AGUAS ANDINAS
Corporate Presentation

FEBRUARY 2017

01. OUR COMPANY

AGUAS ANDINAS

Chile's Largest Sanitation Company

100% coverage in potable water and sewage treatment

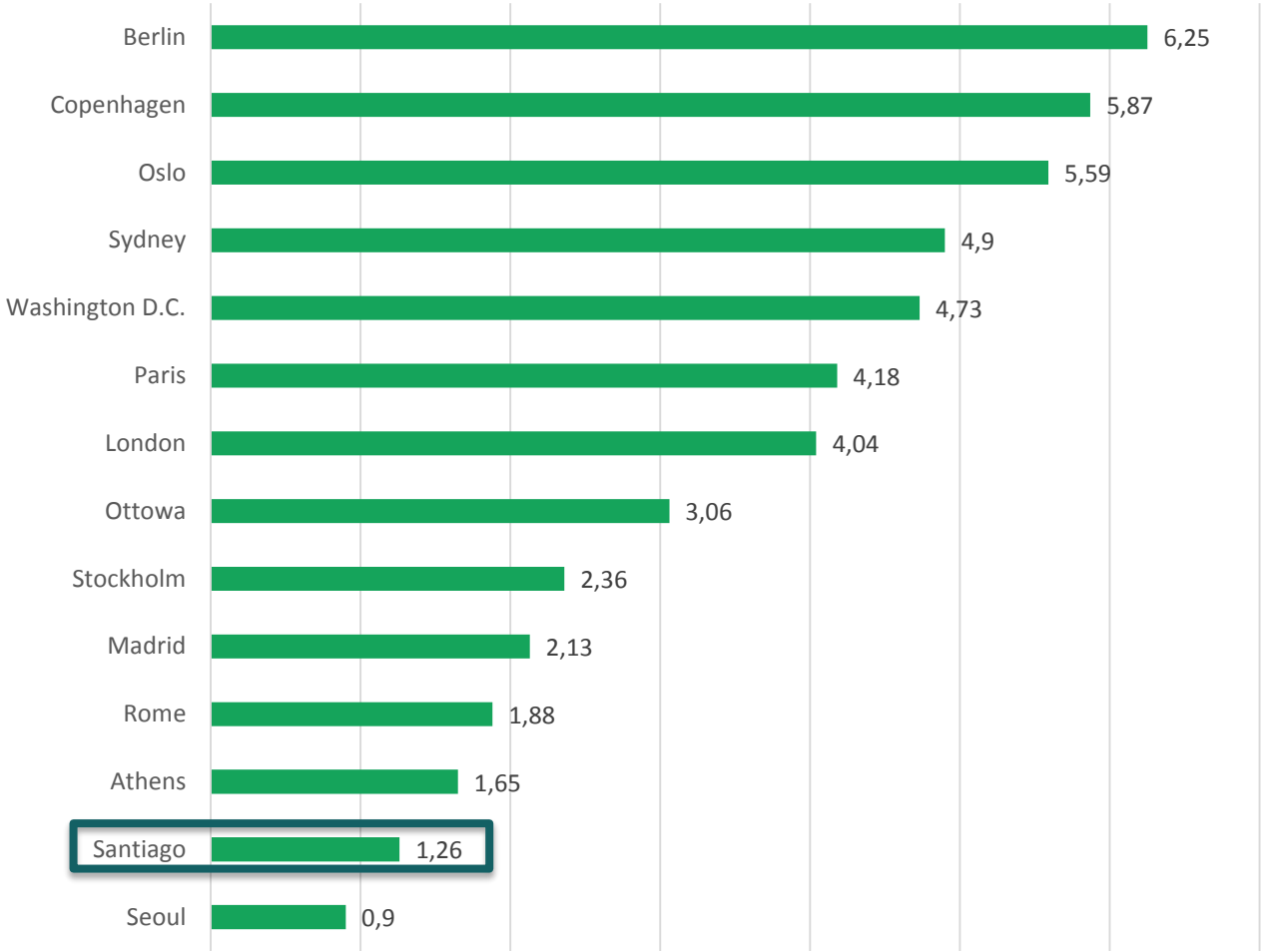
2,199,208 clients Representing 43% of the clients in the industry

50% of potable water billed in the industry

One of the lowest tariffs in Chile

TARIFFS

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

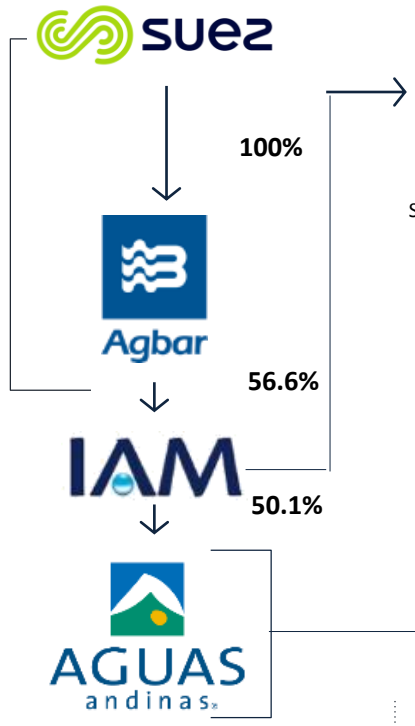


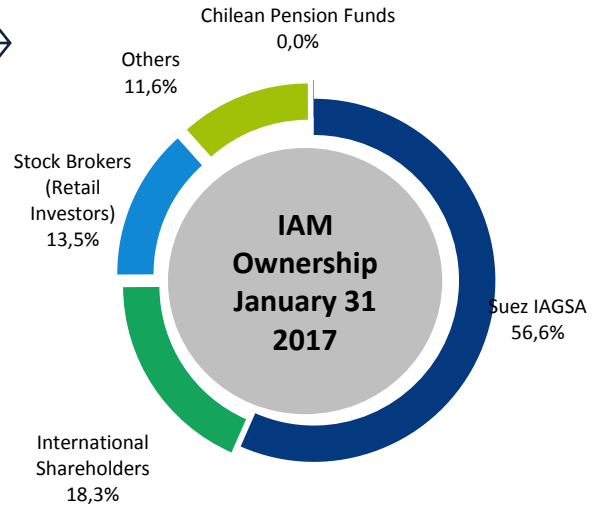
Source: SISS' 2015 Management Report

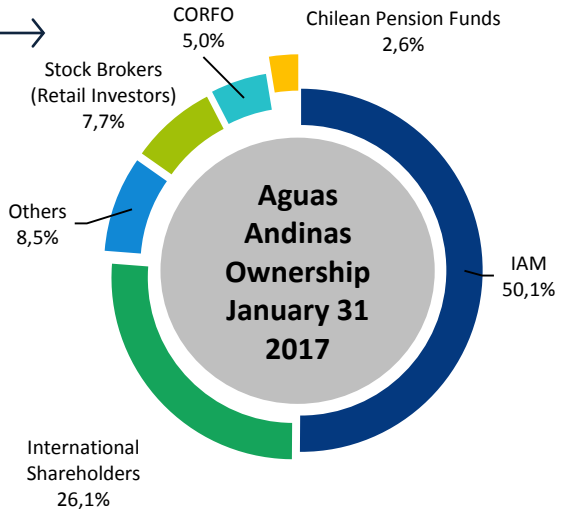
CORPORATE STRUCTURE

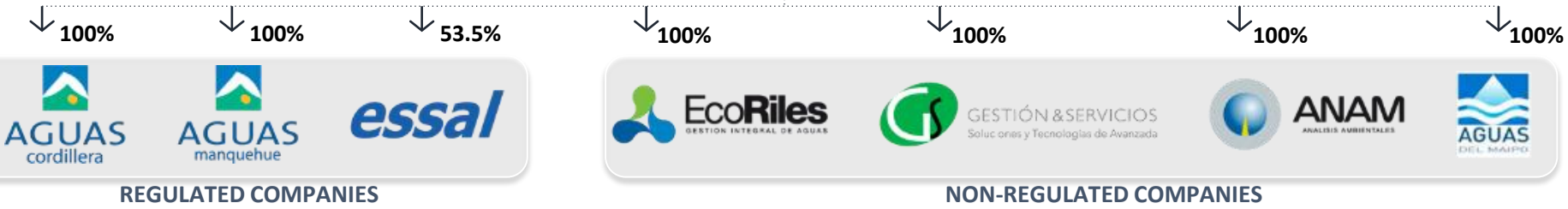
World Class Controlling Shareholders

- **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









REGULATED COMPANIES

NON-REGULATED COMPANIES

Source: Aguas Andinas

SUSTAINABILITY

Leading Company in Emerging Markets

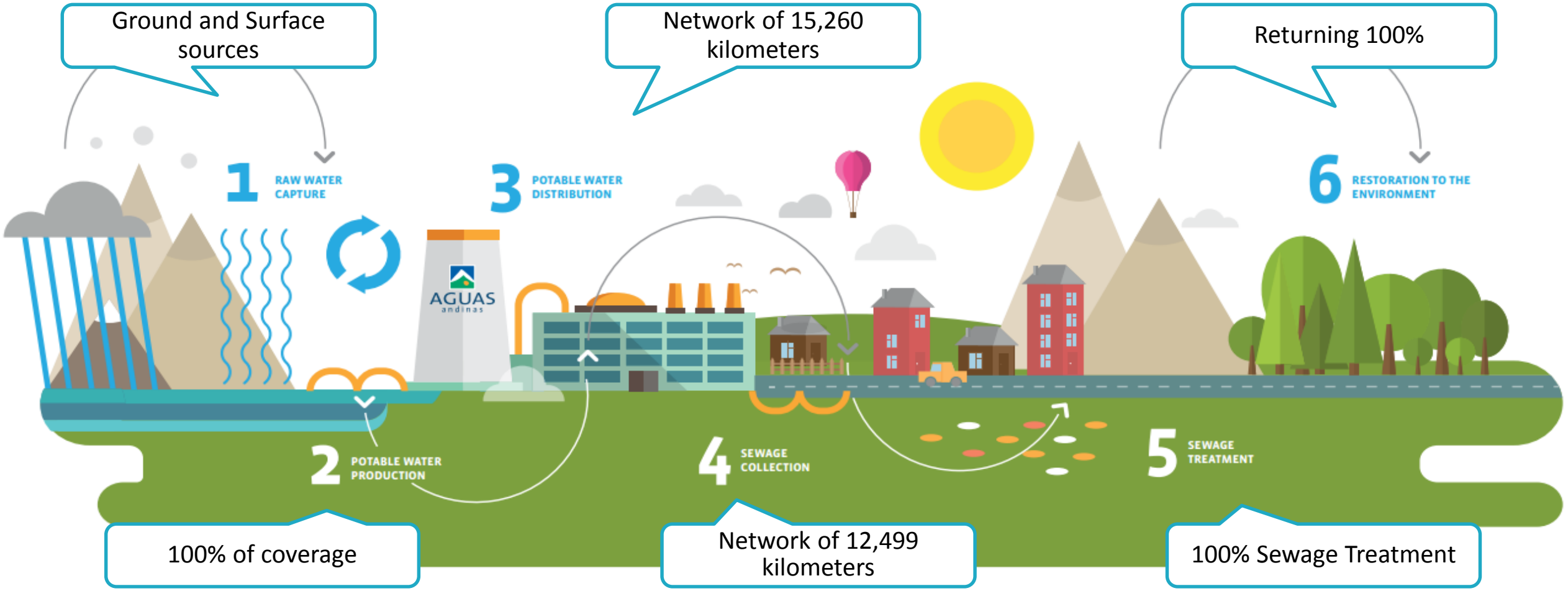
- Sustainability efforts strongly linked with the Company's stakeholders, **with open and permanent communication with them**
- *During 2015, the Company reported to the CDP (Carbon Disclosure Project) initiative for the first time. This was continued in 2016.*
- *Due to the Company's sustainable management, 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

5

INTEGRAL WATER CYCLE MANAGEMENT

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

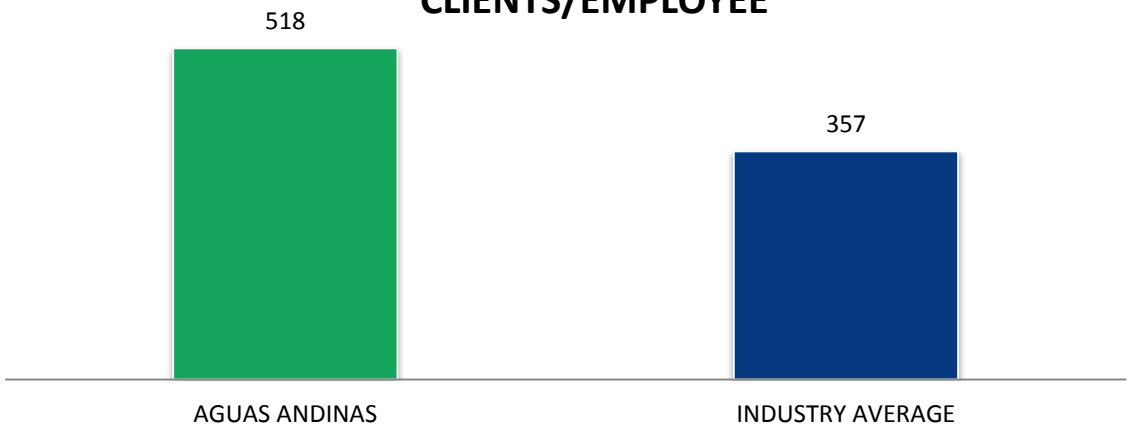


Source: SISS' 2015 Management Report and Aguas Andinas Annual Report

OPERATIONAL RATIOS

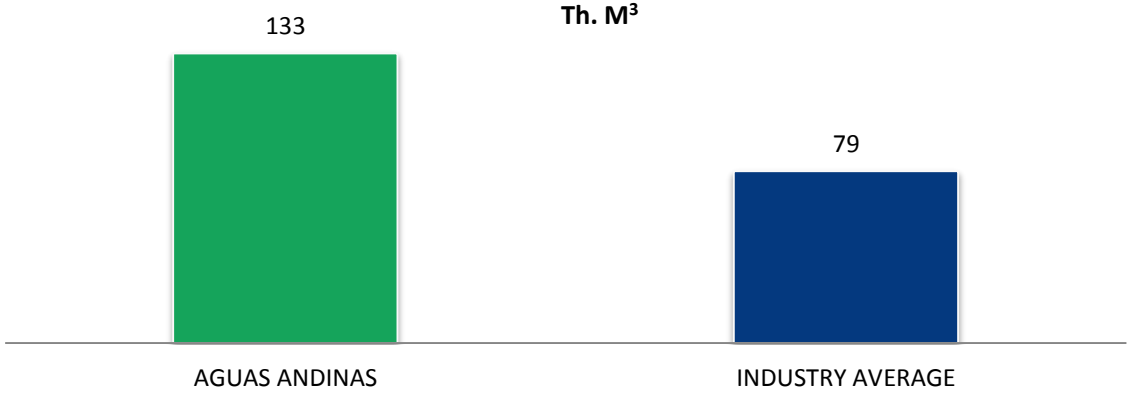
High Standards of Productivity and Quality of Service

CLIENTS/EMPLOYEE



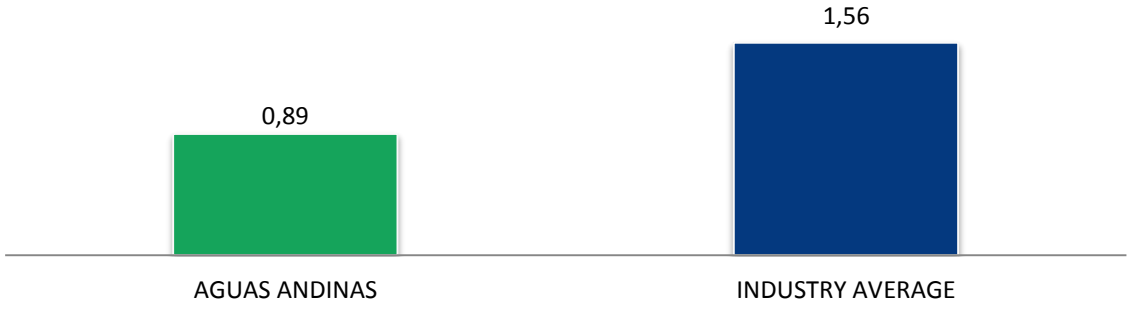
BILLING/EMPLOYEE

Th. M³



RUPTURES* X 100 KMS

RUPTURES* X 1,000 CLIENTS



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

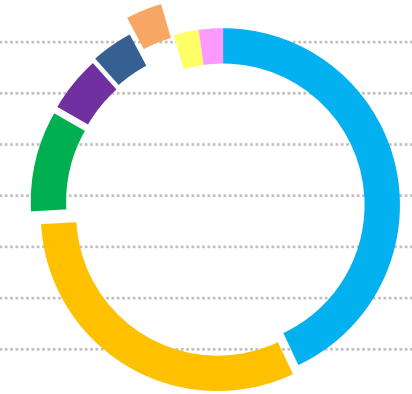
TWO CONCESSION MODELS

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

Source: SISS' 2015 Management Report

HIGHLY REGULATED SANITATION INDUSTRY

Proven and Transparent Framework

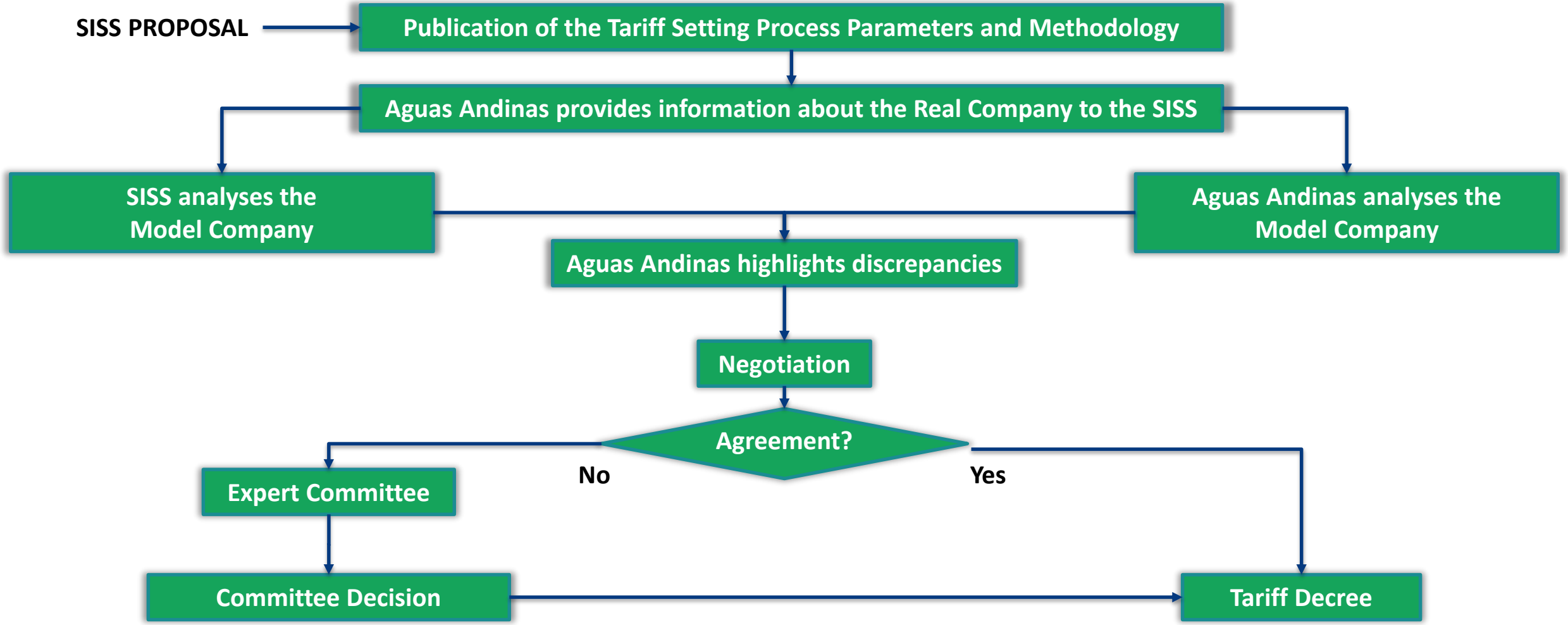
- Regulatory framework in place for more than 25 years
- Superintendence of Sanitation Services (SISS) acts as the regulator counterpart in the tariff setting process, which lasts for 1 year approximately
- Tariffs are reset every five years, based on an unbiased and technical model:
  - Based on the 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

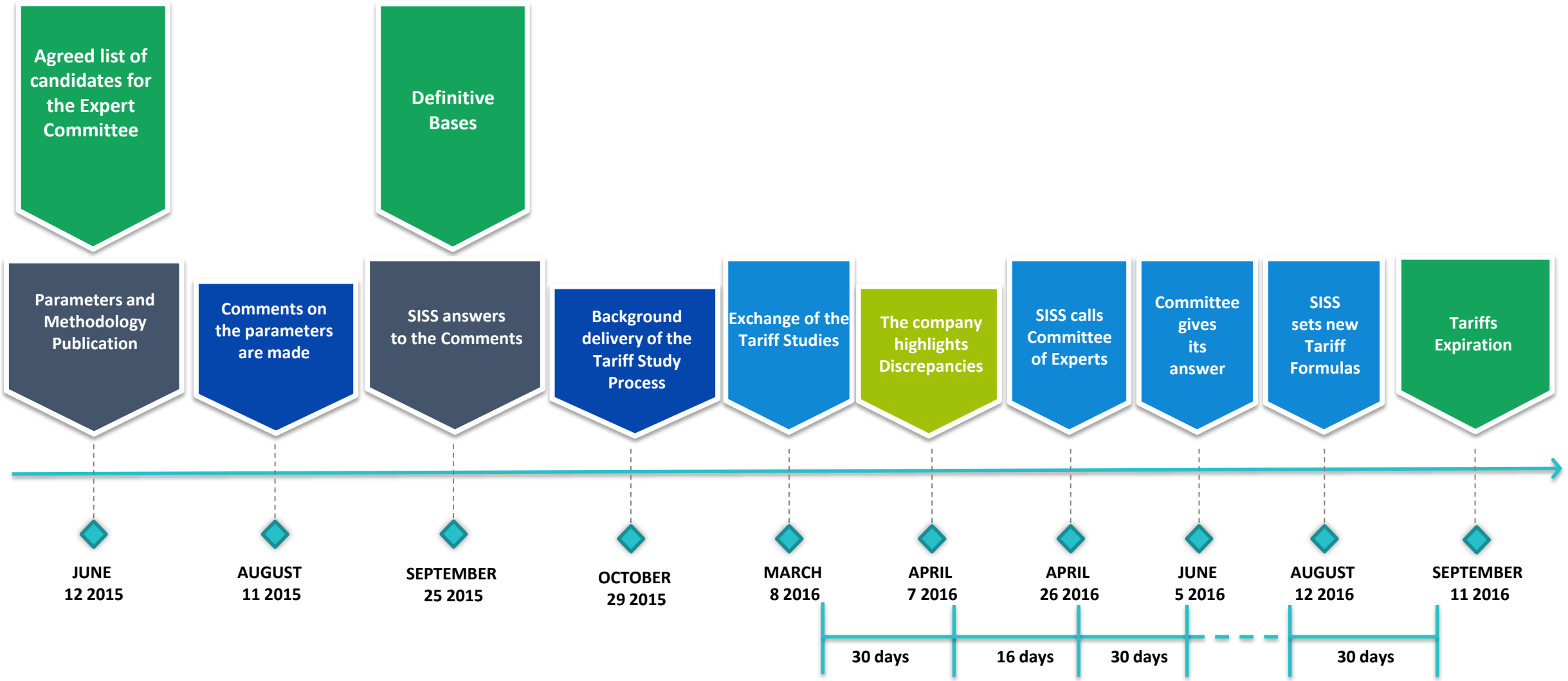
TARIFF NEGOTIATION STEPS

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)

03. INVESTMENTS

2015 -2020 INVESTMENTS

Ensuring the Continuity of Service

Investment plan of USD$ 830 MILLION

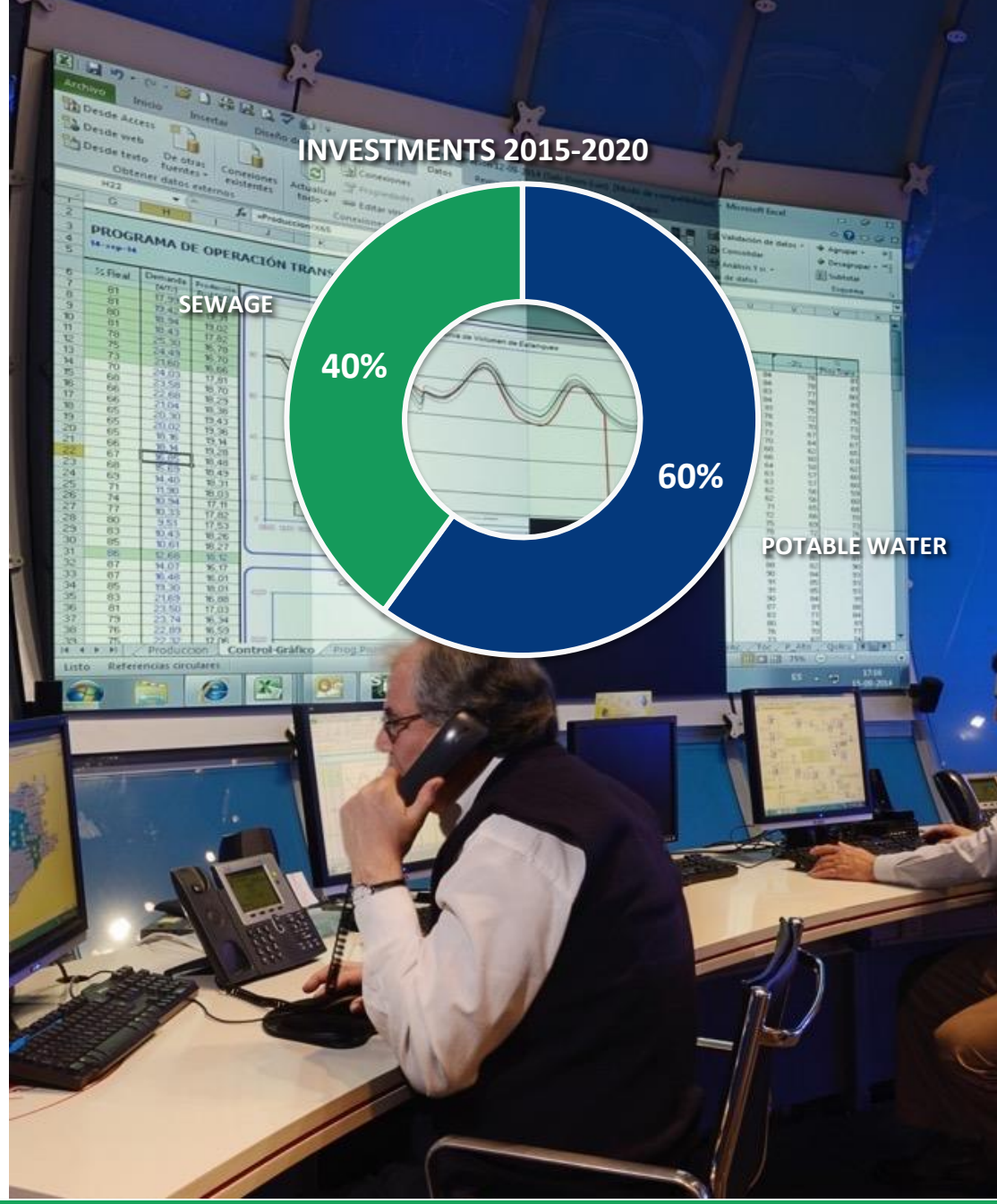
2015-2020 MAIN PROJECTS

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

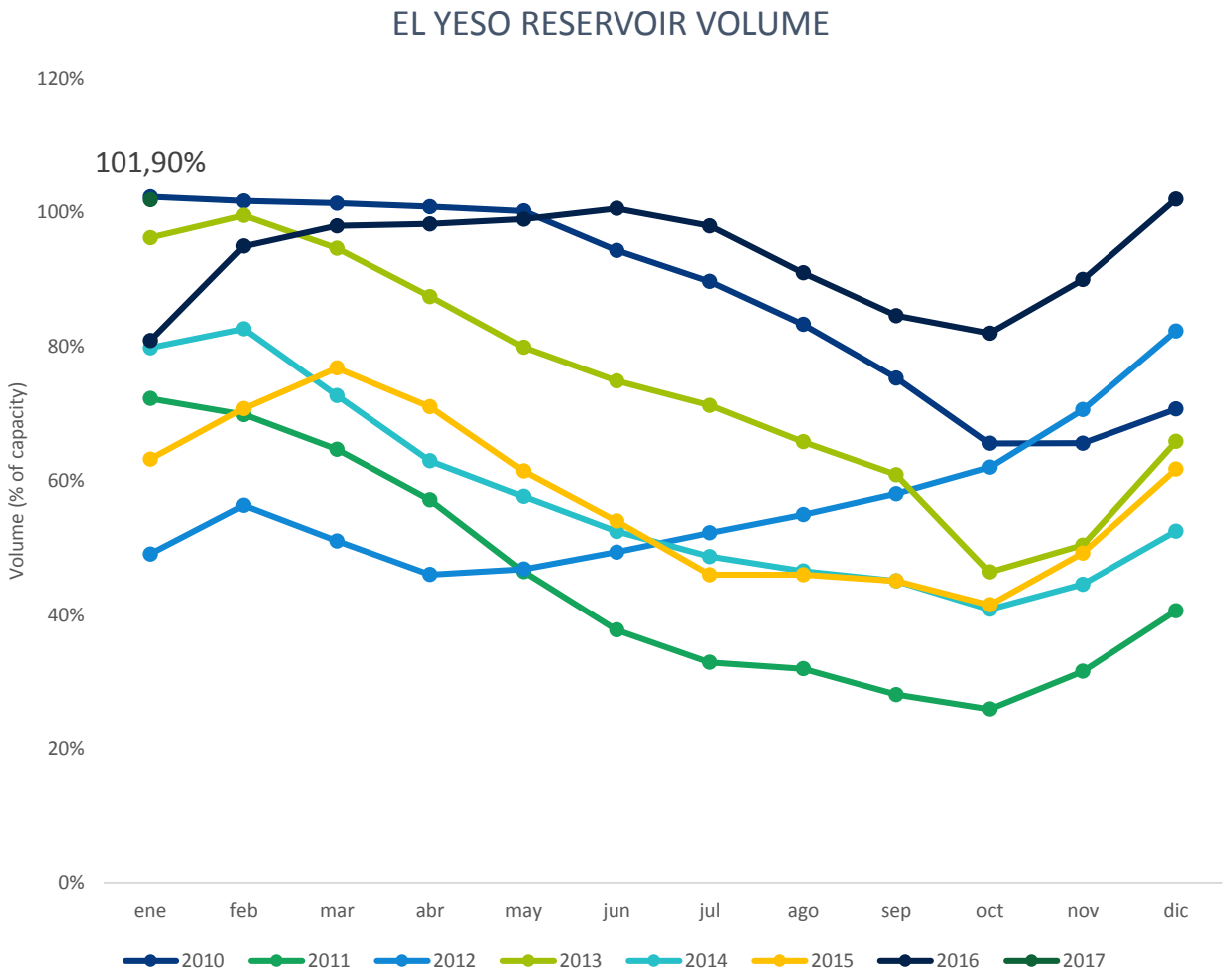
Initiation of the Drought and Climate Change Plan 2015-2030

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 has been adquired
  - Environmental Impact Studies have been presented and are pending approval
  - The Citizen Participation Process has been conducted in adavance and is in progress.

IMPROVEMENTS IN AGUAS ANDINAS CRISIS MANAGEMENT

✓ Improvements in the definition of functions and people and system management.
✓ Improvements in the follow through of critical activities after an incident.

Incident Response Structure

✓ *Improvements in the integral response to massive cuts.*
✓ *Improvements in operational, communications, and client management.*

Continuity Plan for Massive Emergency Water Cuts

✓ *Improvement of communication Relationships with the authority through a single cannel.*
✓ *Frees operational areas from conducting communication endeavors .*

External Supervision Protocol

2017 EXPANSION OF MAPOCHO TREATMENT PLANT

Fourth Stage of the Mapocho-Trebal Plant

- Project to be completed in 2017
- Will increase 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.
- Currently in trial mode.

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

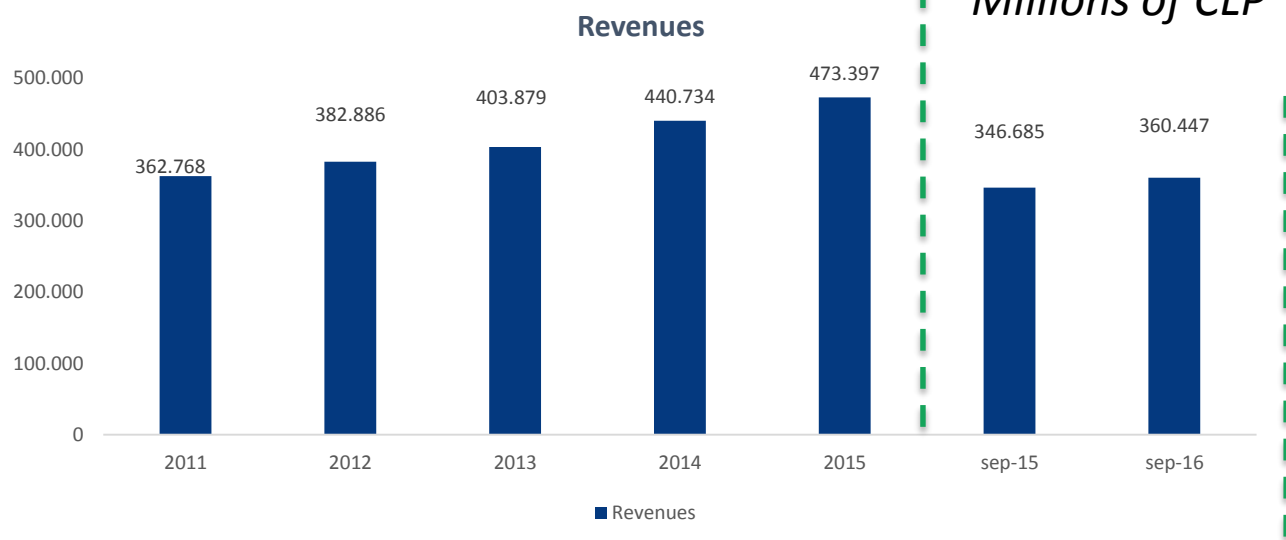
04. FINANCIAL INFORMATION

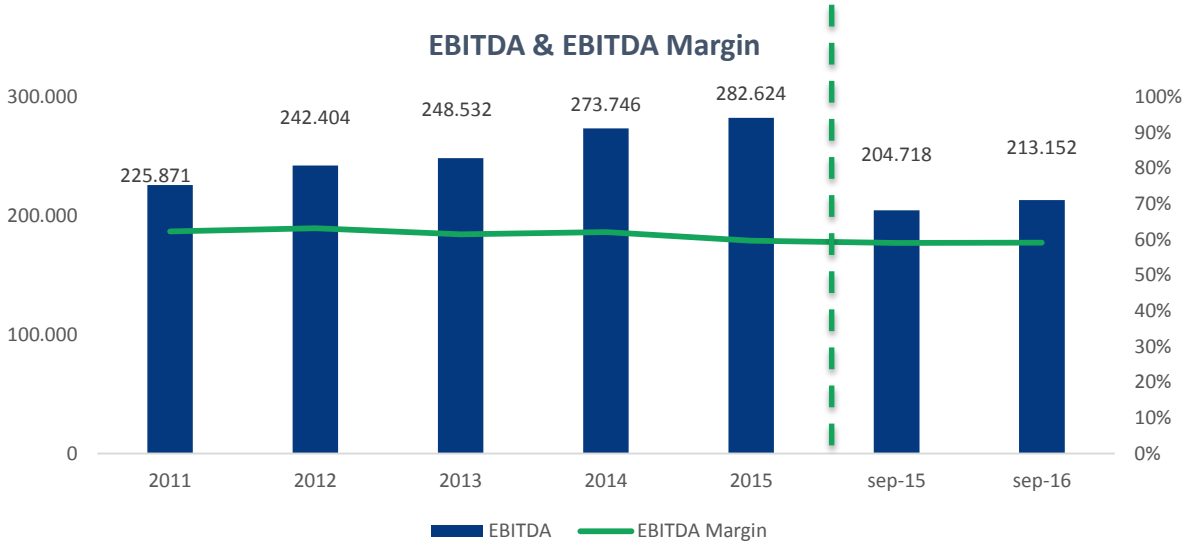
FINANCIAL PERFORMANCE – SEPTEMBER 30 2016

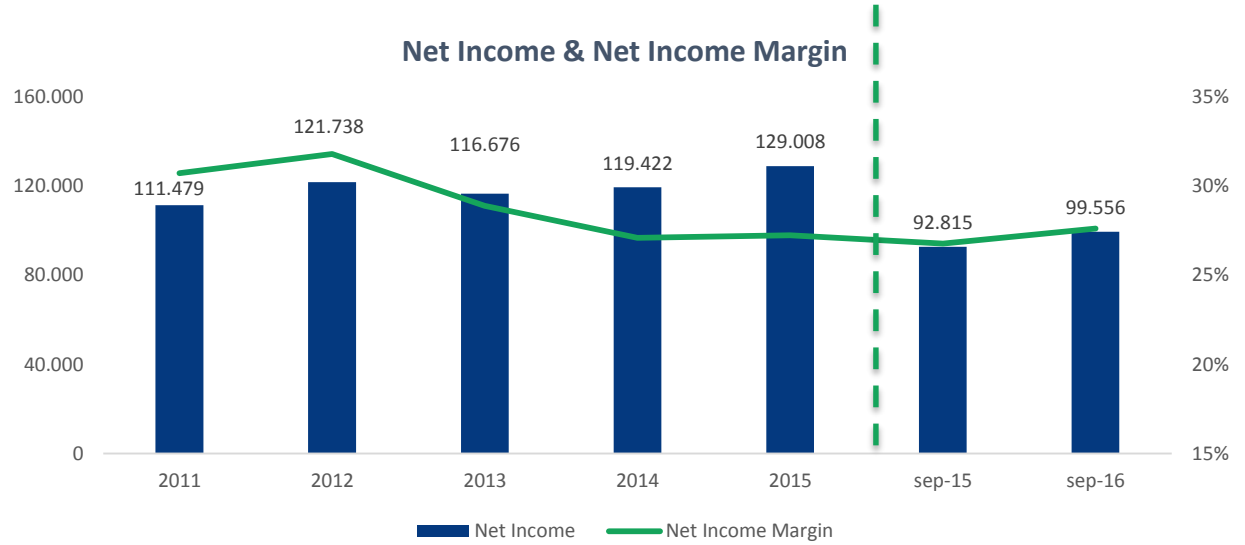
Revenue CAGR of 7% and EBITDA CAGR of 6% over the 2011-2015 period

Dividend Policy (Since 2000): 100%

Millions of CLP



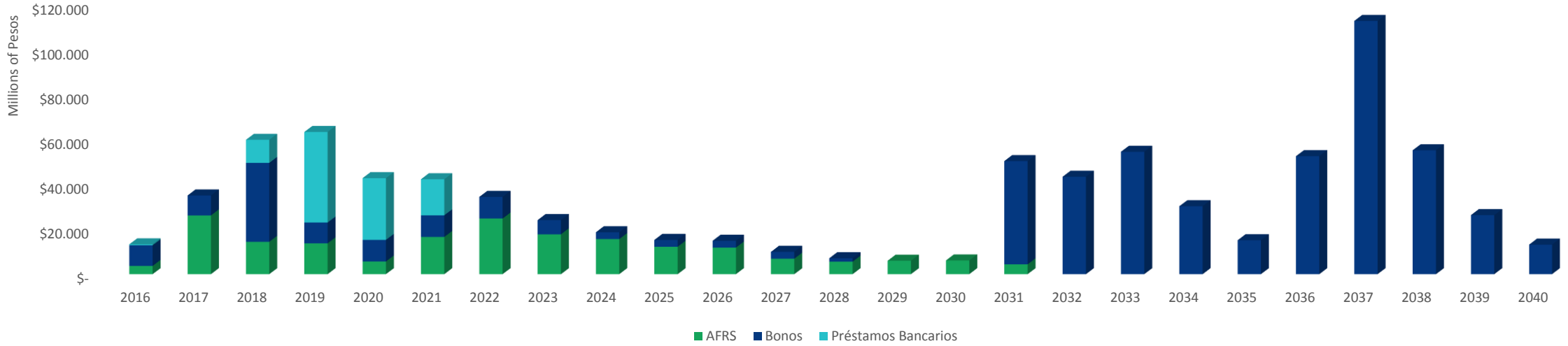




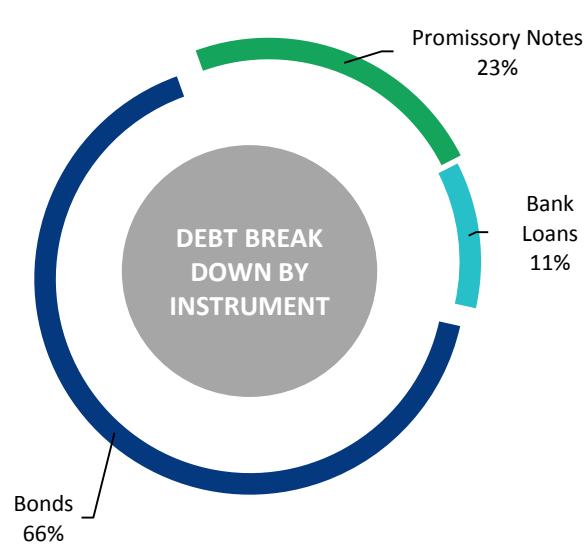
Source: Aguas Andinas

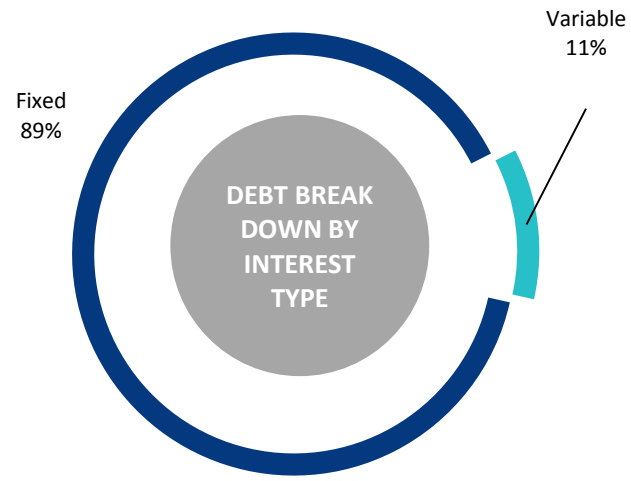
DEBT STRUCTURE AS OF SEPTEMBER 30 2016

Maintaining a Debt Profile Distributed Through Time



- Leverage: **1.47x** Limit: **1.89**
- Coverage of Financial Expenses: **7.53x**
- Local Credit Rating: **AA+**
- Total Net Financial Debt: **CLP** 844,073 million
- Net Debt / EBITDA* Ratio: **2.90X**





Source: Aguas Andinas, (*) LTM EBITDA

UN RECURSO VITAL.

Una compañía que se prepara para los desafíos futuros