



Corporate Presentation

September 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%**



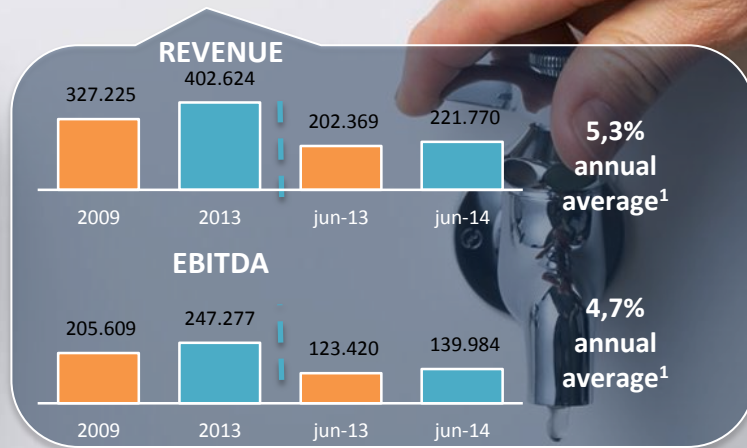
Stable demand



Exclusive, high-quality water resources that do not expire



FINANCIAL HIGHLIGHTS (millions of pesos)



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

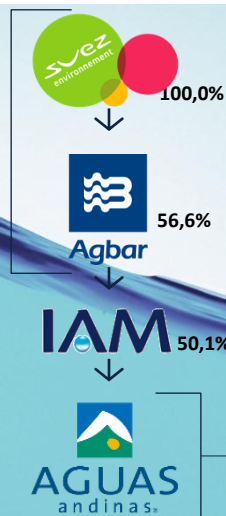
(2) Marketshare estimated according to SIIS' Informe de Gestión 2013



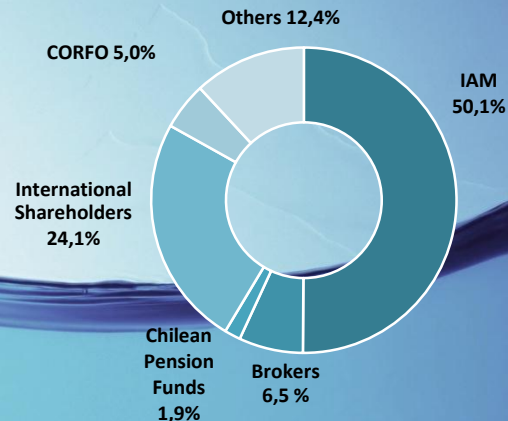
CORPORATE STRUCTURE

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 SEPTEMBER 30 2014



REGULATED COMPANIES



NON-REGULATED COMPANIES

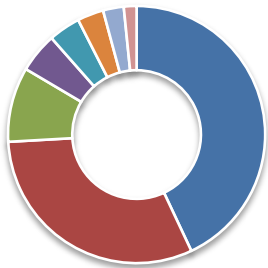




CONSOLIDATED INDUSTRY

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%
■ OTHERS	2%

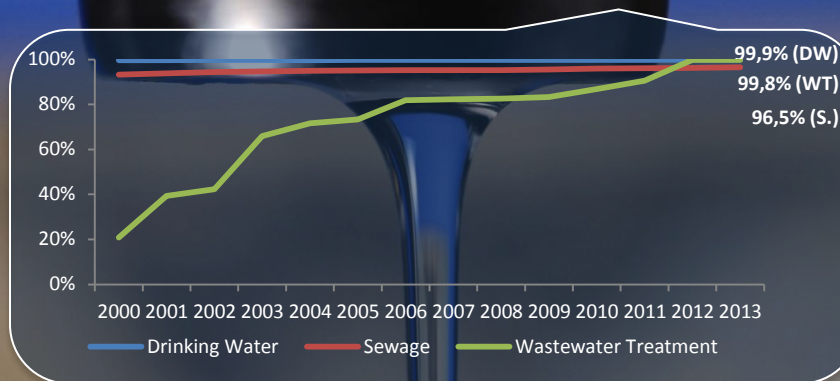


Currently, **95.7%** of the population is served by a privately-held operator.

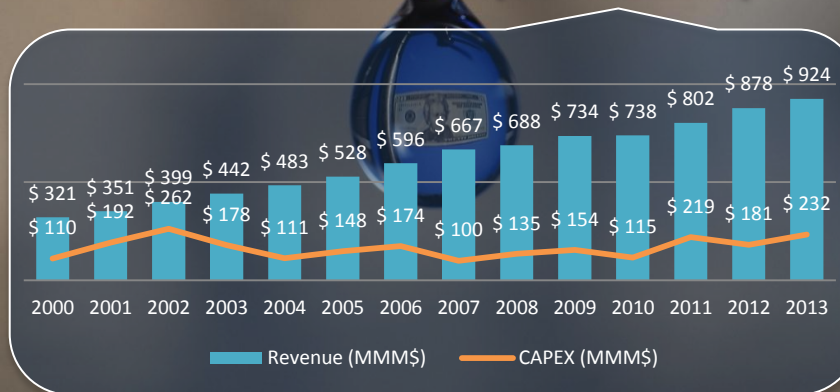


*Market share based on number of clients. Source: Informe de Gestión 2013 de SISS.

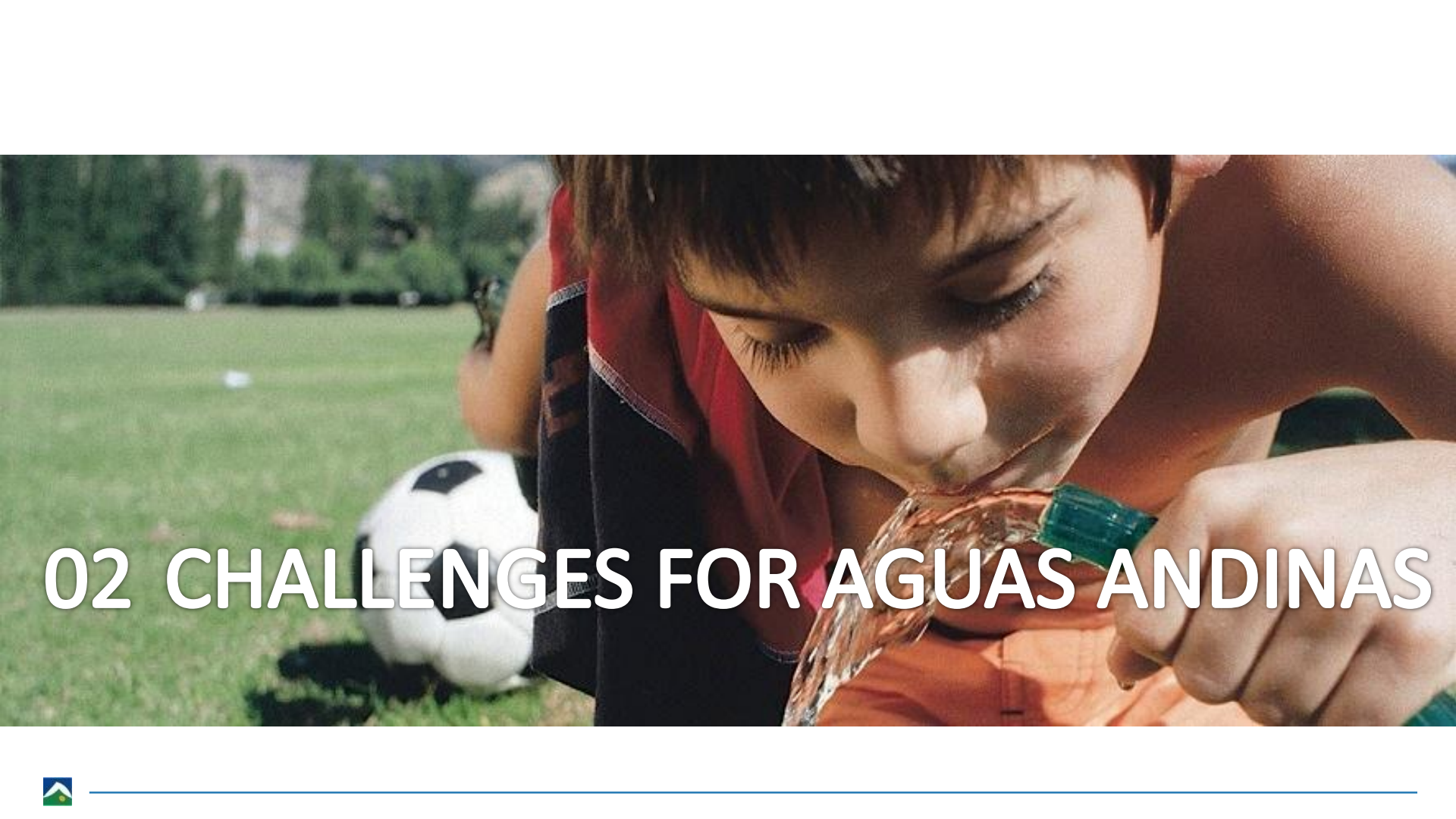
INDUSTRY COVERAGE RATIOS**



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



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

A close-up photograph of a young boy with brown hair, wearing a red and black striped shirt, drinking water from a clear plastic bottle with a green cap. He is outdoors on a green grassy field. In the background, a white and black soccer ball is visible on the grass. The text "02 CHALLENGES FOR AGUAS ANDINAS" is overlaid in white, bold, sans-serif font across the middle of the image.

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 m³
- 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)

COMMITTED INVESTMENT PLAN WITH THE SISS FOR 2013-2023(USD MILLIONS)



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.

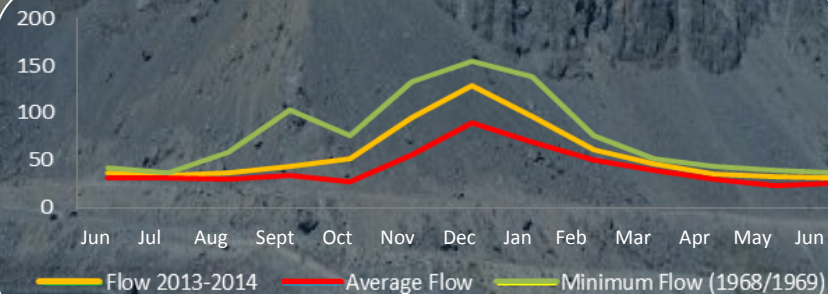


MAIN INITIATIVES:

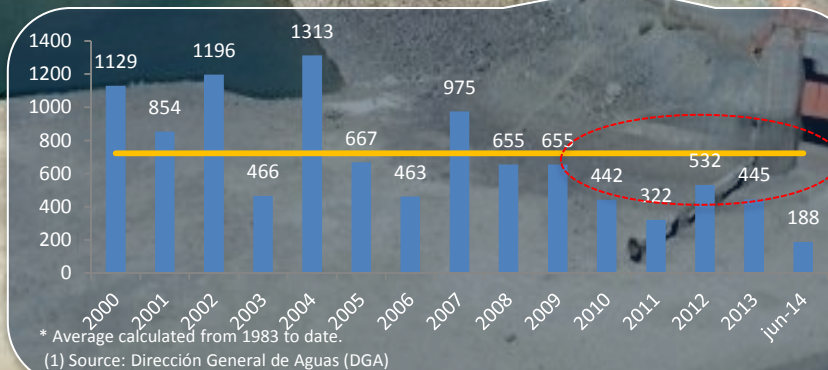
- New capacity in wells
- Purchase of raw water
- Renting of water rights
- Agreements with other users of the river
- Monitoring and control of illegal water usage/extraction



FLOW OF THE MAIPO RIVER (M³/S)



WATERFALL AT EMBALSE EL YESO (mm)⁽¹⁾

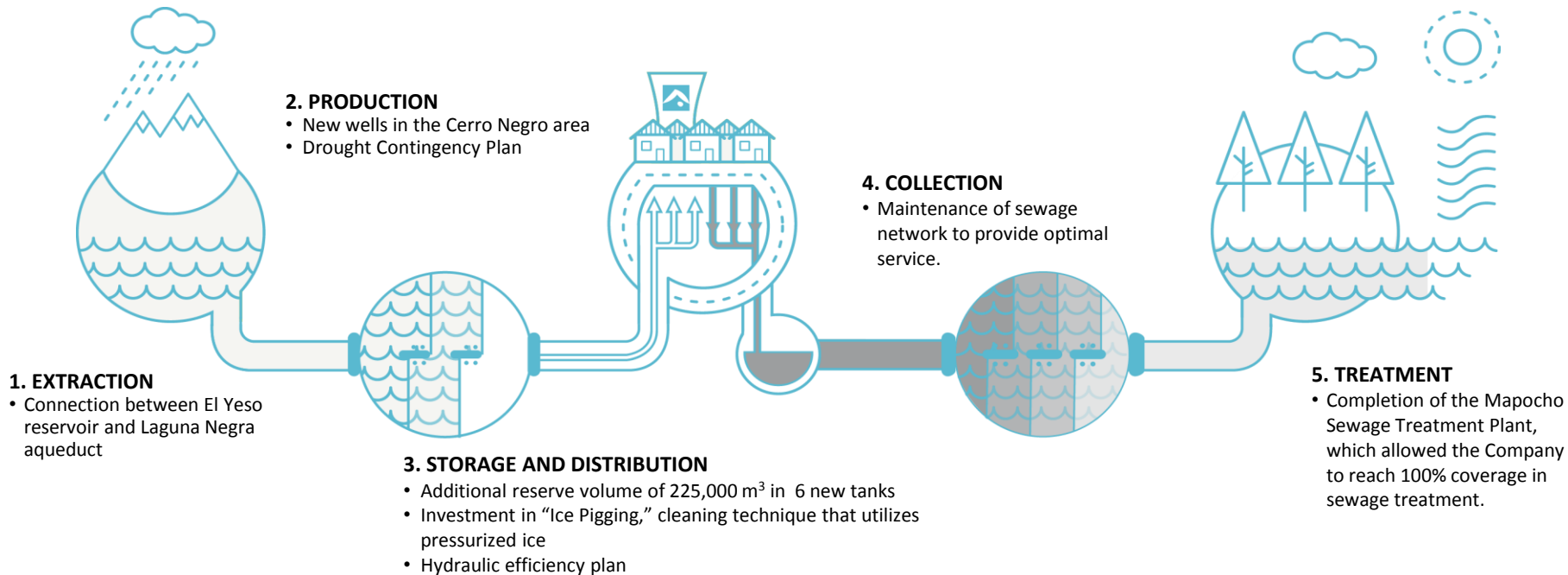


El Yeso Reservoir June 2014- Aproximately 47,54% of Capacity



SERVICE CONTINUITY

Operating Highlights 2012-2013



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

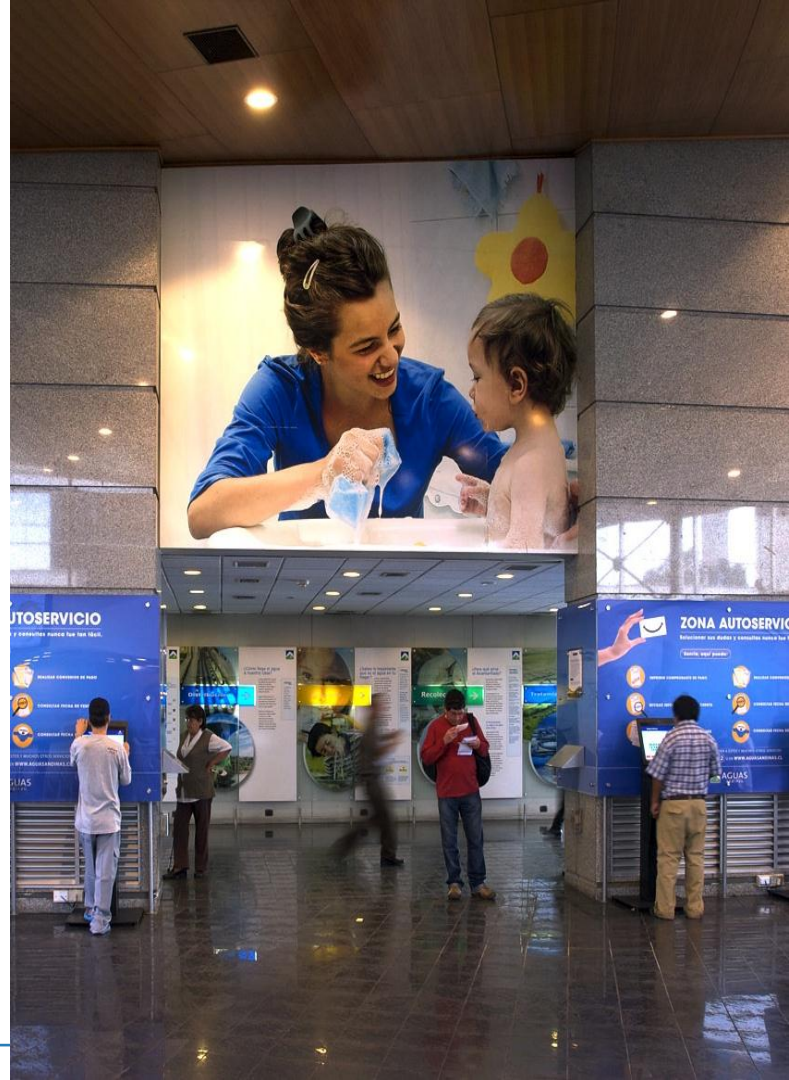
AquaCIS Implementation of AquaCIS, new billing tool that will allow us to further strengthen our commitment to serving clients



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.

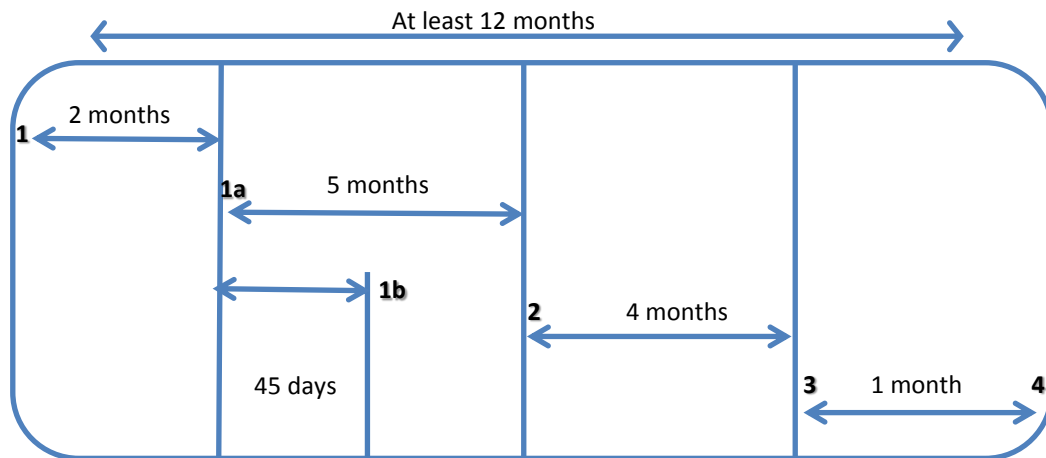
MODEL COMPANY vs. REAL COMPANY

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



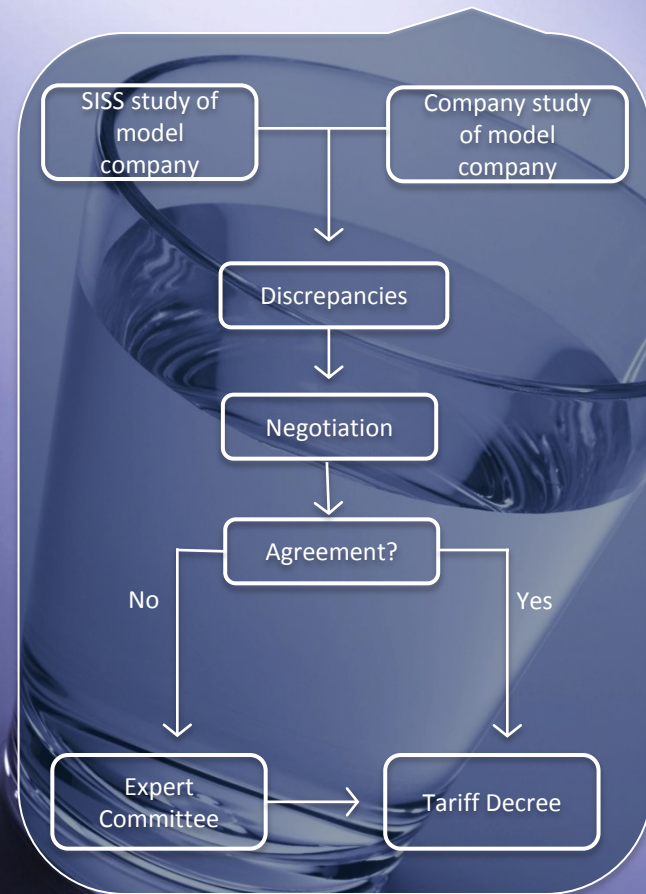
SIXTH TARIFF NEGOTIATION PROCESS

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

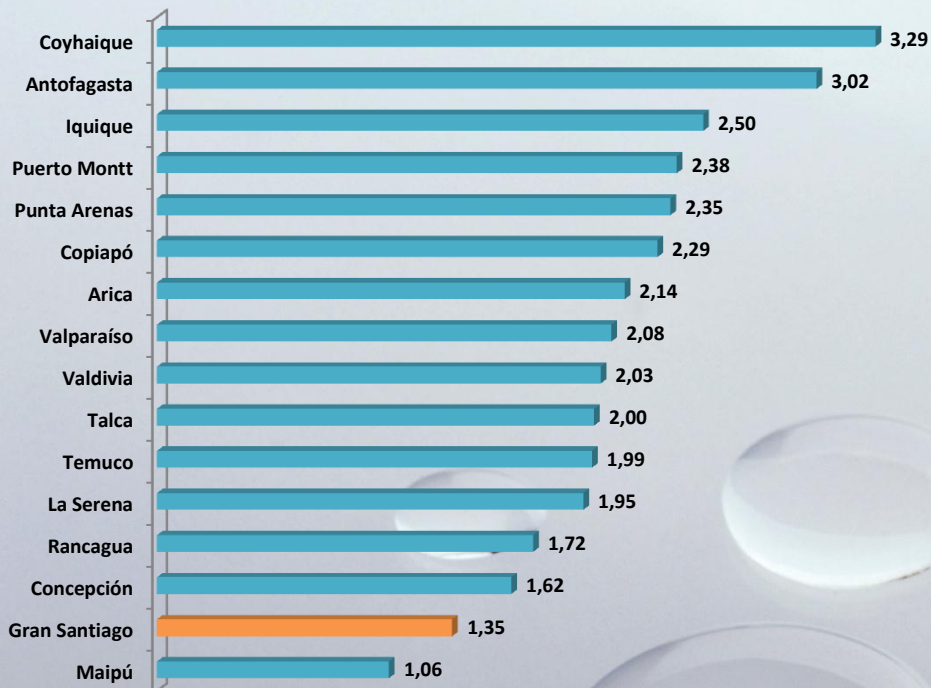
Mechanism for Tariff Negotiation Process





TARIFF BENCHMARKS

TARIFFS PER CUBIC METER (WATER AND SEWAGE) US\$/M³

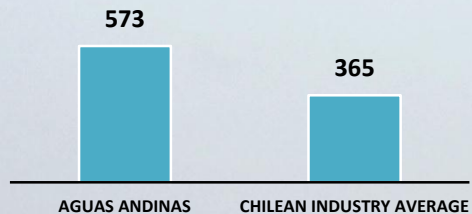


Source: Informe de Gestión 2013 de SISS. Tariffs to December 2013 considering US \$1= \$523,76 *Santiago includes the average tariff for the city



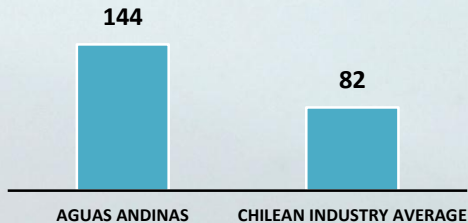
PRODUCTIVITY/QUALITY OF SERVICE

CLIENTS/EMPLOYEES

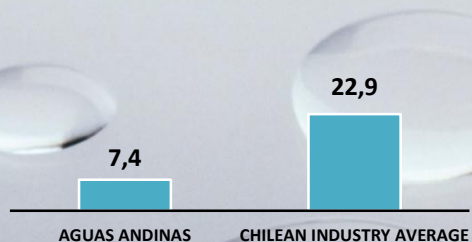


BILLING/EMPLOYEES

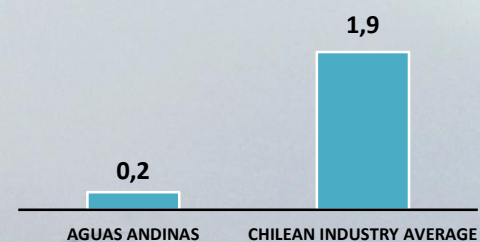
Th. M³



RUPTURES X 100 KMS.



RUPTURES X 1.000 CLIENTES



A photograph of three children playing outdoors in a grassy area. A girl in the center, wearing a white tank top with a blue heart and leaf design, is pouring water from a blue watering can into a yellow cup. A boy on the left, wearing a blue polo shirt, is looking down at the cup. A boy on the right, wearing a green and white shirt, is also looking down. The background is a bright, sunny outdoor setting with green grass and trees.

03 FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE AS OF JUNE 2014

Millions of CLP

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

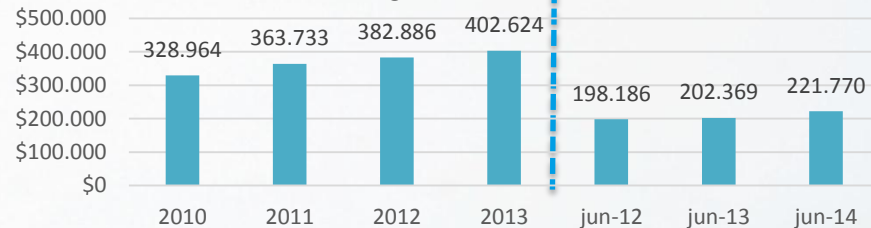


- Coverage of Financial Expenses= 6,22 (June 14)
- Leverage = 1.33x (June 14)

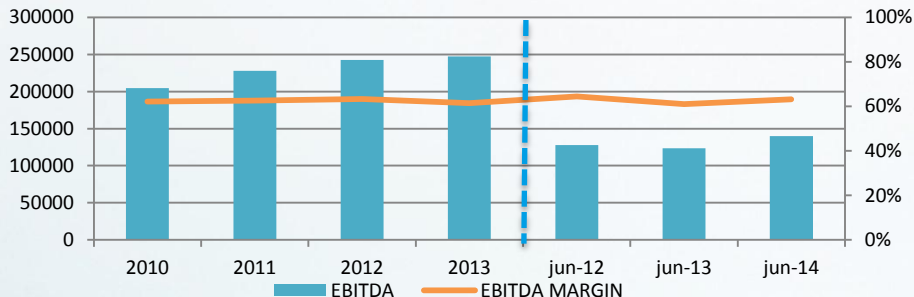


Dividend Policy: 100%

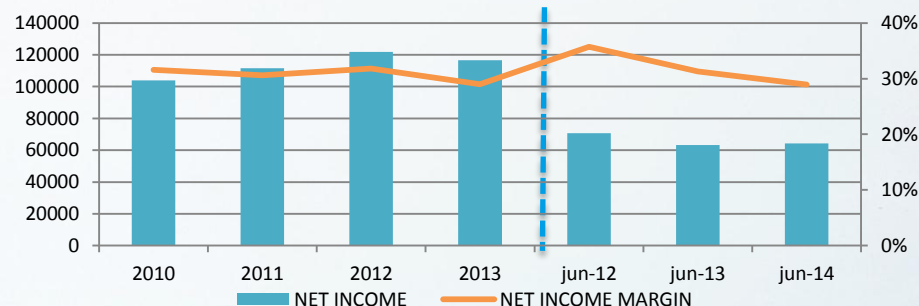
REVENUE



EBITDA & EBITDA MARGIN

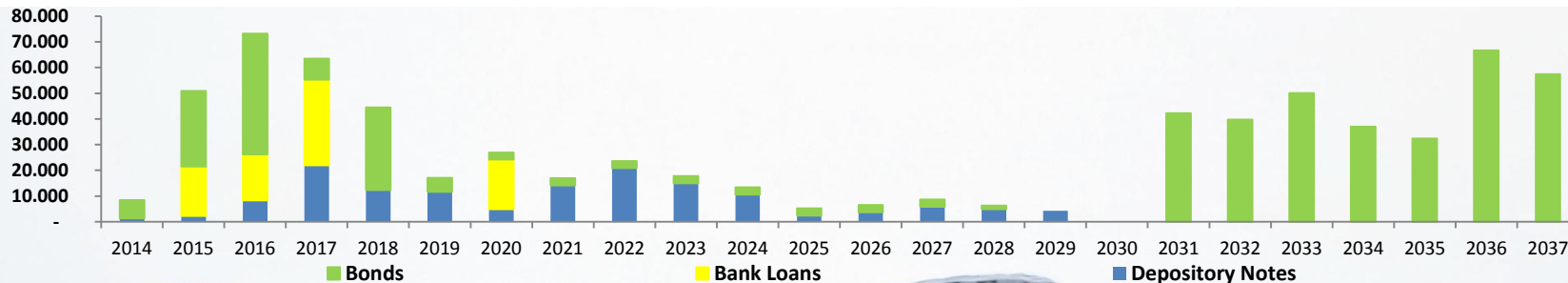


NET INCOME & NET INCOME MARGIN





DEBT STRUCTURE AS OF JUNE 30 2014



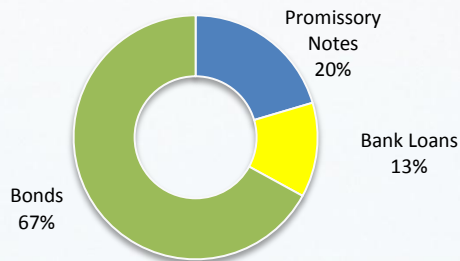
AA+

Local credit rating

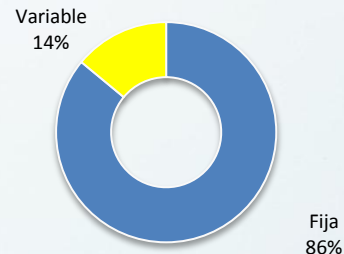


Total Financial Debt: CLP\$
719,636 million

DEBT BREAKDOWN BY INSTRUMENT (JUNE 2014)



DEBT BREAKDOWN BY INTEREST TYPE (JUNE 2014)





AGUAS
andinas®

**Pura
VIDA**