has obligations arising from the obtaining of a loan with a national bank, which does not have commitments of financial indices or associated restrictions.

As of March 31, 2017, the Company and its sanitation subsidiaries are in compliance with all requirements established in the loan agreements with accrediting Banks, as well as 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, 2017 and December 31, 2016, the Company has received documents in guarantee for Th\$35,719,246 and Th\$50,472,285 respectively, arising mainly from work 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, 2017 is summarized below:

Contractor or supplier	31-03-2017 Th\$	Final maturity
Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	13,734,809	30-07-2018
Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	5,142,164	31-12-2017
Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	4,485,564	01-06-2017
Degremont S.A. Agencia en Chile	3,878,404	15-05-2017
Constructora Pérez y Gómez Ltda.	707,049	01-11-2017
Inmobiliaria y Comercial Quilicura Ltda.	698,330	28-10-2017
Sociedad Concesionaria Costanera Norte S.A.	661,799	31-08-2017
Suez Medioambiente Chile S.A.	647,714	02-05-2017
Constructora Trebol Ltda.	500,002	29-01-2018
Inmobiliaria y Construcción Nueva Pacifico Sur Ltda.	264,719	18-11-2018
DOMUS S.A.	238,247	11-05-2017
Consorcio Nacional de Distribución y Logística S.A.	211,776	31-05-2017
INLAC S.A.	191,401	31-07-2017
El Chamisero Inmobiliaria S.A.	172,068	31-05-2017
Cruz y Dávila Ingenieros Consultores Ltda.	128,627	23-12-2017
Luxagua Ingeniería Ltda.	105,888	30-08-2018
Eulen Chile S.A.	105,888	21-06-2018
Empresas Carozzi S.A.	101,335	02-05-2017
Ingeniería y Construcción Caiquen Ltda.	104,177	29-05-2017
	32,079,961	

Note 17. ORDINARY REVENUE

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

Classes of ordinary revenue	31-03-2017 Th\$	31-03-2016 Th\$
Ordinary revenue		
Sales of goods	1,416,116	2,079,432
Provision of services	144,315,138	137,231,241
Insurance repayment	138,460	1,852
Total	145,869,714	139,312,525



Note 18. LEASES

Information to disclose about operational leases as lessor

Included under this heading are certain installations where mainly Commercial Agencies operate.

Future minimum non-cancellable lease receivables, lessees	31-03-2017 Th\$	31-12-2016 Th\$
Future minimum non-cancellable lease payments up to 1 year, lessees	1,798,649	2,713,686
Future minimum non-cancellable lease payments, up to 1 less than 5 years, lessees	2,611,557	5,225,937
Future minimum non-cancellable lease payments, lessees, total	4,410,206	7,939,623
Minimum lease payments under operative leases	1,633,002	4,775,483
Lease & sub-lease installments booked in statement of results, total	1,633,002	4,775,483

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.

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

Agreements are automatically renewed for one year.

Disclosures of operative leases as lessors:

The Company 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 Company has the power to terminate them in advance at any time.

Future minimum non-cancellable lease receivables, lessors	31-03-2017 Th\$	31-12-2016 Th\$
Future minimum non-cancellable lease receivables, up to 1 year, lessors	178,883	388,096
Amount of rentals booked in statement of results	189,398	819,737
Total	368,281	1,207,833

Significant operative lease agreements of the lessor

Revenues from these sources is immaterial for the Company.



Note 19. EMPLOYEE BENEFITS

The Company, at the consolidated level, has a workforce of 2,059 employees, of whom 85 are Managers and senior executives. Employees who are parties to collective agreements and individual work contracts with special indemnity clauses total 1,608 and 42 respectively, while 409 workers are covered by what is indicated in the Labor Code.

The collective agreement in effect for the employees and operatives Unions Nº 1 and 2 was signed on July 31, 2015, for a four year term.

The collective agreement with the Professionals and Technicians Union No.3 was signed on September 24, 2015, and is in effect until July 31, 2018.

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 Anam S.A. and Ecoriles S.A., were signed on December 2015 and April 2017 respectively, both for a three year term. The personnel of those 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 current collective agreements with Unions of the Essal S.A. subsidiary were signed on December 31, 2016 and expire on December 31, 2019.

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 interim consolidated financial statements, the actuarial valuation calculation is applied for years of service.

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 Essal S.A. subsidiary, 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.: 898, Aguas Cordillera S.A.: 97, Aguas Manquehue S.A.: 14, and Essal S.A.: 333 and Gestión y Servicio S.A.: 1.

Mortality: The RV-2014 mortality tables of the Superintendence of Securities and Insurance are used.

Employee turnover and disability rates and early retirements: Based on the Group's statistical experience, the turnover rate used is 5.9% (five point nine percent) for the periods 2017 and 2016, for the objective workers. Disabled workers and early retirements have not been considered due to their infrequent nature.

Discount rate: During periods 2017 and 2016, 4.7% (four point seven percent), corresponding to the risk-free rate, plus the estimate of expected long-term inflation.

Inflation rate: For making long-term estimates for both the 2017 and 2016 periods, the forecast long-term inflation rate reported by the Central Bank of Chile was used, which amounts to 3.0%.

Wage increase rate: The rate used for the 2017 and 2016 periods was 5.4%.

General description of defined benefits plans

The following benefits are in addition to those indicated in Note 2.2, letter 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 an employee who retires from the Company in accordance with numbers 2, 4 or 5 of article 159, number 1 letter a or number 6 of article 160 of the Labor Code, the employee will be paid as an indemnity the accumulated amount for this concept through 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. In terms of the non-sanitation companies, that is Gestión y Servicios S.A., Ecoriles S.A., Anam S.A. and Aguas del Maipo S.A., the provisions of the Labor Code are applied, except for when individual contracts indicate otherwise.

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 31, 2017 and December 31, 2016, which include movements in provisions:

Provisions for employee benefits	31-03-2017	31-12-2016
	Th\$	Th\$
Movement in actuarial provision		
Initial balance	17,285,712	15,621,082
Cost of services	319,830	1,988,298
Interest cost	177,630	662,200
Actuarial gains or losses	0	-58,684
Benefits paid	-857,439	-1,984,228
Special compensation for seniority (1)	125,000	0
Provision termination benefits	4,350	1,057,044
Sub-total	17,055,083	17,285,712
Profit sharing & bonuses	821,913	4,125,661
Total	17,876,996	21,411,373

In the financial situation statement these balances can be found in the following areas:

Provisions for employee benefits	31-03-2017	31-12-2016
	Th\$	Th\$
Provisions for employee benefits, current	2,036,176	5,378,546
Provisions for employee benefits, non-current	15,840,820	16,032,827
Total	17,876,996	21,411,373

Expected payment flows

The collective Contract of Aguas Andinas S.A. indicates, in its 17th clause, that for workers who resign voluntarily to be entitled to retirement, they 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 paid to workers who resign voluntarily on reaching the legal retirement age.

In 2015 the Company began a program that incentivizes voluntary retirement of our employees that are approaching the legal retirement age.



According to the mentioned benefits plans, the following are the flows for the following periods:

Company	Number of employees	Expected payment flow Th\$	Year
A.Andinas S.A.	10	720,869	2017
ESSAL S.A.	2	14,617	2017
		735,486	

Projected liabilities to December 31, 2017

To calculate the projected liabilities for indemnities at actuarial value to December 2017, as indicated in IAS 19, the actuarial assumptions at March 31, 2017 have been used, already commented in this note. Only the amount of the legal bonus has been increased, in line with the minimum wage established in January of this year.

The following is the summary by company:

Company	Number of employees	Cost of services Th\$	Interest costs Th\$
A.Andinas S.A.	898	1,698,422	451,575
A.Cordillera S.A.	97	221,180	59,804
A Manquehue S.A.	14	31,691	7,387
ESSAL S.A.	333	55,898	11,404
Gestión y Servicios S.A.	1	831	183
		2,008,022	530,353

Sensitivity of assumptions

The sensitivity of the main assumptions has been made based on the actuarial calculation as of March 31, 2017, determining the following impacts:

Concept	Basis	More than 0.5% Th\$	Less than 0.5% Th\$
Discount rate	4.7%	-541,800	736,983
Turnover rate	5.5%	-567,868	764,512
Wage increase rate	6.0%	658,275	-475,563

Disclosures on 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 Company's obligation with its personnel with respect to profit-sharing bonuses payable in February and March of 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 March 31, 2017 and December 31, 2016, the amounts are Th\$821,913 and Th\$4,125,661 respectively. In addition, advances are made against this bonus in the months of March, June, September and December of each calendar year.

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

Personnel expenses

Personnel expenses through March 31, 2017 and 2016 are as follows:

Personnel expenses	31-03-2017 Th\$	31-03-2016 Th\$
Wages & salaries	-7,727,475	-7,350,062
Defined benefits	-3,730,646	-3,464,897
Termination benefits	-679,121	-804,218
Other personnel expenses	-661,826	-846,945
Total	-12,799,067	-12,466,122

Note 20. EFFECT OF EXCHANGE DIFFERENCES

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

Concept	Currency	31-03-2017 Th\$	31-03-2016 Th\$
Trade debtors and other accounts receivable	EUR	43	121
Trade debtors and other accounts receivable	USD	-71	-654
Other financial assets	USD	0	-44
Other financial assets	EUR	0	-308
Total variation assets		-28	-885
Trade accounts payable and other accounts payable	EUR	-6,032	333
Trade accounts payable and other accounts payable	USD	6,450	10,306
Accounts payable to related entities	USD	0	1,496
Total variation liabilities		418	12,135
Gain (loss) from exchange differences		390	11,250



Note 21. OTHER EXPENSES BY NATURE

Information concerning other expenses by nature is presented below:

Other expenses by nature	31-03-2017 Th\$	31-03-2016 Th\$
Treatment plant operation	-7,524,844	-7,237,113
Commercial services	-6,253,320	-5,416,816
Insurance, taxation, licenses & permits	-1,395,607	-1,283,165
Maintenance of networks, equipment and enclosures	-7,406,301	-6,496,347
Supplies & basic services	-3,645,296	-3,330,173
Other expenses	-2,690,428	-3,124,749
Total	-28,915,796	-26,888,363

Note 22. CAPITALIZED FINANCING COSTS

The detail of capitalized financing costs to March 31, 2017 and December 31, 2016 is as follows:

Disclosures on capitalized interest costs:

Capitalized interest costs, property, plant & equipment		31-03-2017	31-12-2016
Rate of capitalization of capitalized interest costs, property, plant & equipment	%	7.76	7.64
Amount of capitalized interest, property, plant & equipment	Th\$	448,624	5,669,924

Note 23. INCOME TAXES AND DEFERRED TAXES

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

Statements of financial position	31-03-2017 Th\$	31-12-2016 Th\$
Deferred tax assets	21,188,332	20,231,924
Deferred tax liabilities	-38,050,760	-38,150,441
Net deferred tax position	-16,862,428	-17,918,517



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

Disclosures on deferred tax assets

Deferred tax assets	31-03-2017 Th\$	31-12-2016 Th\$
Water rights (amortization)	469,106	463,085
Provision for doubtful accounts	9,140,503	8,317,255
Provision for vacations	480,153	585,956
Litigation	739,943	706,416
Termination benefits	3,833,107	3,888,756
Other provisions	103,129	134,392
Variation monetary correction & depreciation assets	70,048,877	69,610,263
Deferred income	1,969,571	1,969,571
La Dehesa dam transaction	373,619	371,870
Amortization	12,419	43,332
Others	1,215,661	1,352,024
Deferred tax assets	88,386,088	87,442,920

Disclosures on deferred tax liabilities

Deferred tax liabilities	31-03-2017 Th\$	31-12-2016 Th\$
Depreciation fixed assets	23,250,557	22,995,485
Amortization	621,209	649,538
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.	12,969,354	13,305,193
Others	11,480	15,305
Deferred tax liabilities	105,248,516	105,361,437
Net deferred tax position	-16,862,428	-17,918,517



Movements in deferred tax

Movement in deferred tax assets	31-03-2017 Th\$	31-12-2016 Th\$
Deferred tax assets, initial balance	87,442,920	82,717,306
Increases (decreases) in deferred tax assets	-318,694	1,502,706
Increases (decreases) for variation in monetary correction and assets depreciation	438,614	3,402,902
Increases (decreases) for bad debt provision	823,248	-179,994
Changes in deferred tax assets	943,168	4,725,614
Changes in deferred tax assets, total	88,386,088	87,442,920

Movement in deferred tax liabilities	31-03-2017 Th\$	31-12-2016 Th\$
Deferred tax liabilities, initial balance	105,361,437	105,942,220
Increases (decreases) in deferred tax liabilities	222,918	683,552
Increases (decreases) in acquisitions through combinations of businesses	-335,839	-1,264,335
Changes in deferred tax liabilities	-112,921	-580,783
Changes in deferred tax liabilities, total	105,248,516	105,361,437

Revenues tax expenses

Revenues (charge) for income taxes by current & deferred parts	31-03-2017 Th\$	31-03-2016 Th\$
Charge for current taxes	-17,919,564	-15,684,622
Charge for current income tax	-17,919,564	-15,684,622
Deferred income (expenses) for taxes related to creation & reversal of timing differences	1,056,090	1,304,194
Charge for sole tax (disallowed expenses)	-14,382	-31,886
Earnings (charge) for other taxes	1,041,708	1,272,308
Charge for income tax	-16,877,856	-14,412,314



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

	31-03-2017 Th\$	31-03-2016 Th\$
Charge for taxes using the statutory rate	-17,545,334	-15,380,641
Permanent difference for monetary correction tax equity	844,379	1,124,249
Permanent difference for disallowed expenses	-14,382	-31,886
Permanent difference for previous years' income tax	0	0
Other permanent differences	-162,519	-124,036
Adjustments to tax charge using the statutory rate	667,478	968,327
Tax charge using the effective rate	-16,877,856	-14,412,314

Reconciliation of the statutory rate and the effective tax rate

	31-03-2017	31-03-2016
Statutory tax rate	25.50%	24.00%
Permanent difference for monetary correction tax equity	-1.23%	-1.75%
Permanent difference for tax loss benefit	0.00%	0.00%
Permanent difference for disallowed expenses	0.02%	0.05%
Permanent difference for previous years' income tax	0.00%	0.00%
Other permanent differences	0.24%	0.19%
Effective tax rate	24.53%	22.49%

Note 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.

Earnings per share		31-03-2017	31-03-2016
Earnings attributable to shareholders in equity of the controller	Th\$	50,837,259	48,293,688
Results available to common shareholders, basic	Th\$	50,837,259	48,293,688
Weighted average number of shares, basic		6,118,965,160	6,118,965,160
Earnings per share	\$	8.308	7.892



Information to report on diluted earnings (losses) per share

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

Note 25. BUSINESS SEGMENTS

The Group discloses information by segment in accordance with IFRS N°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 making 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).

Description of types of products and services that provide normal revenues of each segment reported.

The Water segment consists only of sanitation services that permit the provision of products and production services, water distribution, and sewage collection and treatment. 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 (Riles), 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, liabilities and equity.

General information on results	31-03-2017		31-03-2016	
	Water Th\$	Non-Water Th\$	Water Th\$	Non-Water Th\$
Revenues from ordinary activities with external customers	140.448.605	5.796.491	133.169.262	6.143.261
Revenues from ordinary activities between segments	217.404	1.003.207	125.260	829.461
Raw materials and consumables used	-6.057.083	-2.368.845	-6.064.042	-2.930.407
Employee benefit expenses	-11.085.271	-1.745.122	-10.850.683	-1.622.730
Operating expenses	-28.784.757	-1.634.275	-26.063.352	-1.650.880
Depreciation & amortization	-17.625.264	-175.555	-16.356.105	-178.178
Other revenue & expenses	27.629	71.193	-70.648	125
Financial income	1.578.779	17.325	1.920.419	26.251
Financial costs	-7.555.188	-24.325	-6.861.226	-35.456
Result of indexation & exchange differences	-3.305.981	6.264	-5.448.686	4.356
Income tax charge	-16.621.058	-256.798	-14.217.380	-194.934
Earnings by segment	51.237.815	689.560	49.282.819	390.869
Earnings by segment attributable to owners of the controller	50.147.699	689.560	47.902.818	390.869
Earnings (losses) by segment attributable to non-controller participations	1.090.116	0	1.380.001	0

Total assets, liabilities & equity	31-03-2017		31-12-2016	
	Water Th\$	Non-Water Th\$	Water Th\$	Non-Water Th\$
Current assets	169.216.006	13.716.891	172.864.658	13.158.165
Non-current assets	1.580.471.536	14.822.631	1.575.986.816	15.034.226
Total assets	1.749.687.542	28.539.522	1.748.851.474	28.192.391
Current liabilities	151.333.478	8.555.822	208.250.144	8.905.636
Non-current liabilities	879.398.170	129.794	872.883.250	122.410
Equity attributable to owners of the controller	665.140.533	19.853.906	614.992.835	19.164.345
Non-controller participations	53.815.361	0	52.725.245	0
Total equity & liabilities	1.749.687.542	28.539.522	1.748.851.474	28.192.391

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 relevant sums in relation to expenses for depreciation, personnel and other assorted expenses, including relevant expenditures from outsourced services.

Revenue

The Company's Revenue is mainly generated by the regulated services relating to the production and distribution of water, 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 potable water and sewage water business, that is, income from the sale of water, excess consumption, variable charge, fixed charge, sewage service, sewer use and wastewater 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 N°70 of 1988.

The tariff levels are reviewed every five years and, during that period, are subject to additional adjustments linked to polynomial 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.

In 2015 the tariff negotiation processes ended for the 2015-2020 period; the decrees fixing the tariffs during the referenced five-year period for Aguas Andinas S.A., Aguas Cordillera S.A and Aguas Manquehue S.A, correspond to numbers 152-2015; 83-2015; and 139 2015 respectively.

While, to Essal S.A. subsidiary, the current tariffs for 2016-2021 period were approved by Decree N° 143 on August 25, 2016, published on January 21, 2017 in the Official Journal.

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 drinking water and sewage services and analysis and biogas sale.

Details of significant expense items

Water segment

The significant expense items are mainly those related to compensation, energy, Wastewater Treatment Plant Operation, depreciation of real and personal property, interest expenses, and income tax payments.



Non-water segment

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

Detailed explanation of measurement of results, assets, liabilities and equity of each segment

The measurement applicable to these segments 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 nature 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, given that according to the standard, there are no accounting policies that show different criteria of assignment of costs or similar.

There are no differences in the nature of the measurement of assets and liabilities given that according to the standard, there are no accounting policies that show different criteria of assignment.

Reconciliation of revenues from ordinary activities	31-03-2017 Th\$	31-03-2016 Th\$
Revenues from ordinary activities of the segments	147.465.707	140.267.244
Elimination of ordinary activity revenues between segments	-1.595.993	-954.720
Revenues from ordinary activities	145.869.714	139.312.524

Reconciliation of earnings	31-03-2017 Th\$	31-03-2016 Th\$
Total consolidated earnings (loss) of segments	51.927.375	49.673.688
Consolidation of elimination of earnings (loss) between segments	-1.090.116	-1.380.001
Consolidation of earnings (loss)	50.837.259	48.293.688

Reconciliations of segment assets, liabilities & equity of segments	31-03-2017 Th\$	31-12-2016 Th\$
Reconciliation of assets		
Consolidation total assets of segments	1.778.227.065	1.777.043.865
Elimination of accounts between segments	2.662.173	-5.224.729
Total assets	1.780.889.238	1.771.819.136
Reconciliation of liabilities		
Consolidation total liabilities of segments	1.039.417.265	1.090.161.440
Elimination of accounts between segments	2.662.173	-5.224.729
Total liabilities	1.042.079.438	1.084.936.711
Reconciliation of equity		
Consolidation total equities of segments	684.994.439	634.157.180
Equity attributable to owners of the controller	684.994.439	634.157.180

Information on principal customers of the subsidiaries:

Main water segment customers:

- I. Municipalidad de Puente Alto
- I. Municipalidad de Santiago
- I. Municipalidad de La Florida
- Centro de Detención Preventiva Santiago 1
- I. Municipalidad de Peñalolen
- Universidad de Chile
- Ministerio de Obras Públicas
- Adm. Centro Comunitario Alto Las Condes S.A
- Embotelladoras Chilenas Unidas S.A.
- Cervecera CCU Chile Ltda.

Main non-water segment Customers:

- CMPC Cordillera S.A.
- Cobra Chile Servicios S.A.
- Soprole S.A.
- Cervecera CCU Chile Ltda.



- | | |
|---------------------------------------|----------------------------------|
| - Inmobiliaria y Cont. Nueva Pacifico | - Constructora Pérez y Gómez |
| - Cartulinas CMPC S.A. | - Nestle Chile S.A. |
| - Watt's S.A. | - Cooperativa Agrícola y Lechera |

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 treatment of excess organic loads (Ecoriles S.A. subsidiary).
- Physical, chemical and biological analysis of water, air and solids (Anam S.A. subsidiary).
- Comprehensive Engineering Services and sale of products including tubes, valves, taps and other related items (Gestión y Servicios S.A. subsidiary).
- Energy projects (Aguas del Maipo S.A. subsidiary).



Note 26. ENVIRONMENT

Information on disbursements related to the environment:

According to Circular N° 1901 of October 30, 2008 of the Superintendence of Securities and Insurance, information is revealed below concerning the disbursements related to the environment.

The details of the disbursements related to the environment are included below:

Aguas Andinas S.A.

Project Name	31-03-2017 Th\$	31-12-2016 Th\$
Expansion & improvements Curacaví WWTP	105,112	8,542
Expansion & improvements Greater Santiago WWTP	3,243,767	44,206,465
Expansion & improvements Other Districts WWTP	10,046	2,886
Expansion & improvements Paine WWTP	390	29,943
Expansion & improvement Pomaire WWTP	0	22,742
Expansion & improvement San José de Maipo WWTP	68	24,040
Expansion & improvement Talagante WWTP	11,768	53,815
Expansion & improvements Valdivia de Paine WWTP	0	34,996
Improvement & renewal equipment & installations	218,293	1,150,811
Total	3,589,445	45,534,240

Aguas Manquehue S.A.

Project Name	31-03-2017 Th\$	31-12-2016 Th\$
Improvement & renewal equipment & installations	12,259	91,427
Total	12,259	91,427

Essal S.A.

Project Name	31-03-2017 Th\$	31-12-2016 Th\$
Improvement in disposal infrastructure	7,203	318,325
Improvement of EDAR system	35,587	542,240
Renewal of treatment & disposal equipment	0	36,579
Total	42,790	897,144



Projected environmental investments for the 2017 period:

Company	Th\$
Aguas Andinas S.A.	16,793,454
Aguas Manquehue S.A.	102,791
Essal S.A.	788,277
Total	17,684,522

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

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

Fixed or estimated date on which future disbursements will be made, disbursements in the period

The projected disbursements are estimated to be made during the 2017 year.

The Company 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.

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

Aguas Andinas S.A.

- In Ordinary Shareholders' Meeting held in April 24, 2017, agreed to distribute 89.88% of net earnings for period 2016, which amounted to Th\$150,575,666. In consideration of the distribution of the interim dividend paid in January 2017, the distributable income amounted to Th\$93,358,057. The above meant a dividend of \$15.2570 per share, paid on May 22, 2017.
- At May 9, 2017, the resignation of director position of the Company Mr. Bruno Philippi Irrarrázabal was received, assuming accordingly his alternate Mr. Laureano Cano Iniesta as director.

At the date of issuance of these consolidated financial statements, the management of the Company and Subsidiaries are not aware of any other subsequent events that affect the financial position through March 31, 2017.

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