AGUAS ANDINAS
BCI Results Breakfast

APRIL 7 2017

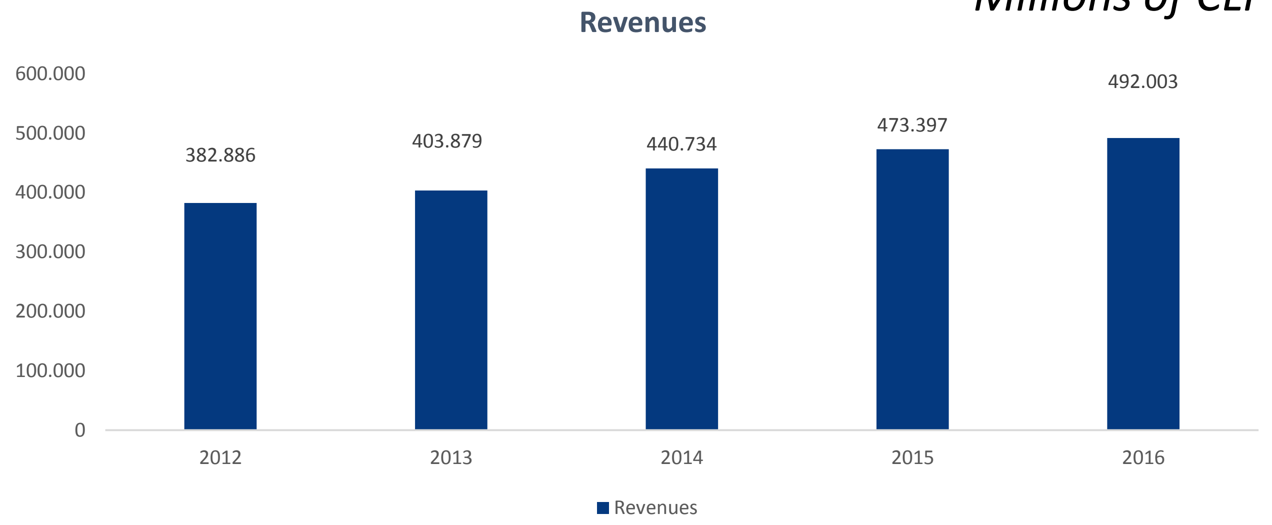
01. 2016 RESULTS

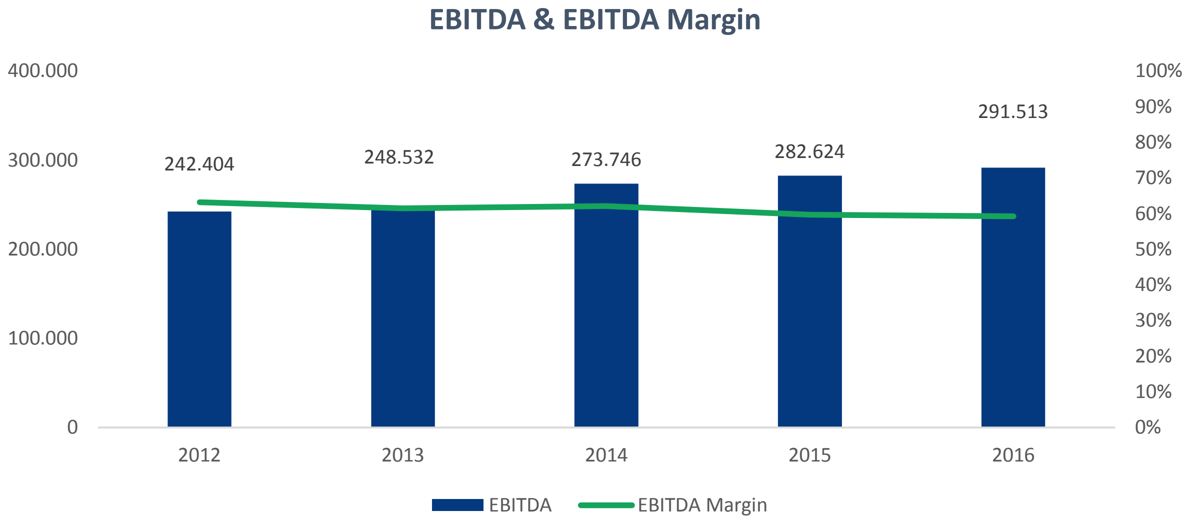
FINANCIAL PERFORMANCE – DECEMBER 31 2016

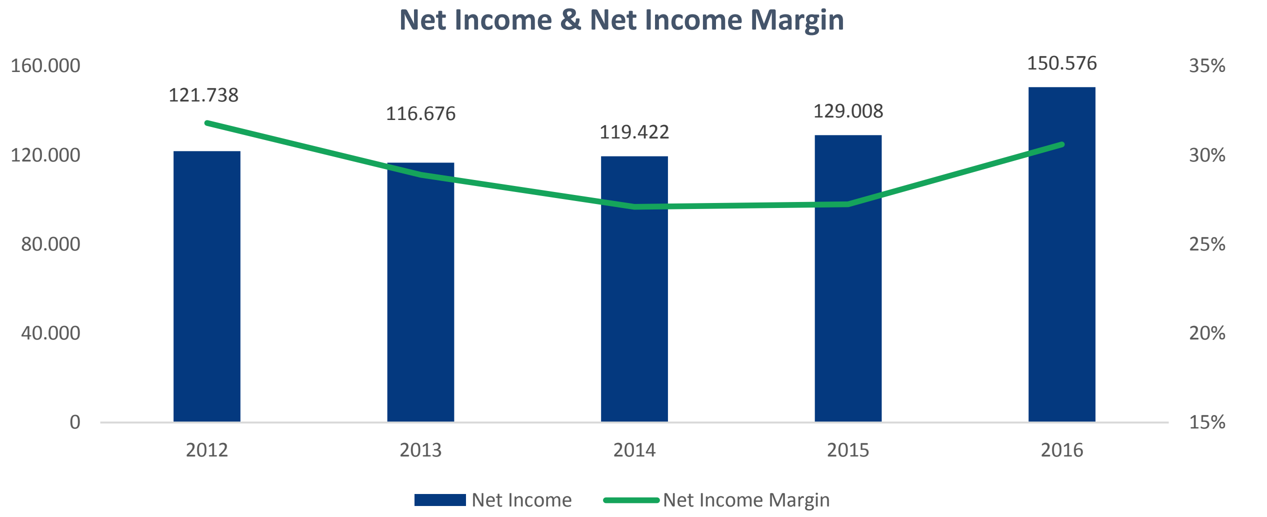
Millions of CLP

Revenue CAGR of 6.5% and EBITDA CAGR of 4.7% over the 2012-2016 period

2015-2016 Growth: +3.9% Revenues, +3.1% EBITDA & +16.7% Net Income





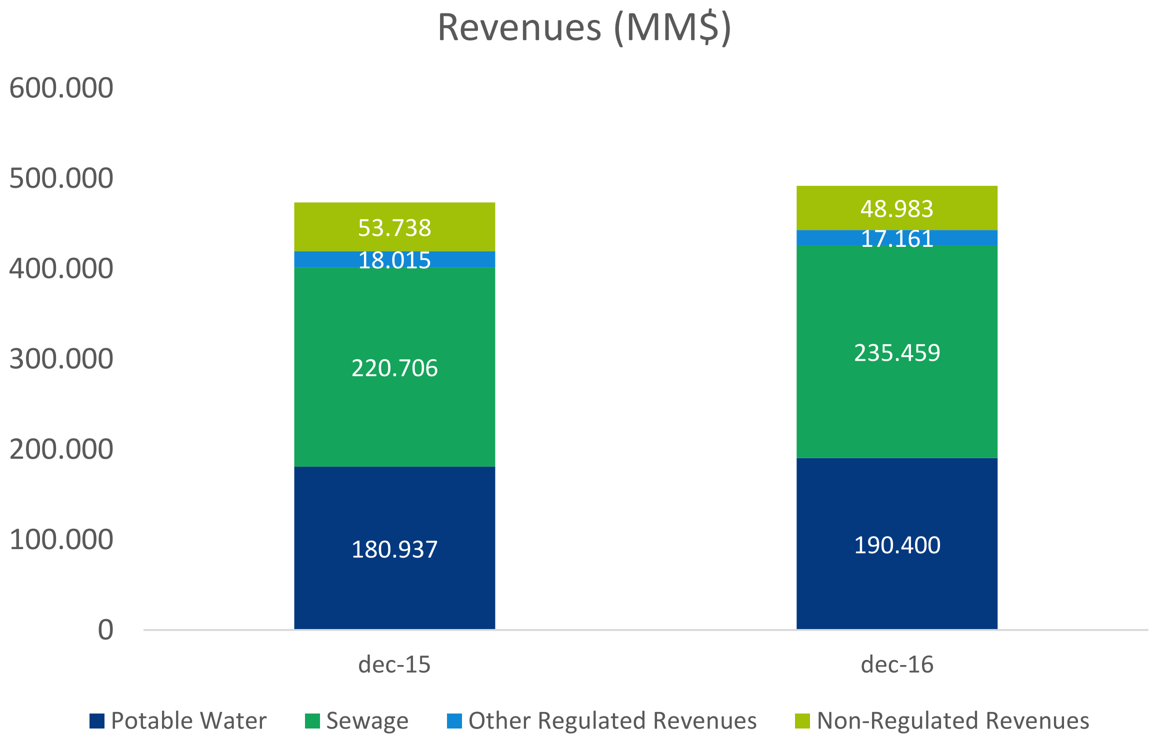


FINANCIAL PERFORMANCE – DECEMBER 31 2016

Revenues Increased by 3.9%

Revenues increased by $492,003 million due to:

- Higher average tariffs, due to tariff variations which ocurred during 2015 and 2016
- Higher supplied volumes (+1.2% in potable water and sewerage, +1.6% in treatment and disposal of sewage)



FINANCIAL PERFORMANCE – DECEMBER 31 2016

Costs Increased by 5.1%

Raw materials and consummables used decreased due to:

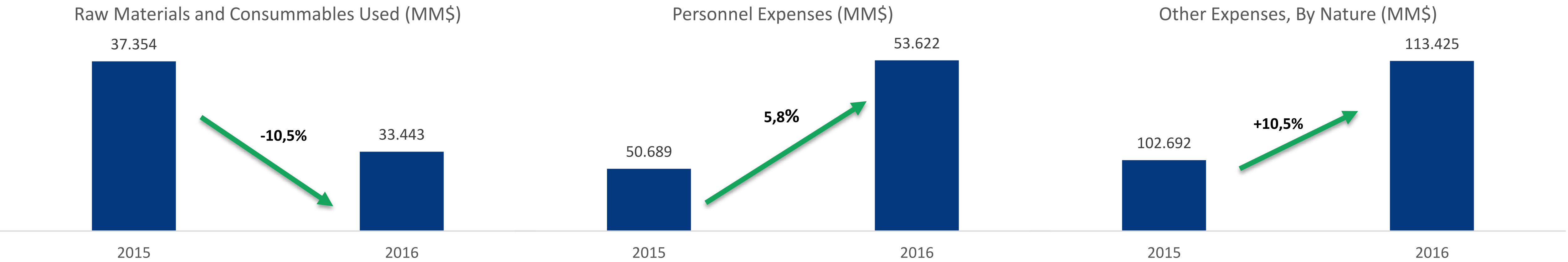
- A decrease in electricity costs of MM$2,289 and a decrease in the expenses for various materials for MM$2,323 mainly due to less water purchases for MM$1,082 in addition to a decrease in cost of sales for Gestión y Servicios

Personnel expenses increased due to:

- Higher remuerations and gratifications associated with CPI adjunstments for MM$1,710 and a higher average workforce for MM$1,909

Other expenses, by nature increased due to:

- An increase in network maintainance for MM$2,272 and higher costs associated with the contingency due to the breakage of a matrix in the Providencia commune for MM$1,260
- Higher costs due to the transfer of sanitation infraestructura for MM$898
- Higher costs for sewage treatment plant operation and maintenance of buildings and equipment.



FINANCIAL PERFORMANCE – DECEMBER 31 2016

Other Relevant Results

- **Other revenues were attained for CLP$14,597,521 thousand**, CLP$14,640,179 thousand higher than that obtained in the previous financial year, mainly due Aguas Cordillera's sale of a large piece of land in Vitacura.

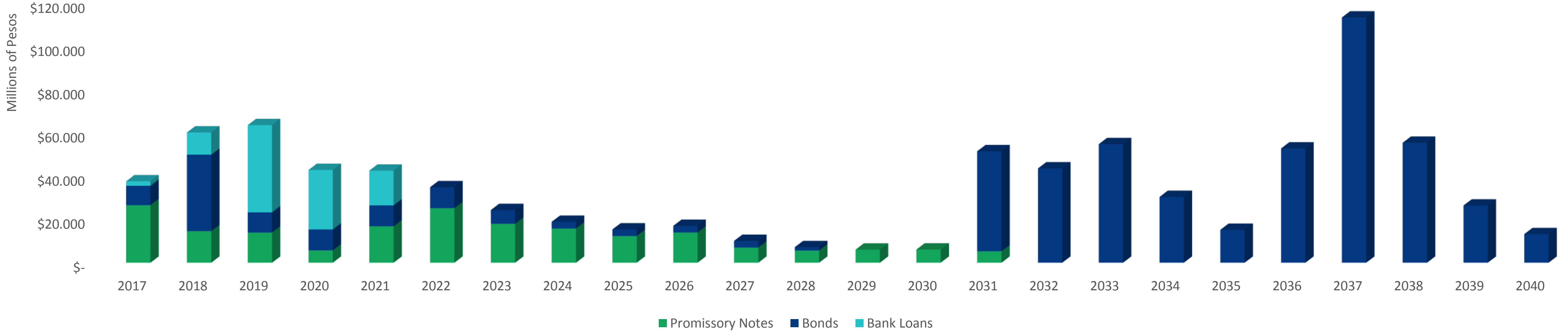
- **The financial result generated a loss for CLP$40,821,277 thousand**, improving the result by CLP$7,038,480 thousand in comparison to the previous financial year. This was mainly due to a lower revaluation of the Company's re-adjustable debt in Unidades de Fomento (Indexation Units).

- **Tax expenses at the end of 2016 amounted to CLP$43,442,462 thousand**, CLP$9,758,738 thousand higher in comparison to the same period of the previous year. This variation was mainly justified by higher earnings before taxes of CLP$31,912,338 thousand and by the change in the tax rate increasing from 22.5% to 24% due to the Tax Reform which has been in place since September 2014.

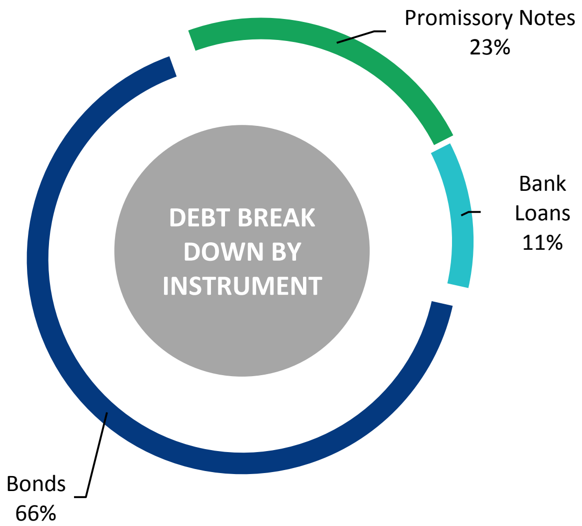
- **Net income as of December 31 2016 amounted to CLP$150,575,666 thousand**, CLP$21,567,521 thousand higher (16.7% increase) in comparison to 2015.

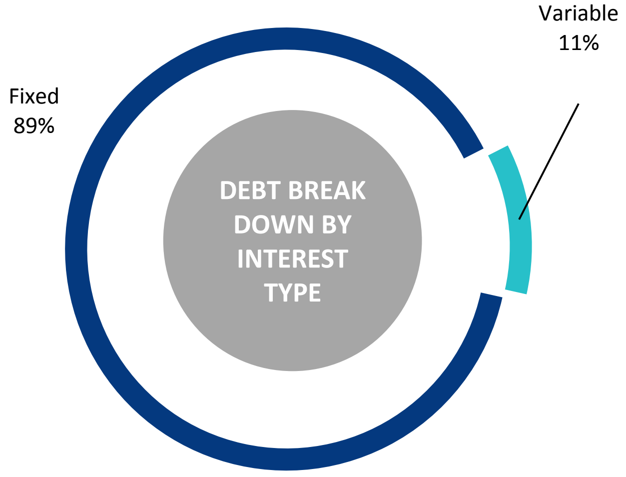
DEBT STRUCTURE AS OF DECEMBER 31 2016

Maintaining a Debt Profile Distributed Through Time



- Leverage: **1.58x** Limit: **1.89**
- Coverage of Financial Expenses: **8.31x**
- Local Credit Rating: **AA+**
- Total Net Financial Debt: **CLP 786,757 million**
- Net Debt / EBITDA* Ratio: **2.70X**





Source: Aguas Andinas, (*) LTM EBITDA

02. INVESTMENTS

2015 -2020 INVESTMENTS

Ensuring the Continuity of Service

Investment plan of USD$ 830 MILLION

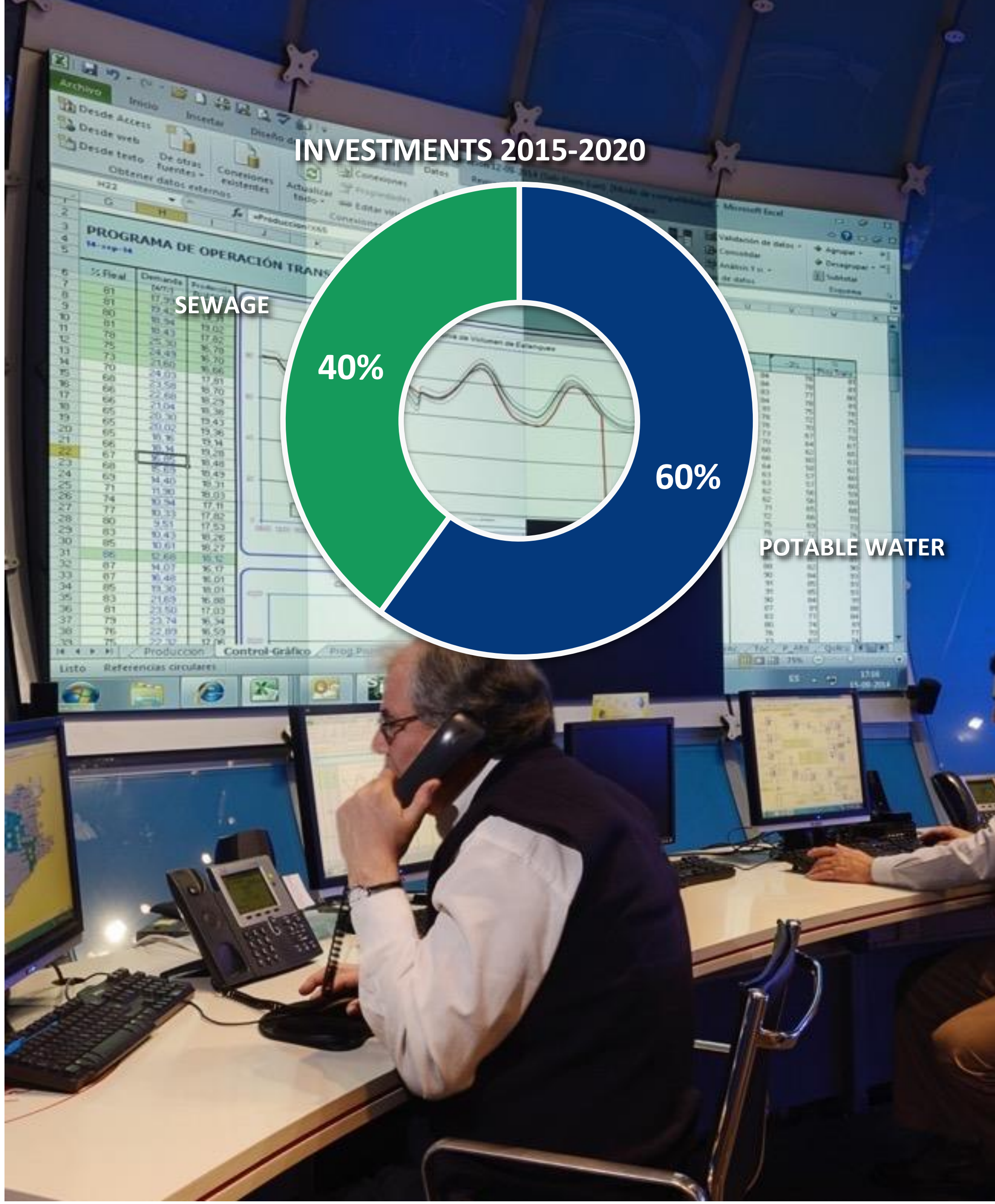
2015-2020 MAIN PROJECTS

Investments in potable water

- Replenishment and operational improvement plans.
- Growth, safety and quality of service
- Potable Water Safety Infrastructure Works Phase 2

Investments in sewage treatment

- Growth, safety and quality of service
- Collection of sewage
- Sewage treatment
- Replenishment and improvement plans



DROUGHT MITIGATION PLAN

Guaranteeing Water Supply For Our Clients

Drought Mitigation Plan 2010-2015

- 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

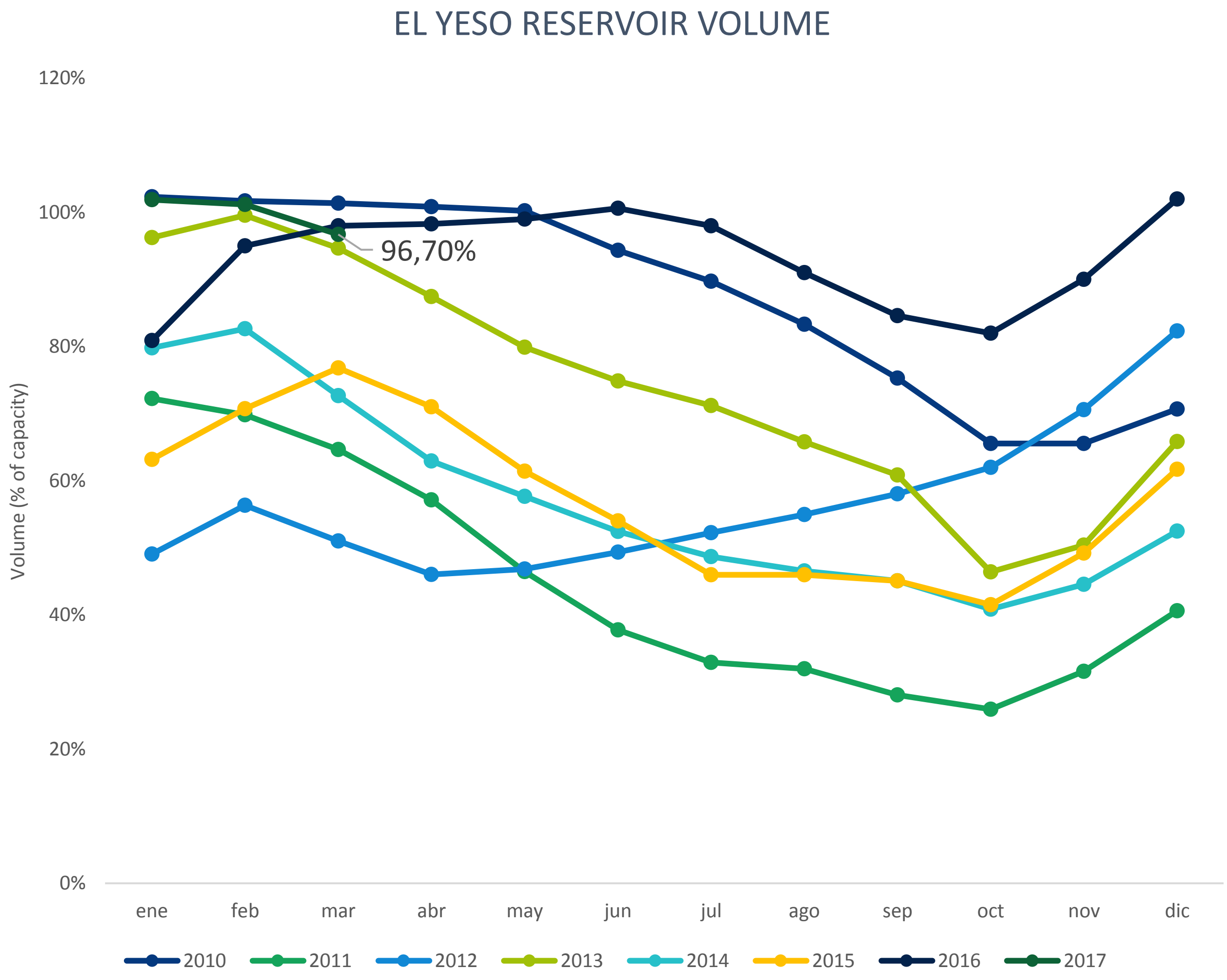
Initiation of the Drought and Climate Change Plan 2015-2030

Preliminary studies in development:

- Demand projection
- Demand management
- International experiences in drought

Other actions:

- Actions to increase supply
- Water supply projection
- Synergies at a user level



POTABLE WATER SUPPLY SAFETY WORKS

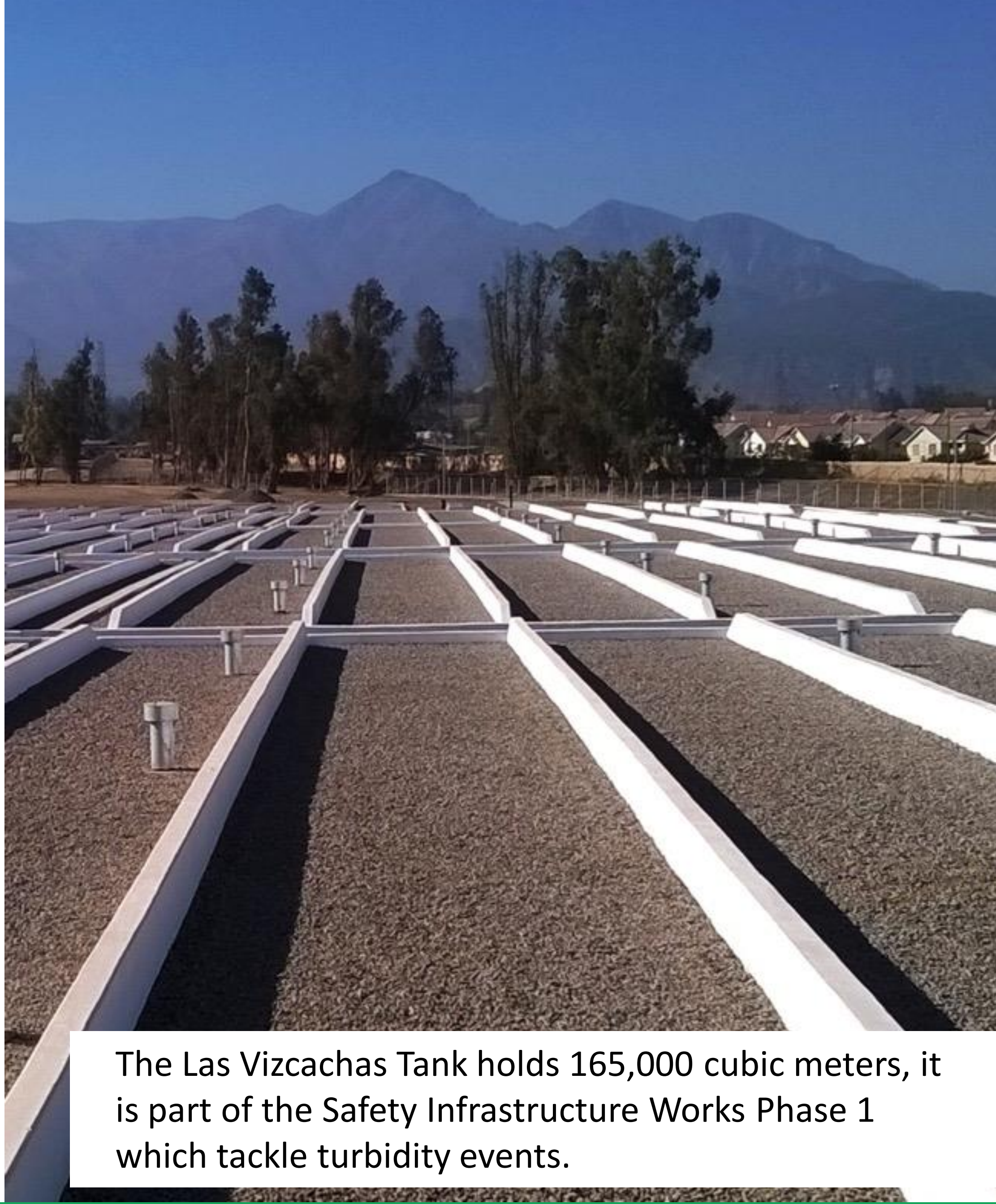
100% of works in operation since 2013

- Phase 1 Plan:
  - USD$70 million invested in:
    - 14 storage tanks which in total hold 225,000 cubic meters additional to those previously in existence
    - An aqaduct which connects the El Yeso Reservoir with the Laguna Negra aquaduct
    - 7 new Wells in La Pintana
  - Tariff increase of 1.2% applied beginning 1st of March 2014

- All of these works are in operation

- These works elevated Santiago's potable water capacity by 25%

- Since 2014, this has allowed us to tackle 35 high turbidity events in the Maipo River without compromising Santiago's water supply



The Las Vizcachas Tank holds 165,000 cubic meters, it is part of the Safety Infrastructure Works Phase 1 which tackle turbidity events.

POTABLE WATER SUPPLY SAFETY WORKS FOR 2019

PHASE 2 PLAN:

- USD$90 million investment for the construction of a raw wáter reserve of 1.5 million cubir meters in Pirque.
- It will give the Company's potable water production system in Santiago 32 hours of autonomy
- It is part of the Company's Development Plan with an end date in 2019
- Anticipated tariff increase of 1.1% to be applied when the project is completed
- **The advancement in this project is going as planned:**
  - Project in development
  - A 72 hectare terrain was adquired in november 2015
  - Environmental Impact Study (EIA) was presented on August 31st 2016 with an urgency qualification
  - EIA was processed on September 6th 2016
  - Currently, the Company is working on the Consolidated Report of Requests for Clarifications, Rectifications and /or Extensions of the EIA (ICSARA) and the response for the Consolidated Questions of the Citizen Participation Process

2017 EXPANSION OF MAPOCHO TREATMENT PLANT

Fourth Stage of the Mapocho-Trebal Plant

- Increases the treatment capacity of the Trebal-Mapocho complex from 6.6 m3 to 8.8 m3

Main benefits:

- Respond to increasing demand
- Strengthen the security of operations in the basin of Gran Santiago
- Prevent the need to send untreated water back to the river

Its progress is going according to plan:

- Work completed on December 31st 2016.
- Civil works have been provisionally receptioned
- The supply and assembly contract has been provisionally receptioned

HYDRAULIC EFFICIENCY PLAN

The Aguas Group currently has 31% of water losses, which is below the national average at 33.65%

For the Company, the efficient use and distribution of water is a superior value that involves key aspects in the management of the water cycle in its different stages:

- Medium and long-term promotion of quality and sustainable management of water resources
- Improvement of the measurement accuracy of our clients by making our meters more efficient
- Optimization of operative, maintenance and investment management resources.

Scope:

- Technical Losses:
  - Pressure Management.
  - Active Leakage Management.
- Commercial Lossess:
  - Efficient Micrometering Management.
  - Fraud.

Source: SISS Management Report 2014

03. QUESTIONS & ANSWERS

04. ANNEX: INSTITUTIONAL SLIDES

AGUAS ANDINAS

Chile's Largest Sanitation Company

100% coverage in potable water and sewage treatment

2,199,208 clients
Representing 43% of the clients in the industry

50% of potable water billed in the industry

One of the lowest tariffs in Chile

TARIFFS
(Potable Water, Sewerage, and Sewage Treatment US$/m3)

Source: SISS' 2015 Management Report

CORPORATE STRUCTURE

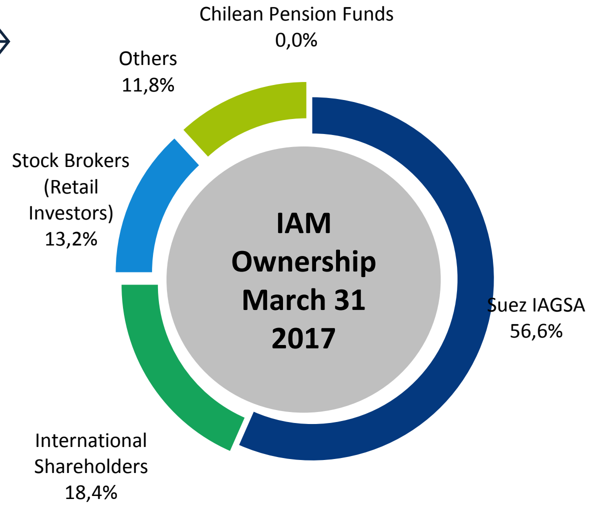
World Class Controlling Shareholders

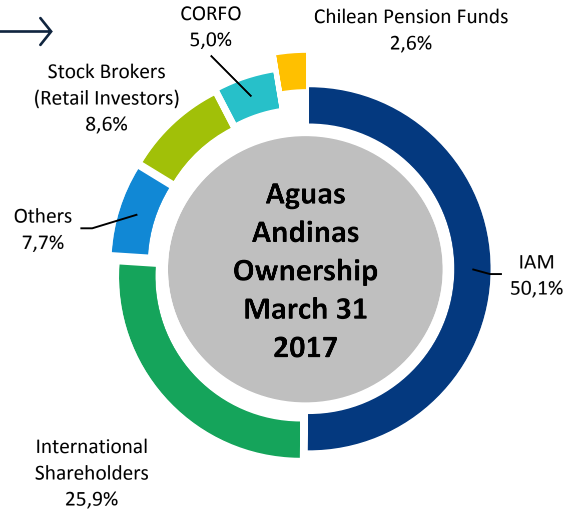
- **SUEZ** is one of the leading water and sewage treatment players worldwide
- **AGBAR** is an international benchmark in the sanitation business with more than 150 years of experience in the sanitation industry, with a presence in 14 countries

SUEZ → Agbar: 100%

Agbar → IAM: 56.6%

IAM → AGUAS ANDINAS: 50.1%





AGUAS cordillera	AGUAS manquehue	essal
100%	100%	53.5%

REGULATED COMPANIES

EcoRiles	GESTIÓN & SERVICIOS	ANAM	AGUAS DEL MAIPO
100%	100%	100%	100%

NON-REGULATED COMPANIES

Source: Aguas Andinas

SUSTAINABILITY

Leading Company in Emerging Markets

- Sustainability efforts strongly linked with the Company's stakeholders, **with open and permanent communication with them**
- *During 2015, the Company reported to the CDP (Carbon Disclosure Project) initiative for the first time. This was continued in 2016.*
- *Due to the Company's sustainable management, in 2015 Aguas Andinas joined the select group of Chilean companies which compose the Dow Jones Sustainability Index (DJSI) Emerging Markets and DJSI Chile*
- *In addition to this, in November of the same year, Aguas Andinas was selected as a component of the Euronext-Vigeo EM 70 Index*

Stakeholders	Key Issues
Collaborators	Career development and training; equal opportunities; good labor conditions and communication; health and safety
Clients	Quality and continuity of supply; customer service, service channels and complaints management; transparency and accuracy in billing
Shareholders	Profitability; investment stability; risk management; transparent management
Suppliers and contractors	Transparent and equal conditions; timely payments; development opportunities
Authorities	Legal Compliance; collaborative relationships; contribution to local development
Neighboring Communities	Impact management; dialogue and relationships; local development opportunities

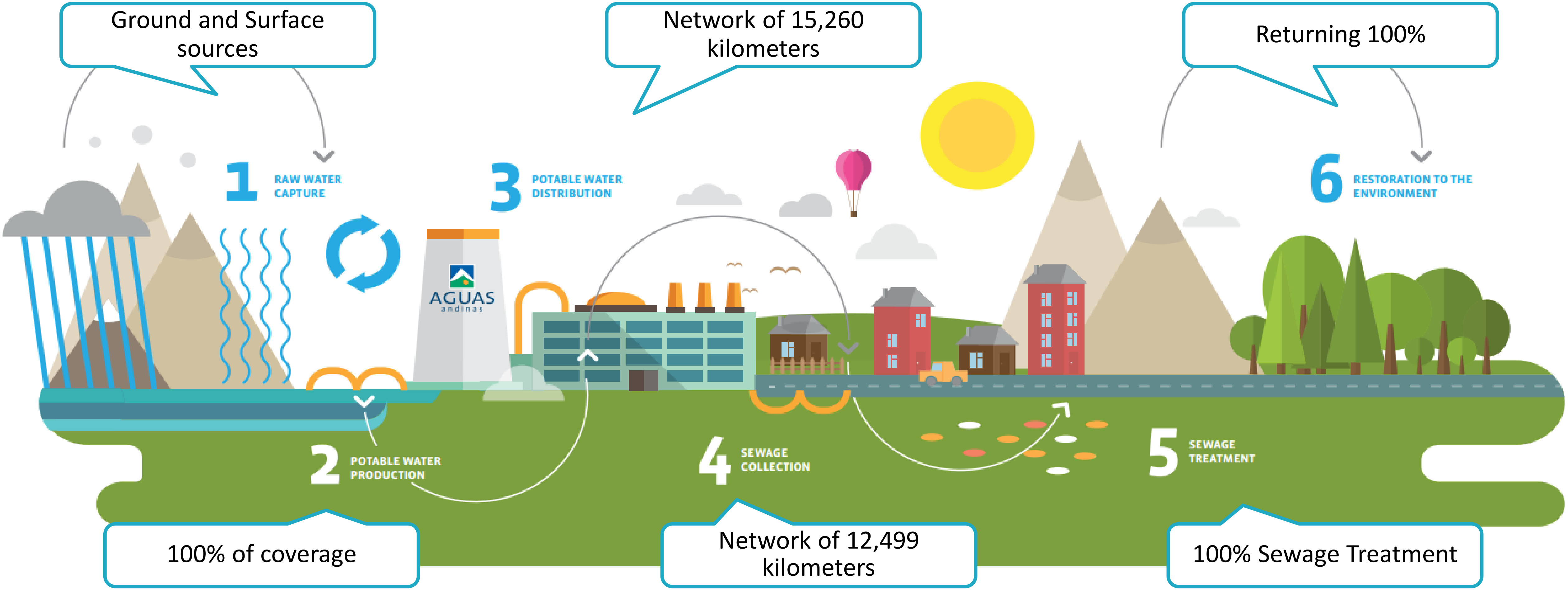
MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

EURONEXT
vigeo INDICES Emerging 70

CDP
DRIVING SUSTAINABLE ECONOMIES

INTEGRAL WATER CYCLE MANAGEMENT

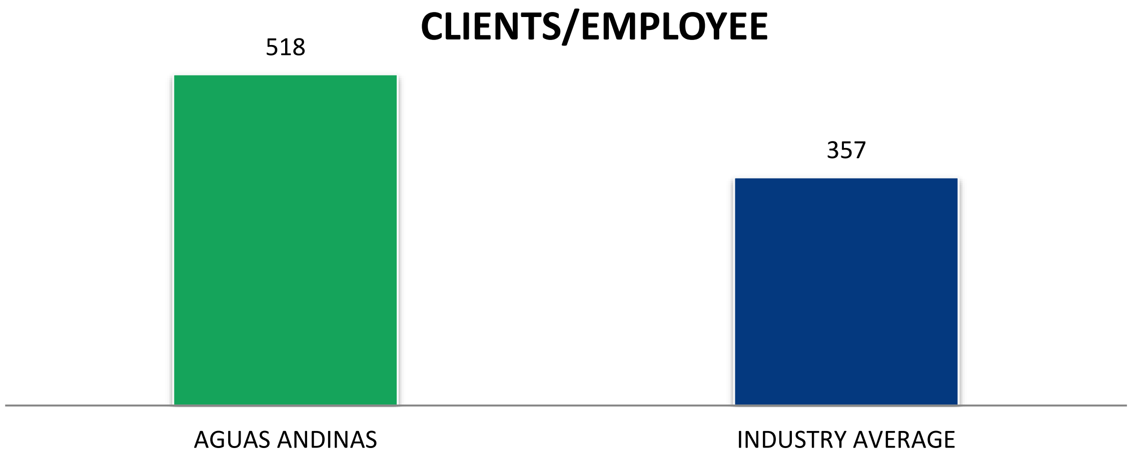
100% Coverage of Potable Water, Sewerage, and Sewage Treatment

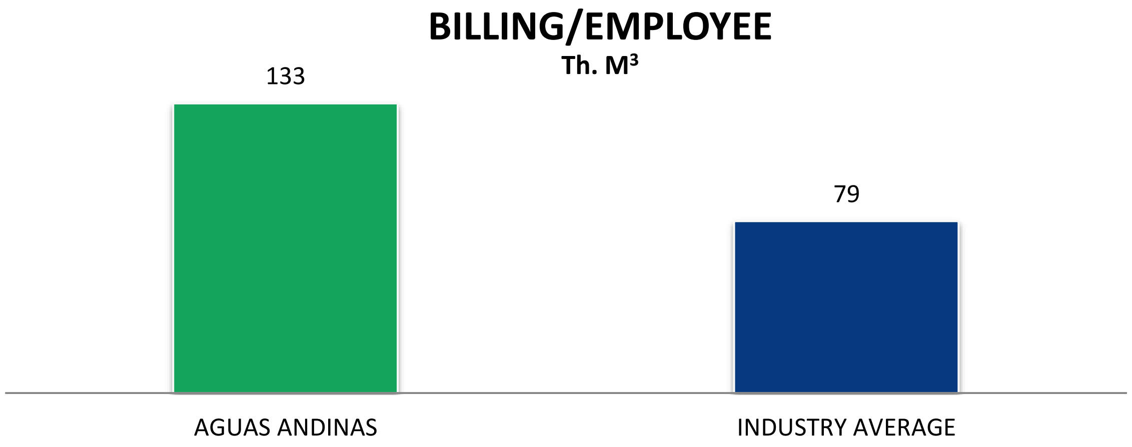


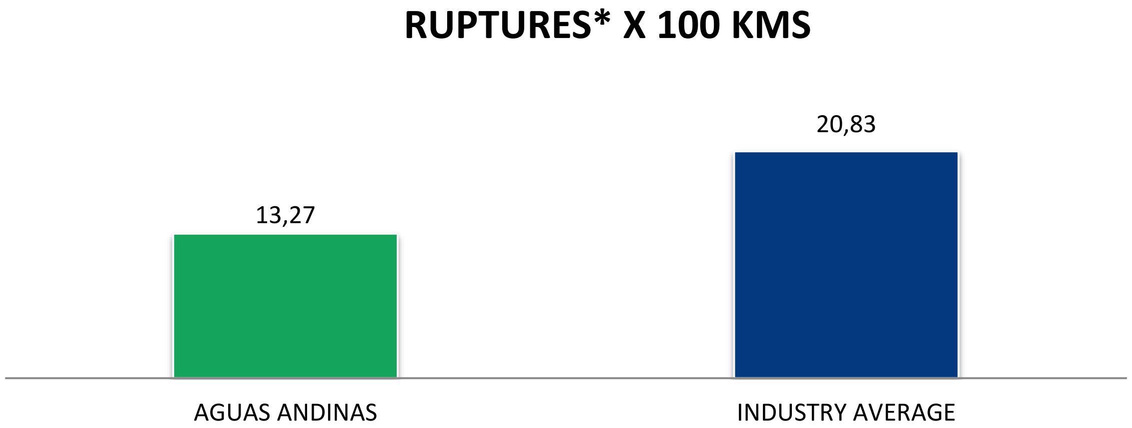
Source: SISS' 2015 Management Report and Aguas Andinas Annual Report

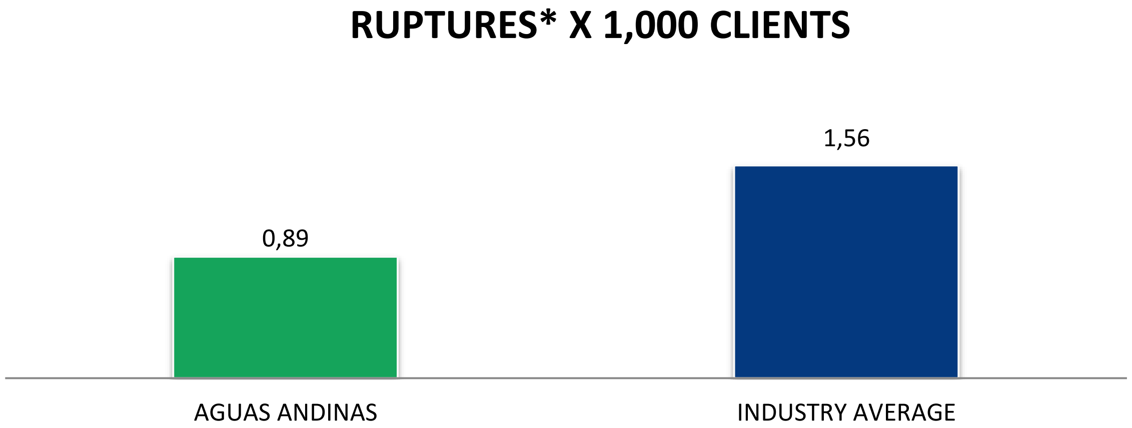
OPERATIONAL RATIOS

High Standards of Productivity and Quality of Service









Source: SISS' 2015 Management Report, Aguas Andinas includes Aguas Andinas, Aguas Manquehue, Aguas Cordillera and ESSAL (*) Ruptures in the Potable Water Network

02. OUR INDUSTRY AND REGULATORY FRAMEWORK

WATER & SEWERAGE INDUSTRY IN CHILE

An example of a successful public-private alliance

1998 BEGINNING OF THE PRIVATIZATION PROCESS

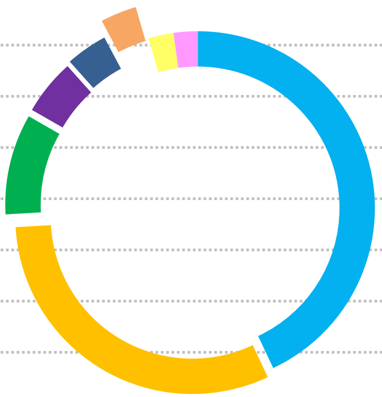
TWO CONCESSION MODELS

Indefinite concession

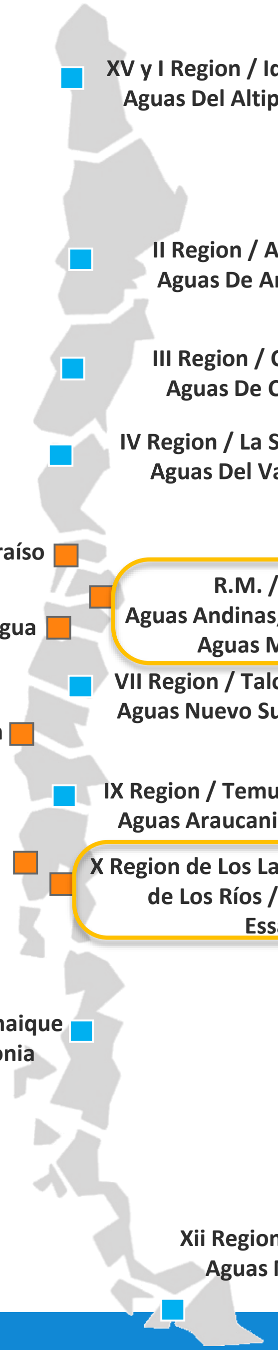
Concession for 30 years

Clients breakdown by Economic Group

AGBAR SUEZ	43.0%
ONTARIO TEACHERS PP	31.1%
MARUBENI	9.2%
INV. AGUAS RIO CLARO	5.1%
SMAPA	3.8%
EPM	3.3%
HIDROSAN-ICAFAL	2.3%
OTHERS	2.2%



96% OF CLIENTS served by a privately-held operator



Indefinite Concessions: 6

30 years Concessions: 8

HIGHLY REGULATED SANITATION INDUSTRY

Proven and Transparent Framework

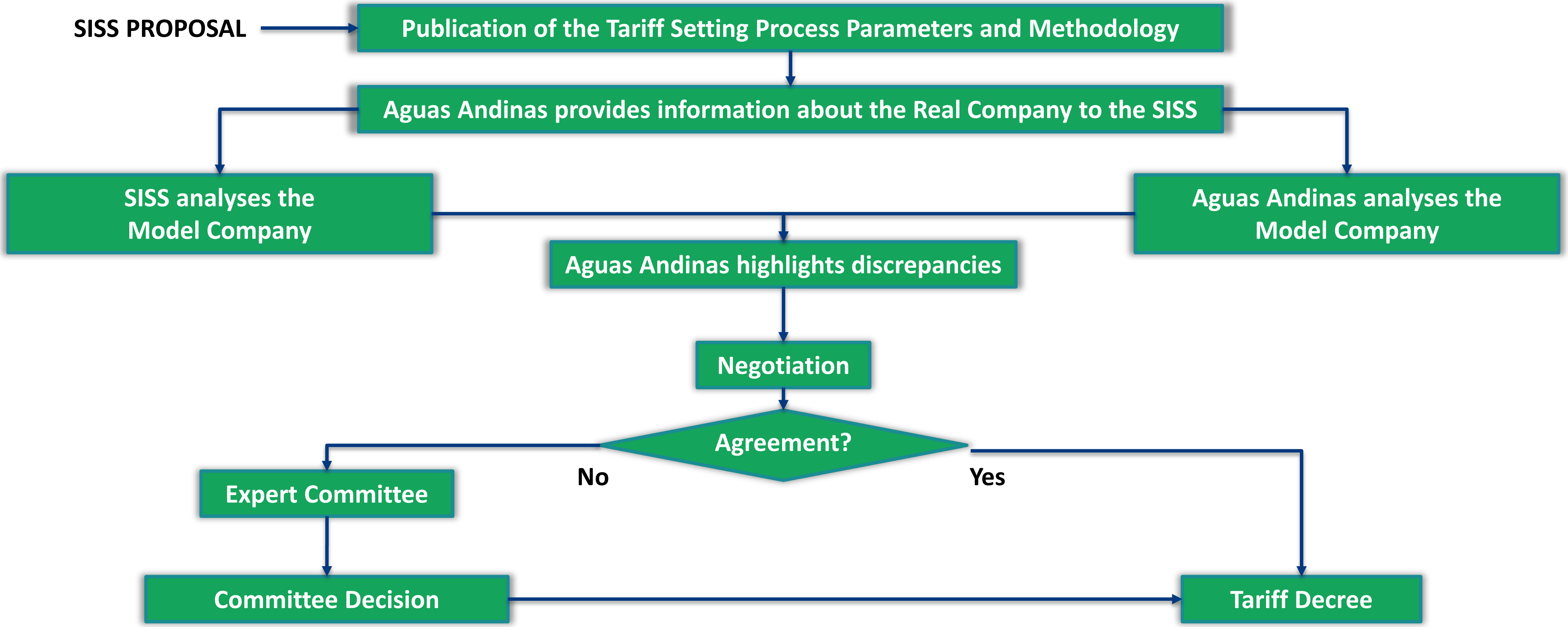
- Regulatory framework in place for more than 25 years
- Superintendence of Sanitation Services (SISS) acts as the regulator counterpart in the tariff setting process, which lasts for 1 year approximately
- Tariffs are reset every five years, based on an unbiased and technical model:
  - Based on the long term total cost of a model company
  - 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
- 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 existing technologies
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 Assets	Ability to use debt to finance Capex and enhance return on equity

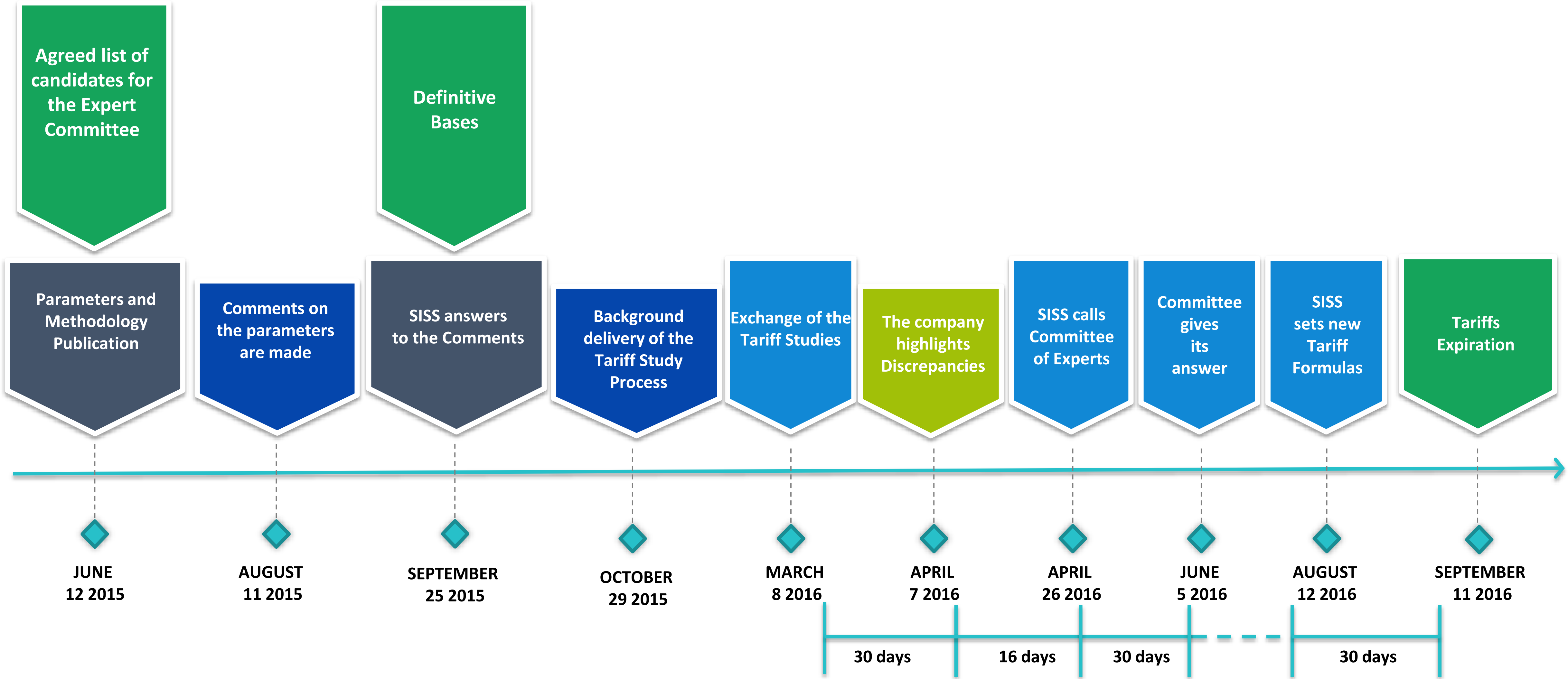
TARIFF NEGOTIATION STEPS

From General Parameters to the Model Company Size



ESSAL TARIFF-SETTING PROCESS

Technical and Negotiation Process For One Year



RESOLUTION OF SIXTH TARIFF NEGOTIATION PROCESS

An Agreement Was Reached with the SISS

Aguas Andinas and its subsidiaries Aguas Cordillera, Aguas Manquehue, and ESSAL all came to an agreement with the Superintendence of Sanitary Services (the "SISS") within the framework of the sixth tariff-setting process on the following terms:

- Maintain Aguas Andinas’ and Aguas Cordillera’s current tariffs from December 31st 2013
  - The new tariff decrees have been in application from March and July 2015 respectively
- Reduce Aguas Manquehue’s tariffs by 5% in comparison to those applicable on December 31st 2013
  - The new tariff decree has been applied from May 2015
- Maintain ESSAL’s current tariffs from December 31st 2014.
  - The tariff decree has been applied from September 11 2016
- The indexation polynomials will remain the same

RESOLUTION OF SIXTH TARIFF NEGOTIATION PROCESS

Changes In Tariffs When New Services Go Into Operation

In addition to the indexation polynomial, during the next five years, tariffs will change when new services that have previously been negotiated with the SISS enter into operation

Additional tariffs when new works come into operation:

- Aguas Andinas: Turbidity safety works: +1.1% in 2019
- Aguas Andinas: Quality improvement works WWTP Farfana + Trebal: +1.4% in 2018
- ESSAL: Safety infrastructure works (safety tanks, generators, and support equipment): +1.5% in 2017

Tariff discounts for Non-Regulated Businesses:

- Alto Maipo Project: -1.2% in 2018 (estimated)

UN RECURSO VITAL.

Una compañía que se prepara para los desafíos futuros