Corporate Presentation

August 2014

01 OVERVIEW

AGUAS ANDINAS
Largest Water Utility

Largest water utility in Chile and **one of the largest in Latin America**

More than **2 million** clients

Natural monopoly (regulated)

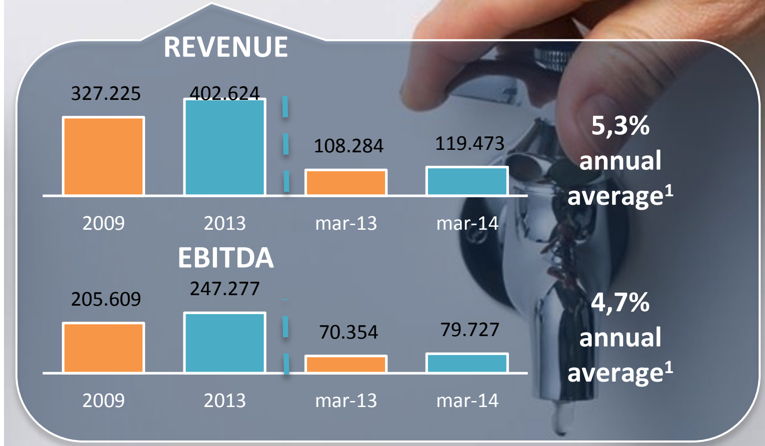
Proven, stable regulatory framework

Minimum, guaranteed return of **7%**

Stable demand

Exclusive, high-quality water resources that do not expire

FINANCIAL HIGHLIHGTS (millions of USD)



MARKET SHARE (1)

43% of industry **revenue**

51% of **billed water** in the industry

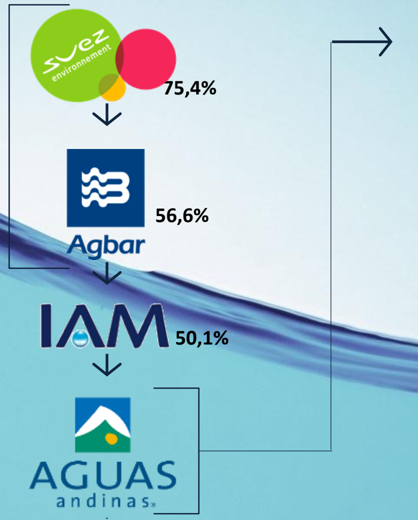
43% of **clients** in the industry

(1) Annual average 2009-2013

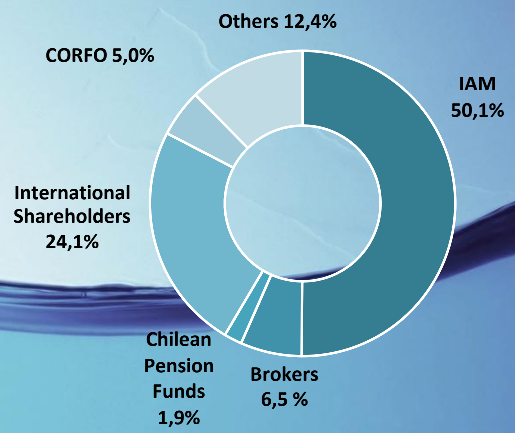
(2) Marketshare estimated according to SIIS´ Informe de Gestión 2013

CORPORATE STRUCTURE
World Class Controlling Shareholders

- **SUEZ ENVIRONNEMENT** is one of the leading water and sewage treatment players worldwide.
- **AGBAR** is an international benchmark in the sanitation business with more than 150 years of experience in the sanitation industry, with a presence in 14 countries.

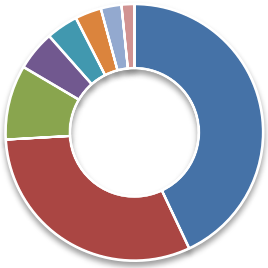


OWNERSHIP AS OF JUNE 30 2014



CONSOLIDATED INDUSTRY
Operated by private players

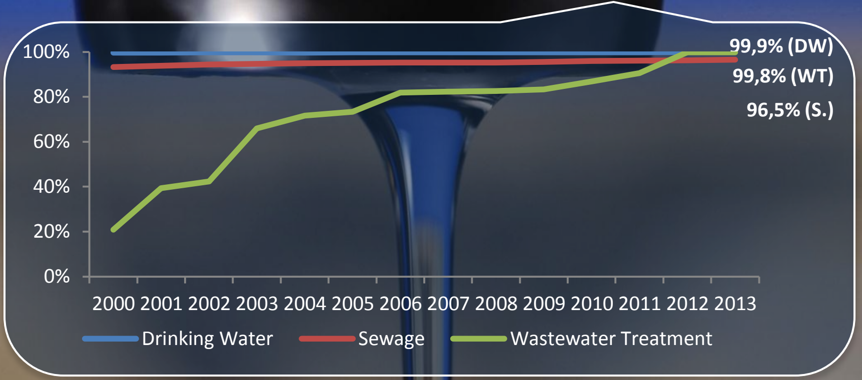
MARKET SHARE*



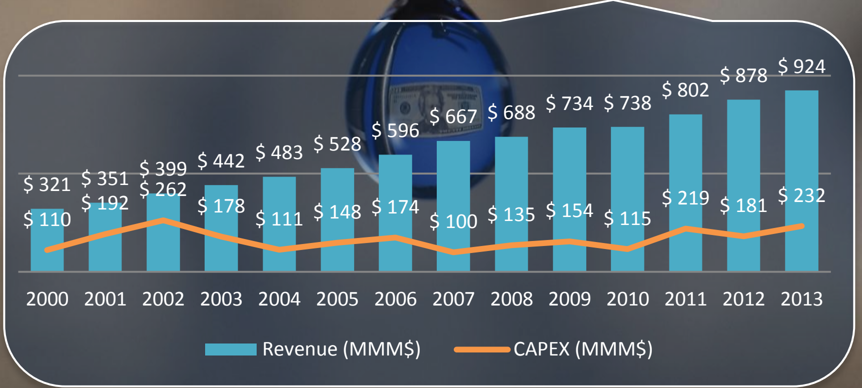
AGBAR SUEZ	43%
ONTARIO TEACHERS PP	31%
MARUBENI	9%
INV. AGUAS RIO CLARO	5%
SMAPA	4%
GRUPO LUKSIC	3%
HIDROSAN-ICAFAL-VECTA	3%
OTROS	2%

Currently, **95.7%** of the population is served by a privately-held operator.

INDUSTRY COVERAGE RATIOS**



INDUSTRY REVENUES & CAPEX (USD TH. MILLONS)**



*Market share based on number of clients. Source: Informe de Gestión 2013 de SISS.

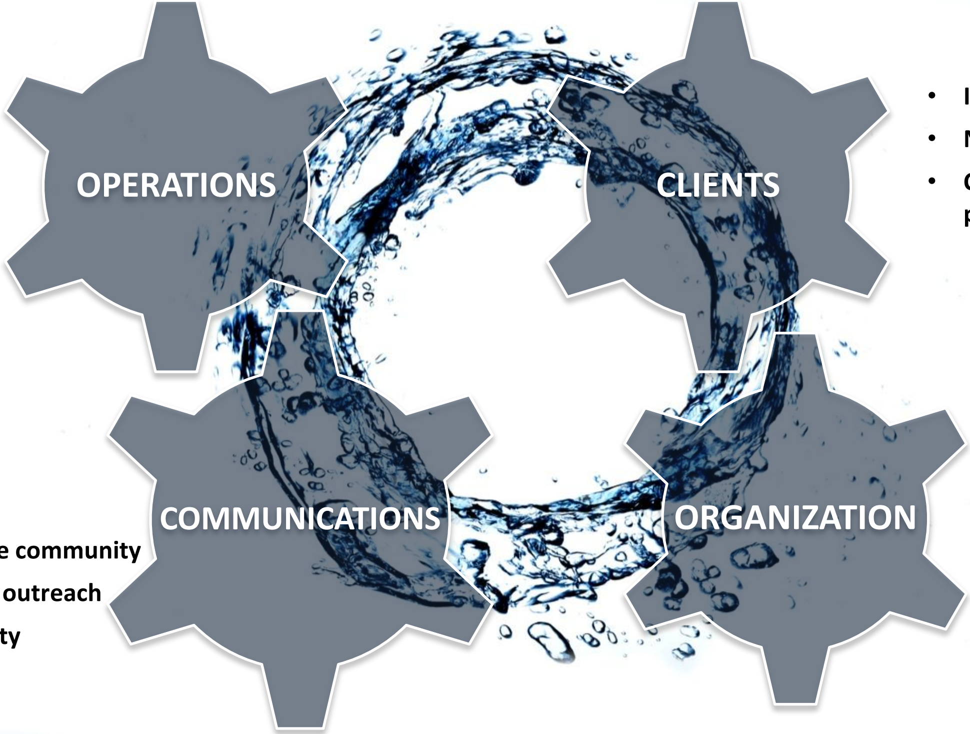
**Source: SISS. Exchange rate: 523.76 CLP/USD as of 31 December 2013.


02 CHALLENGES FOR AGUAS ANDINAS

CHALLENGES
Aguas Andinas

- Service continuity
- Service reliability
- Automation and technology
- Security

- Increased service standards
- New channels to provide customer service
- Customer service, infrastructure and better processes



- Open dialogue with the community
- Education/community outreach
- Corporate Responsibility

- Intelligent organization
- Efficiency and changes in corporate culture
- Human Resources

SERVICE CONTINUITY
Increase Reserves of Drinking Water

A two-phase plan that will strengthen our network has been developed.

Safety Infrastructure Projects – Phase I (completed):

- 7 new wells (500 liters per second)
- 6 storage tanks for drinking water with a capacity of 225,000 m3
- Duct (4 m3/s) connecting the El Yeso Reservoir with the Las Vizcachas water production plant
- Tariff increase of 1.2% applied beginning 1 March 2014

Safety Infrastructure Projects - Phase II:

- Construction of a raw water storage tank with a capacity of 1,500,000 m^3
- Network autonomy will be raised to 32 hours
- Investment of approximately US$100 million
- Anticipated tariff increase of 1.6% to be applied when the project is completed (2018)

Source: Aguas Andinas
* USD/CLP=570 UF/CLP=23.500

SERVICE CONTINUITY
Drought Mitigation Plan

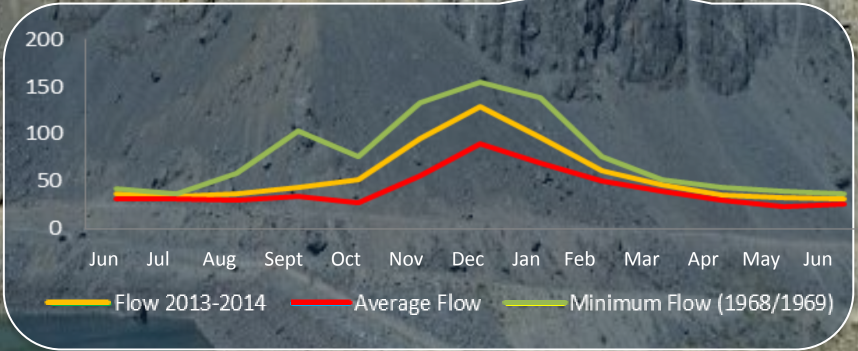
New investments to increase capacity and agreements with primary users for the joint management of the Maipo river

Measures taken by the company to mitigate the impacts of the drought during the last four years have ensured water supply for 2014-2015, even in the event that 2014 is a dry year.

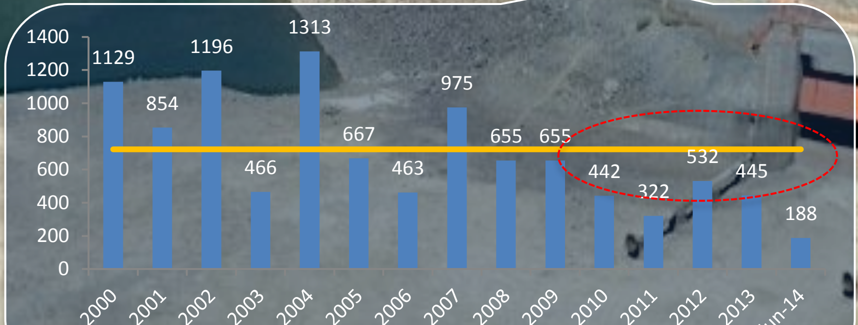
MAIN INITIATIVES:

- New capacity in wells
- Purchase of raw water
- Renting of water rights
- Agreements with other users of the river
- Monitoring and control of illegal water usage/extraction

FLOW OF THE MAIPO RIVER (M^3/S)



WATERFALL AT EMBALSE EL YESO (mm)(1)

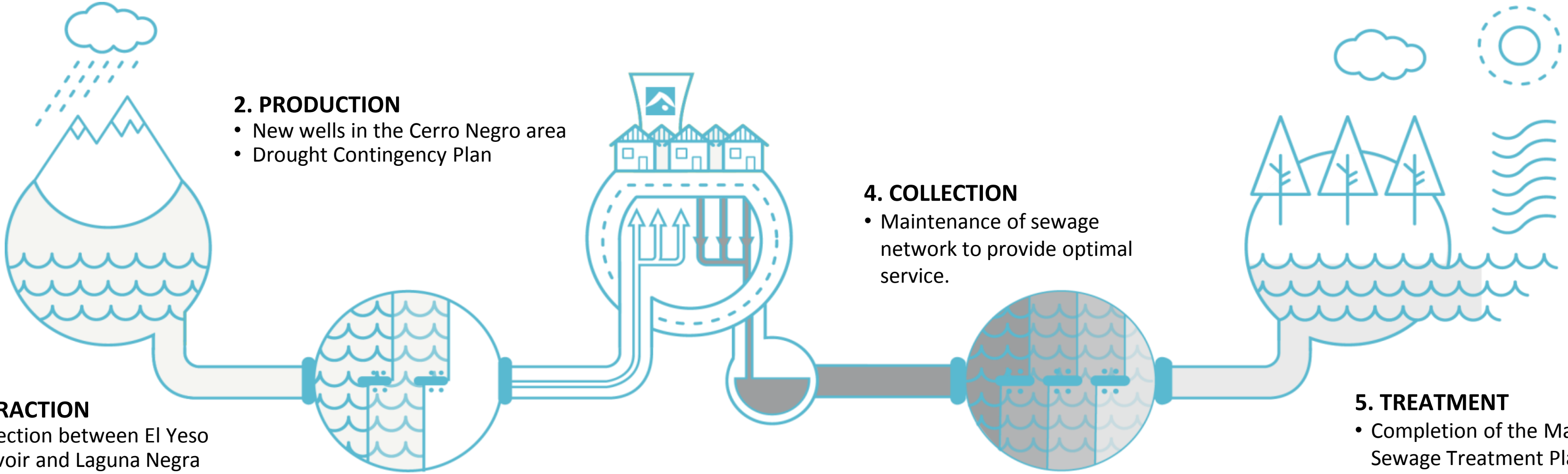


* Average calculated from 1983 to date.

(1) Source: Dirección General de Aguas (DGA)

El Yeso Reservoir June 2014- Aproximately 47,54% of Capacity

SERVICE CONTINUITY
Operating Highlights 2012-2013



1. EXTRACTION
- Connection between El Yeso reservoir and Laguna Negra aqueduct

2. PRODUCTION
- New wells in the Cerro Negro area
- Drought Contingency Plan

3. STORAGE AND DISTRIBUTION
- Additional reserve volume of 225,000 m^3 in 6 new tanks
- Investment in “Ice Pigging,” cleaning technique that utilizes pressurized ice
- Hydraulic efficiency plan

4. COLLECTION
- Maintenance of sewage network to provide optimal service.

5. TREATMENT
- Completion of the Mapocho Sewage Treatment Plant, which allowed the Company to reach 100% coverage in sewage treatment.

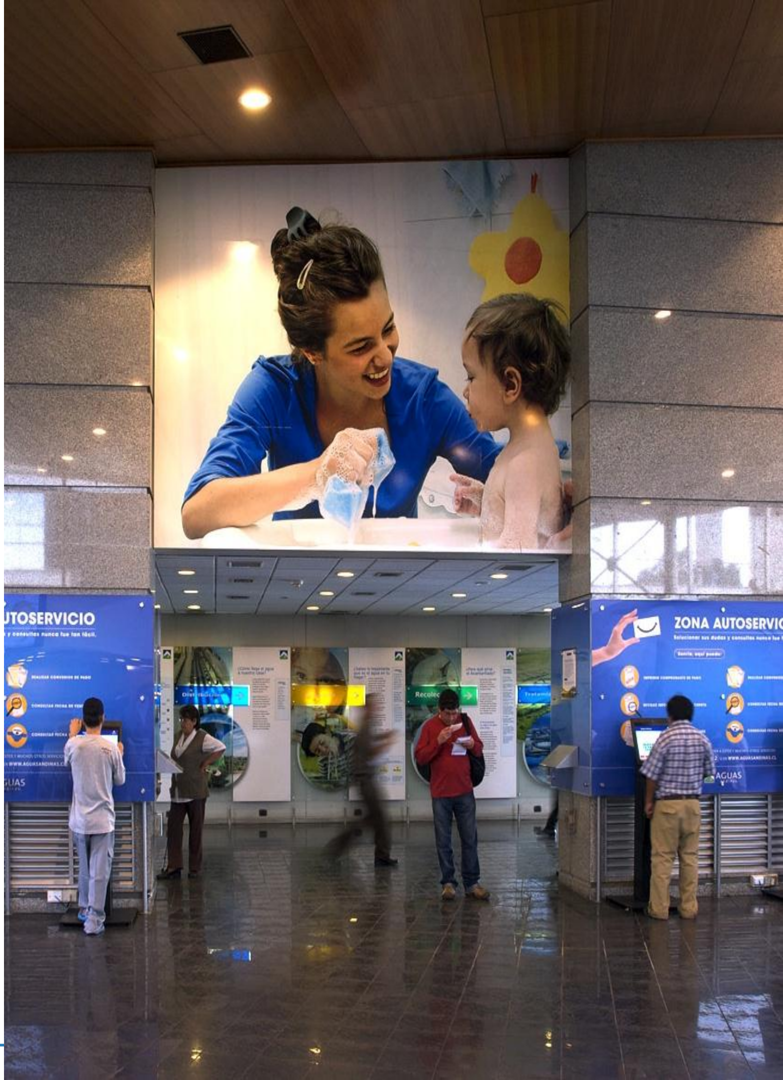
Aguas Andinas’ high coverage levels for all water and sewage services ranks the Company as a world-class operator.

STRATEGIC CUSTOMER SERVICE PLAN
New World Class System

AquaCIS Implementation of AquaCIS, new billing tool that will allow us to further strengthen our commitment to serving clients

Integrates commercial operations processes, such as customer service, contracting services, readings, billing and collection, etc.

Work-flow management and business processes are integrated into a single technology platform



REGULATORY FRAMEWORK
Proven, Stable and Transparent

Regulatory framework in place more than 20 years

Superintendency of Sanitation Services (SISS) acts as the regulator counterpart in tariff setting process, which lasts 1 year

Tariffs are reset every five years, based on an objective and technical model:

- Tariffs are calculated based on long term total costs of a model company
- Company and regulator have equal roles in the tariff calculation process
- Discrepancies are solved by an independent experts committee
- Minimum real return on assets of 7% after taxes
- Automatic interim adjustments linked to polynomials based on CPI and WPI indexes

Very low delinquency levels due to the legal empowerment to disconnect clients

Government subsidies for low-income clients

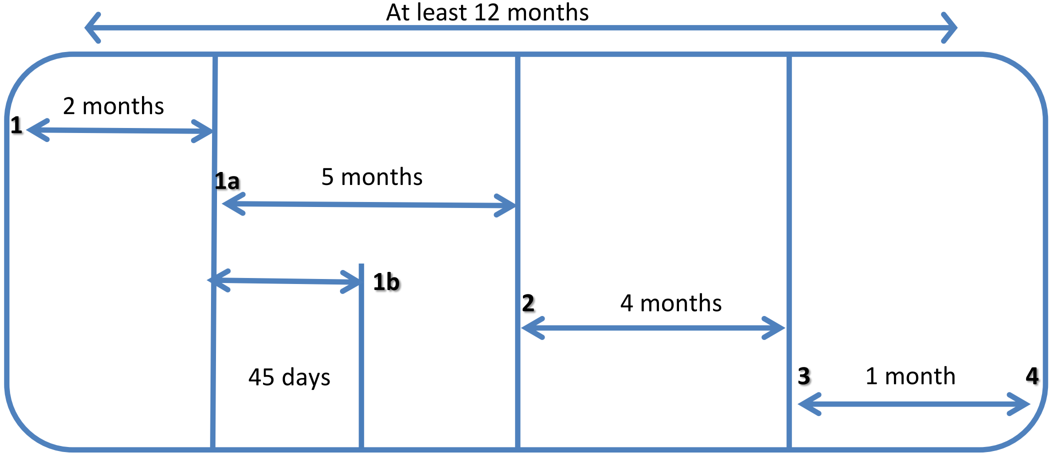
The regulatory framework of the Chilean water industry has been fundamental to the development of the sector.

MODEL COMPANY vs. REAL COMPANY

MODEL COMPANY	AGUAS ANDINAS
Greenfield operation	Existing infrastructure
Latest technology	Combination of new and legacy technology
Cost efficiency	Real costs
100% coverage in all services	Real coverage
Self-financing of investments through tariffs	Self-financing of investments through tariffs
Minimum return on capital	Ability to use debt to finance Capex and enhance return on equity

SIXTH TARIFF NEGOTIATION PROCESS

CALENDAR

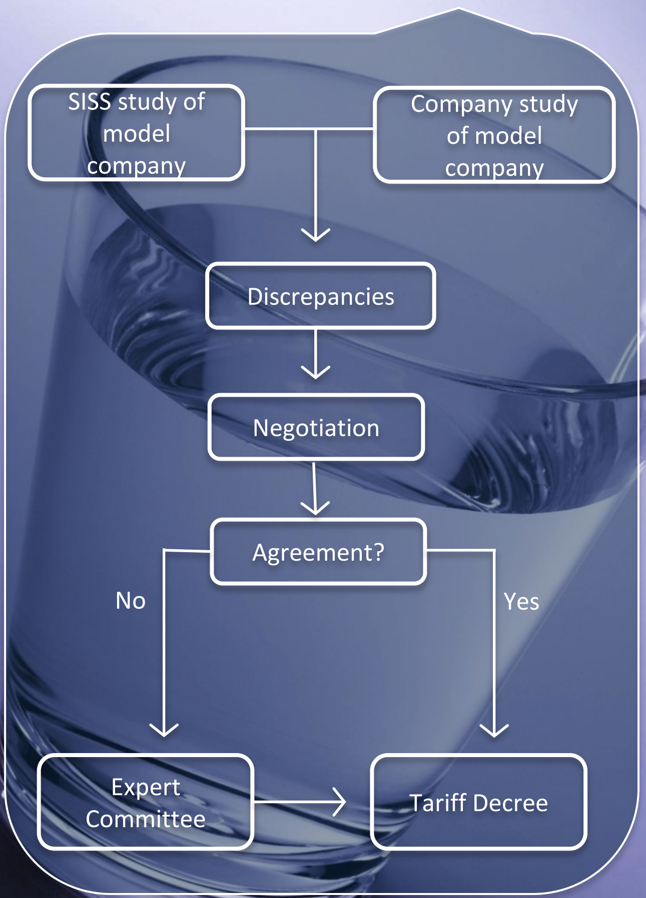


1. Publication of preliminary bases (October 2013)
   1 a. Observations/comments of preliminary bases (December 2013)
   1 b. Publication of definitive bases (March 2014)
2. Exchange of model company studies (October 2014)

2-3. Negotiation

3. Tariff decree
4. New tariffs applied

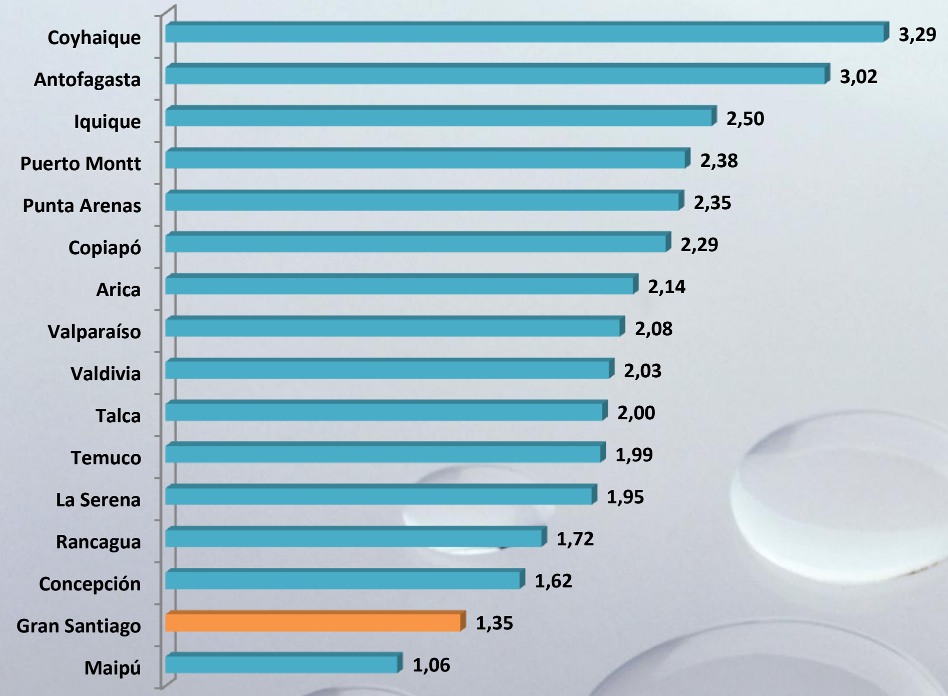
Mechanism for Tariff Negotiation Process

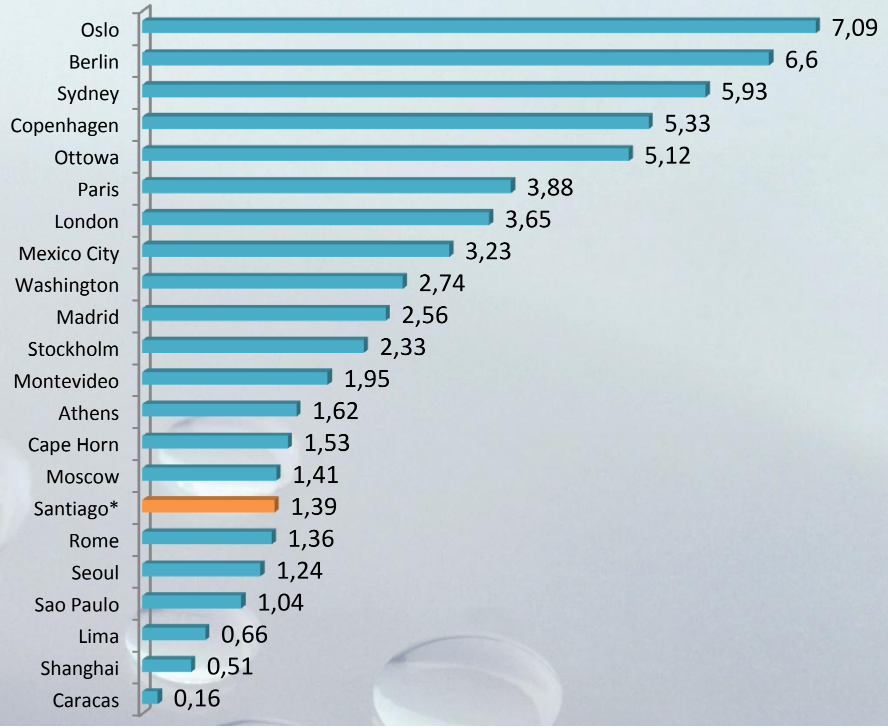


TARIFF BENCHMARKS

TARIFFS PER CUBIC METER

(WATER AND SEWAGE) US$/M³

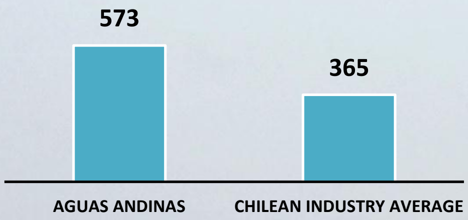




Source: Informe de Gestión 2013 de SISS. Tariffs to December 2013 considering US $1= $523,76 *Santiago includes Gran Santiago & Maipú

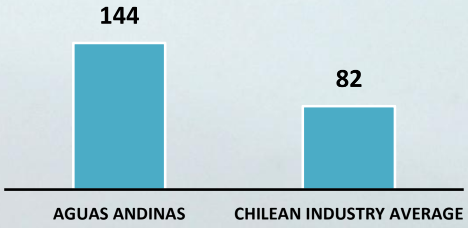
PRODUCTIVITY/QUALITY OF SERVICE

CLIENTS/EMPLOYEES

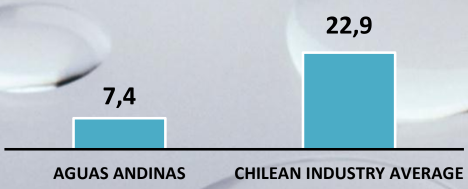


BILLING/EMPLOYEES

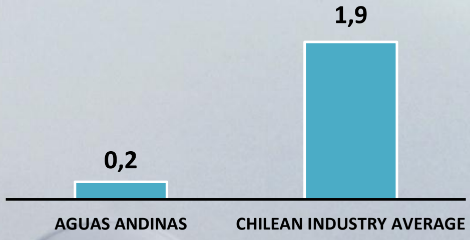
Th. M^3



RUPTURES X 100 KMS.



RUPTURES X 1.000 CLIENTES



Source: Informe de Gestión 2013 de SISS


03 FINANCIAL PERFORMANCE

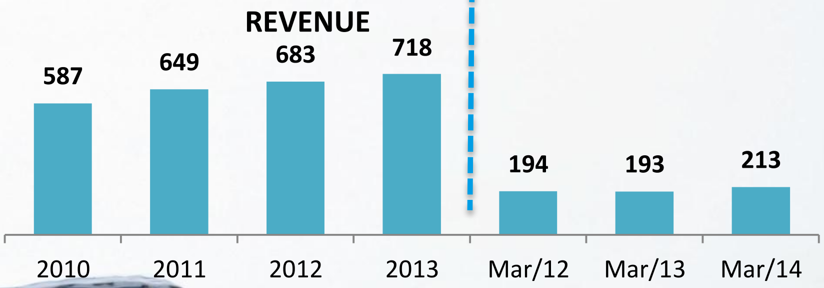
FINANCIAL PERFORMANCE
as of March 2014

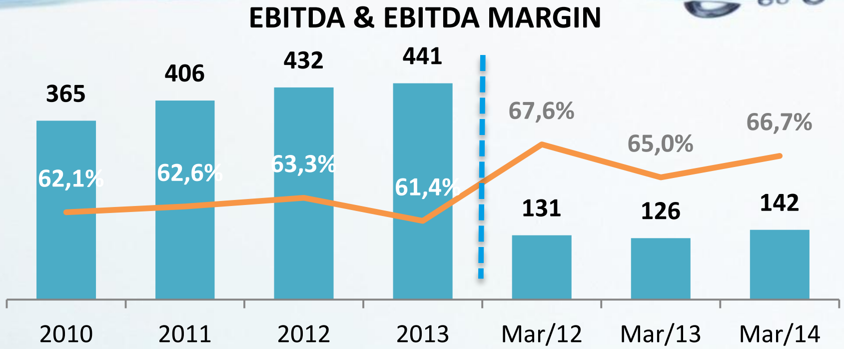
Millions of USD

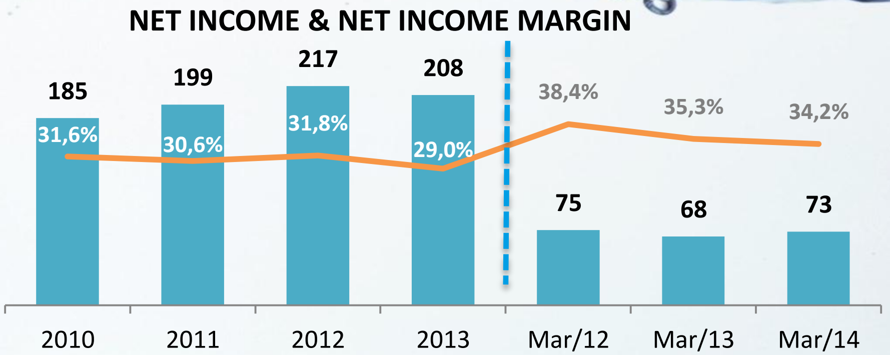
Revenue and EBITDA growth (CAGR) have been 5.3% and 4.7%, respectively, during the last 5 years.

- Net financial debt / EBITDA = 2.68x (Mar14)
-Leverage = 1.24x (Mar14)

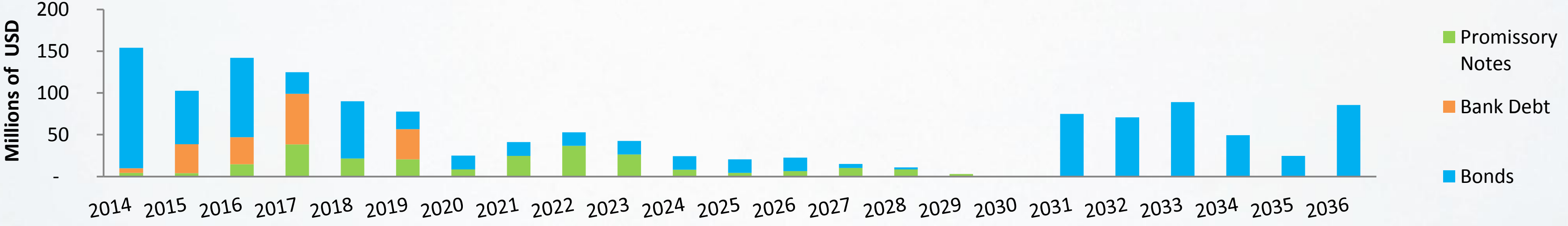
Dividend Policy: 100%







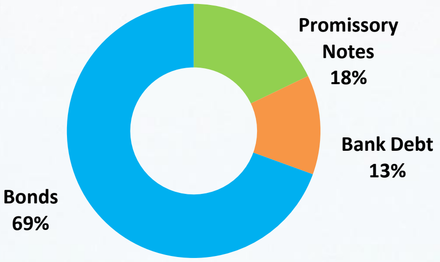
DEBT STRUCTURE
AS OF MARCH 2014



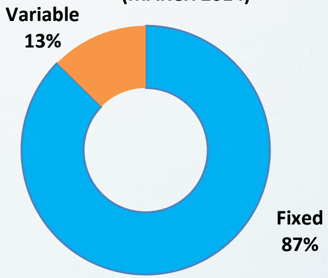
AA+ Local credit rating

Total Net Financial Debt: US$1.3 billion

DEBT BREAKDOWN BY INSTRUMENT
(MARCH 2014)



DEBT BREAKDOWN BY INTEREST TYPE
(MARCH 2014)



Fuente: Aguas Andinas


AGUAS
andinas
Pura
VIDA