

INVERSIONES AGUAS METROPOLITANAS S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE PERIOD ENDED MARCH 31, 2009

(Santiago – Chile, May 28th, 2009) Inversiones Aguas Metropolitanas S.A. “the Company” or “IAM”, controlling shareholder of Aguas Andinas S.A. –the largest water and sewage company in Chile–, announced its consolidated results for the period ended March 31, 2009 ⁽¹⁾.

HIGHLIGHTS

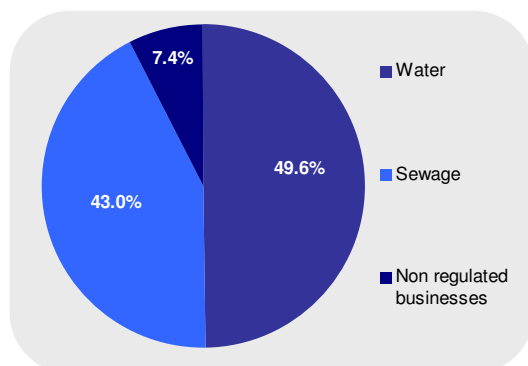
Net income of IAM as of March 31, 2009, amounted to Ch\$22,427 million as compared to Ch\$16,825 million for the same period of 2008.

- Operating revenues amounted to Ch\$95,300 million, Ch\$17,295 million (22.2%) more than in the first quarter of 2008. This was mainly due to the acquisition of ESSAL, together with a higher volume of regulated business due mainly to higher tariffs.
- Consolidated EBITDA for the period amounted to Ch\$63,241 million, higher by Ch\$8,190 million (14.9%) as compared to the first quarter of 2008. This variation was mainly explained by the acquisition of ESSAL, plus a combination of higher revenues from operations and higher costs from operations.
- Financial result reached Ch\$3,492 million, higher by Ch\$9,219 million compared to the previous period. This is explained mainly due to the negative change in the value of the UF in the first quarter of 2009.
- Due to the above-mentioned factors, the consolidated Net Income of Inversiones Aguas Metropolitanas S.A. for the period ended March 2009 reached Ch\$22,427 million, compared to Ch\$16,825 million for the first quarter of 2008.

Principal Consolidated Figures (Million of Ch\$ as of each period)

	Mar. 09	Mar. 08	% Var
Operating Revenues	95,300	78,005	22.2%
EBITDA	63,241	55,052	14.9%
EBITDA Margin	66.4%	70.6%	
Operating Income	51,318	45,712	12.3%
Net Income	22,427	16,825	33.3%

Revenue Breakdown



Operating Data

Sales Volume (Thousand m ³) ⁽²⁾	Mar. 09	Mar. 08	% Var
Water	140,492	140,083	0.3%
Sewage Collection	134,771	135,372	(0.4%)
Sewage Treatment & Disposal	114,912	115,380	(0.4%)
Sewage Interconnection Service	33,983	34,046	(0.2%)
ESSAL	Mar. 09	Mar. 08	% Var
Water	8,505	-	-
Sewage Collection	7,547	-	-
Customers ⁽²⁾	Mar. 09	Mar. 08	% Var
Water	1,656,668	1,608,393	3.0%
Sewage Collection	1,628,646	1,580,321	3.1%
ESSAL	Mar. 09	Mar. 08	% Var
Water	182,706	-	-
Sewage Collection	167,455	-	-

⁽¹⁾ All figures are in Chilean Pesos as of each period and are reported according to International Financial Reporting Standards (IFRS). Figures as of March 2008 have been restated to IFRS for comparison purposes. The consolidated financial statements of Inversiones Aguas Metropolitanas S.A. include its subsidiary Aguas Andinas S.A. “Aguas Andinas”.

⁽²⁾ Figures do not include ESSAL.



PRINCIPALS EVENTS OF THE PERIOD

Aguas Andinas' Bond Issuance

On May 20, 2009 the subsidiary Aguas Andinas issued UF3.0 million (nominal value) of Series I and J bonds in the Chilean market. The Series I (UF2.0 million) have a term of 6.6 years, with 1.6 years of grace and maturity the year 2015; the effective rate reached 3.88%, corresponding to a spread of 98 bps; the Series J (UF1.0 million) have a term of 9.6 years (bullet); the effective rate reached 4.27%, corresponding to a spread of 104 bps.

Capital Return Payment

At the Annual Extraordinary Shareholders' Meeting of the Company held on April 17, 2009, the payment of a capital return of Ch\$24.2218 per share (equivalent to Ch\$484.436 per ADS), totaling ThCh\$24,221,800, was approved. This capital return will be paid on June 25, 2009.

Final Dividend Payment

At the Annual Ordinary Shareholders' Meeting of the Company held on April 17, 2009, the payment of a final dividend of Ch\$12.9089 per share (equivalent to Ch\$258.178 per ADS), totaling ThCh\$12.908.900, was approved. The dividend will be charged against the net income for the year 2008 and it will be paid on June 24, 2009.

INCOME STATEMENT ANALYSIS

(In Million of Chilean Pesos)	Mar. 09 MM\$	Mar. 08 MM\$	% Var
Operating Revenues	95,300	78,005	22.2%
Operating Costs & Expenses	(43,982)	(32,293)	36.2%
Operating Income (EBIT)	51,318	45,712	12.3%
Financial Expenses	(6,542)	(4,572)	43.1%
Financial Result *	3,492	(5,727)	161.0%
Net Income	22,427	16,825	33.3%

* Includes financial income, financial expenses, exchange differences and results of indexation units.

Operating Revenues


Operating revenues for the first quarter of 2009 reached Ch\$95,300 million, Ch\$17,295 million up (22.2%) than on the same period of 2008. This increase includes Ch\$8,807 million (50.9%) through the integration with ESSAL. The following table sets forth, for the periods indicated, the principal components of our net revenues:

	Mar. 09		Mar. 08	
	Million Ch\$	%	Million Ch\$	%
Water	47,721	50.1%	37,306	47.8%
Sewage	41,384	43.4%	31,064	39.8%
Other regulated businesses	(932)	(1.0%)	1,549	2.0%
Non regulated businesses	7,128	7.5%	8,086	10.4%
Total	95,300	100.0%	78,005	100.0%

* Figures as of March 2009 include the effect of ESSAL acquisition.

The increase in net revenues as of March 2009 resulted mainly from the following factors:

- Water: Water revenues show an increase of Ch\$10,415, of which ESSAL contributed Ch\$3,386 million. The difference (Ch\$7,029 million) is explained by a higher average tariff (18.5%) together with a larger sales volume of 0.4 million m³ (0.3%). The change in the average tariff is due to the accumulated effect of indexation adjustments during 2008.
- Sewage: Sewage revenues show an increase of Ch\$10,320 million of which ESSAL contributed Ch\$4,480 million (Ch\$2,879 million for collection and Ch\$1,600 for treatment). The rest, Ch\$5,840 million, is explained by: i) higher collection revenues of Ch\$2,768 million (Ch\$18,338 million in 2009 compared to Ch\$15,570 million the previous year), due to an 18.3% higher average tariff partly offset by reduced sales volumes of 0.6 million m³ (-0.4%); ii) higher treatment revenues of Ch\$2,316 million (Ch\$14,291 million in 2009 compared to Ch\$11,975 million the year before) due to a 19.8% higher average tariff applied, offset by a reduction in sales volumes of 0.5 million m³ (-0.4%) and iii) higher revenues from sewage inter-connections of Ch\$756 million (Ch\$4,276 million in 2009 compared to Ch\$3,520 million the previous year), due to a 21.7% higher average tariff compensated by reduced sales volumes of 0.1 million m³ (-0.2%).
- Other regulated businesses: includes fixed charges, revenues relating to disconnection and reconnection charges, fees relating to monitoring activities of liquid industrial waste discharge and accruals for non-billed consumption and discounts granted on payment agreements. These revenues declined by Ch\$2,481.
- Non-regulated businesses: Revenues from non-regulated businesses show a reduction of Ch\$958, mainly due to a reduction of Ch\$1,599 million relating basically to lower revenues



under real-estate development agreements of Ch\$1,571 million, reduced revenues from Gestión y Servicios of Ch\$115 million, partly compensated by increase of Ch\$641 million of larger revenues in Ecoriles of Ch\$502 million (liquid waste treatment plant operation and treatment of excess organic load for industrial companies), an increase of Ch\$194 million of larger revenues in ANAM (laboratory, sampling and analysis services).

Consumption of Raw Materials and Secondary Materials

These costs amounted to Ch\$7,592 million in the first quarter of 2009, an increase of Ch\$2,320 million over the same period of 2008, of which ESSAL accounted for Ch\$1,502 million (64.7%). The difference of Ch\$818 million is explained by higher electricity costs of Ch\$593 million and chemical inputs of Ch\$444 million, compensated by lower premises and equipment maintenance costs of Ch\$110 million and other materials of Ch\$109 million.

Personnel Expenses

These amounted to Ch\$8,996 million in the first quarter of 2009, Ch\$2,424 million more than in the same period of 2008, of which ESSAL accounted for Ch\$1,145 million (47.3%). The difference of Ch\$1,279 million is mainly explained by remuneration adjustments in line with the consumer price index plus other benefits for the personnel.

Depreciation and Amortization

These amounted to Ch\$11,923 million in the 2009 period, Ch\$2,583 million higher than in the same period of 2008, of which ESSAL accounted for Ch\$1,418 million (54.9%). The difference of Ch\$1,165 million is mainly explained by a higher depreciation of water networks of Ch\$1,144 million.

Other Various Operating Expenses

These amounted to Ch\$15,470 million in the first quarter of 2009, Ch\$4,362 million more than in the same period of 2008, mainly explained by higher costs of services and materials of Ch\$1,904 million, higher general expenses of Ch\$1,177 million and the expenses of ESSAL of Ch\$1,350 million (31.0%).

Financial Income

This amounted to Ch\$1,531 million in the first quarter of 2009, Ch\$87 million more than in the same period of 2008, of which ESSAL accounted for Ch\$172 million. The difference of Ch\$86 million is mainly explained by reduced financial income of Ch\$328 million, compensated by higher interest income of Ch\$215 million.

Financial Expenses

These amounted to Ch\$6,542 million in the first quarter of 2009, Ch\$1,970 million more than in the same period of 2008, of which ESSAL accounted for Ch\$764 million (38.8%). The difference of Ch\$1,206 million is mainly explained by an increase in bank borrowings of Ch\$1,060 million.

Results of Indexation Adjustments

This charge amounted to Ch\$8,469 million in the first quarter of 2009, Ch\$11,058 million more than in the same period of 2008, mainly explained by a reduced revaluation of the debt due to the negative change in the value of the UF in the first quarter of 2009.

Other Non-Operating Income

Inversiones Aguas Metropolitanas S.A obtained a result of Ch\$2,013 million, Ch\$1,884 more than in the same period of 2008 explained by larger sales of elements of Property, plant and equipment of Ch\$1,918 million.

Other Non-Operating Expenses

These amounted to Ch\$64 million in the first quarter of 2009, Ch\$23 million less than in the same period of 2008, mainly explained by reduced costs in the sales of fixed assets of Ch\$14 million, and reduced obsolete materials and assets expenses of Ch\$12 million.

Charge (Recovery) for Income Taxes

The provision for income tax in 2009 is Ch\$3,999 million higher than in the same period of 2008, mainly related to higher pre-tax income.

Net Income (Loss)

For the reasons set out above, the net income of Inversiones Aguas Metropolitanas amounted to Ch\$22,427 million, Ch\$5,602 more than in the same period of 2008.

EBITDA

Consolidated EBITDA for the period amounted to Ch\$63,241 million, higher by Ch\$8,190 million (14.9%) as compared to the first quarter of 2008.

BALANCE SHEET ANALYSIS

(In Million of Chilean Pesos)	Mar. 09	Dec. 08	% Var	Jan. 1, 08
Assets				
Current Assets	104,071	80,447	29.4%	66,759
Long-Term Assets	1,486,625	1,483,442	0.2%	1,263,151
Total Assets	1,590,696	1,563,889	1.7%	1,329,909
Liabilities & Shareholders' Equity				
Current Liabilities	130,484	123,137	6.0%	78,631
Long-Term Liabilities	519,290	532,423	(2.5%)	361,890
Total Liabilities	649,774	655,561	(0.9%)	440,521
Minority Interest	349,791	332,896	5.1%	308,311
Shareholders' Equity	591,132	575,433	2.7%	581,077
Total Liabilities & Equity	1,590,696	1,563,889	1.7%	1,329,909

Assets

Current assets increased by Ch\$23,624 million over December 2008, mainly due to a rise in Cash and cash equivalents of Ch\$30,700 million offset by a fall in Trade debtors of Ch\$5,633 million and Hedging assets of Ch\$1,445 million.

Non-current assets rose by Ch\$3,183 at March 2009 compared to December 2008. This is explained by the net increase in Property, plant and equipment of Ch\$4,622 million and an increase in Deferred taxes of Ch\$384 million, partly compensated by the reduction in Trade debtors and other accounts receivable of Ch\$1,914 million.

The increase in the quarter of Property, plant and equipment is mainly due to the large investments being carried out by the Group, the following being the principal ones: in Aguas Andinas S.A., the construction of the Mapocho trunk sewer (Ch\$4,179 million) and the Buin–Maipo sewage treatment plant (Ch\$809 million); in Aguas Manquehue S.A., the construction of the north sewer (Ch\$1,425 million), and in Aguas Cordillera S.A. improvement works in La Dehesa Trapenses (Ch\$990 million).

Liabilities and Shareholders' Equity

Current liabilities increased by Ch\$7,347 million, comparing March 2009 with December 2008. This reflects an increase in Trade creditors and other accounts payable of Ch\$10,722 million, Accounts payable to related companies of Ch\$4,037 million (provision for interim dividends payable to the parent company IAGSA Ch\$3,808 million), Current taxation of Ch\$4,165 million (increase in provision for income tax), and Other financial liabilities of Ch\$2,090 million (increase in provision for loan interest). The liabilities that decreased were Interest-bearing loans of Ch\$8,800 million (loan repayments), Provisions Ch\$2,591 million (payment in February of profit sharing, and severance payments under retirement plans), current Hedging liabilities of Ch\$989 million and Deferred income of Ch\$1,288 million.

Non-current liabilities declined by Ch\$13,134 million compared to December 2008, due to a fall in Other financial liabilities of Ch\$7,404 million (financial debt is denominated in Unidades de Fomento and the variation of the U.F. in the 2009 period is negative by Ch\$492.40), and a reduction in non-current interest-bearing loans of Ch\$5,426 million (interest rates in the first quarter declined which affects the provision for loan interest and these are agreed with floating interest rates which change in January and July annually).

The equity movements related to the controlling shareholder's portion in the period January–March 2009 are produced by the net income of Ch\$22,427 million, after deducting the provision for the minimum dividend of 30% of net income (Ch\$6,728 million), which generated a change in the controller's portion of Shareholders' equity of Ch\$15,699 million. For the reasons described above, the Minority interest rose by Ch\$16,894 million.

The table below sets forth the maturity of our consolidated long-term debt, as of March 31, 2009 (figures in million of Ch\$):

	Currency	Total	Apr. 09 Mar. 10	Apr. 10 Mar. 11	Apr. 11 Mar. 12	After Mar. 12
Bonds	Indexed Ch\$	301,653	25,520	22,971	9,322	243,840
Bank Debt	Non-Indexed Ch\$	132,275	8,673	10,929	14,274	98,400
RFCs ⁽¹⁾	Indexed Ch\$	62,025	574	195	151	61,104
Total ⁽²⁾		495,952	34,768	34,095	23,747	403,343

⁽¹⁾ Reimbursable financial contributions.

⁽²⁾ The figures consider the accrued financial expenses as of March 31, 2009.

CASH FLOW ANALYSIS

Consolidated Cash Flow (In Million of Chilean Pesos)	Mar. 09	Mar. 08	% Var
Operating	57,348	44,998	27.4%
Investment	(16,435)	(11,312)	45.3%
Financing	(10,214)	3,210	(418.1%)
Net Cash Flow of the Period	30,700	36,896	(16.8%)

The cash flow from operating activities showed a positive change of Ch\$12,351 million compared to the previous period, the principal changes being the Contribution collected from customers of Ch\$24,203 million, partly compensated by the payment of Suppliers (Ch\$5,290 million), Interest (ChM\$4,794 million), Income tax (Ch\$1,371 million) and Remunerations (Ch\$1,191 million).

Cash flow from investment activities increased by Ch\$5,123 million, mainly due to larger acquisitions of Property, plant and equipment of Ch\$9,106 million (explained by changes in non-current assets), compensated by revenue from the disposal of properties of Ch\$3,508 million.

The cash flow from financing reduced by Ch\$13,423 million compared to the 2008 period, the main change being Loan repayments of Ch\$11,524 million.

MAIN OPERATING FIGURES

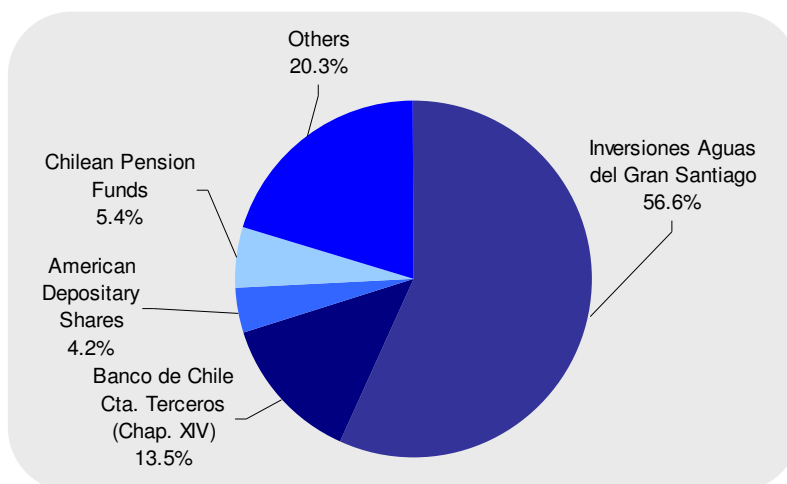
Sales Volume * (In thousand m ³)	Mar. 09	Mar. 08	% Var
Water	140,492	140,083	0.3%
Sewage Collection	134,771	135,372	(0.4%)
Sewage Treatment & Disposal	114,912	115,380	(0.4%)
Sewage Interconnection Service	33,983	34,046	(0.2%)
ESSAL			
Water	8,505	-	-
Sewage Collection	7,547	-	-

* Figures do not include ESSAL.

Customers *	Mar. 09	Mar. 08	% Var
Water	1,656,668	1,608,393	3.0%
Sewage Collection	1,628,646	1,580,321	3.1%
ESSAL			
Water	182,706	-	-
Sewage Collection	167,455	-	-

* Figures do not include ESSAL.

INVERSIONES AGUAS METROPOLITANAS S.A. Shareholder Composition as of March 31, 2009



Total subscribed and paid shares: 1,000,000,000
Number of shareholders: 197

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CONSOLIDATED BALANCE SHEETS

(IFRS, in thousands of Ch\$ as of each period)

ASSETS	Mar. 09	Dec. 08	Jan. 1, 08
Cash & cash equivalents	32,463,298	1,763,617	10,844,103
Trade accounts and other accounts receivable (net)	64,644,839	70,277,775	51,506,758
Accounts receivable from related companies	294	845	248,612
Inventories (net)	1,883,194	2,071,428	2,436,619
Assets for hedging	2,305,014	3,750,482	419,543
Prepaid expenses	436,843	529,202	271,067
Income taxes recoverable	2,302,269	1,524,392	435,027
Other current assets	35,733	529,432	596,835
TOTAL CURRENT ASSETS	104,071,483	80,447,172	66,758,564
Trade accounts and other accounts receivable (net)	3,617,743	5,532,258	2,727,546
Intangible assets	515,973,834	515,832,815	515,801,323
Property, plant & equipment (net)	951,676,913	947,054,369	733,204,600
Deferred income taxes	14,747,005	14,362,806	10,798,775
Prepaid expenses	591,566	640,827	618,369
Other long term assets	17,517	19,076	-
TOTAL LONG TERM ASSETS	1,486,624,579	1,483,442,151	1,263,150,614
TOTAL ASSETS	1,590,696,062	1,563,889,323	1,329,909,178

CONSOLIDATED BALANCE SHEETS

(IFRS, in thousands of Ch\$ as of each period)

LIABILITIES & SHAREHOLDERS' EQUITY	Mar. 09	Dec. 08	Jan. 1, 08
Loans that accrue interests	8,673,052	17,473,580	1,965,383
Other financial liabilities	26,322,916	24,232,969	20,205,987
Sundry creditors and other accounts payable	73,530,559	62,808,191	36,549,023
Accounts payable to related companies	6,923,503	2,886,256	2,505,434
Accruals	2,284,204	4,875,090	10,602,480
Income taxes	5,320,323	1,155,712	2,102,710
Unearned income	5,124,233	6,411,941	4,279,515
Liabilities for hedging	2,304,970	3,293,662	420,733
CURRENT LIABILITIES	130,483,759	123,137,401	78,631,264
Loans that accrue interests	122,686,429	128,112,860	84,066,667
Other financial liabilities	329,180,610	336,585,106	222,124,212
Sundry creditors and other accounts payable	1,286,083	1,633,998	871,599
Accruals	5,657,394	5,124,853	3,470,800
Deferred taxes	59,748,768	60,218,624	51,031,011
Unearned income	730,593	747,770	325,441
LONG TERM LIABILITIES	519,289,877	532,423,210	361,889,730
Paid-in capital	492,580,202	492,580,202	475,181,646
Other reserves	96,150,975	55,510,019	96,150,975
Retained earnings	(20,026,790)	(15,828,530)	(14,787,571)
Net income for the period	22,427,265	43,170,875	24,531,649
Net shareholders' equity attributable to the parent company	591,131,652	575,432,566	581,076,698
Minority interest	349,790,774	332,896,146	308,311,487
SHAREHOLDERS' EQUITY	940,922,426	908,328,711	889,388,185
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,590,696,062	1,563,889,323	1,329,909,178

CONSOLIDATED STATEMENTS OF INCOME

(IFRS, in thousands of Ch\$ as of each period)

CONSOLIDATED STATEMENTS OF INCOME	Mar. 09	Mar. 08
Operating revenues	95,299,960	78,004,664
Consumption of raw materials & secondary materials	(7,592,061)	(5,272,495)
Personnel expenses	(8,996,410)	(6,572,551)
Depreciation & amortization	(11,922,851)	(9,339,932)
Other various operating expenses	(15,470,379)	(11,108,064)
OPERATING INCOME (EBIT)	51,318,259	45,711,622
Financial income	1,530,583	1,443,820
Financial expenses	(6,542,133)	(4,571,991)
Exchange differences	34,955	(10,568)
Results of indexation units	8,468,619	(2,588,581)
FINANCIAL RESULT	3,492,024	(5,727,320)
Other non-operating income	2,012,985	128,863
Other non-operating expenses	(64,111)	(87,191)
NET INCOME (LOSS) BEFORE TAXES	56,759,157	40,025,974
Income taxes	(10,197,000)	(6,198,091)
POST-TAX NET INCOME (LOSS) FROM ONGOING ACTIVITIES	46,562,157	33,827,883
Minority interest	24,134,891	17,002,746
NET INCOME FOR THE PERIOD	22,427,266	16,825,137

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IFRS, in thousands of Ch\$ as of each period)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Mar. 09	Mar. 08
Collection of trade account receivables	117,138,247	92,934,766
Payment to suppliers	24,483,939	19,193,111
Payment to personnel	11,136,877	9,946,295
V.A.T & similar income (payments)	10,139,697	10,285,730
Other income (expenses)	(94,235)	(116,356)
Cash flow form operations	71,283,499	53,393,274
Income tax paid	974,625	504,958
Other expenses paid	8,979,456	4,185,513
Income tax paid	7,028,011	5,657,529
Other income (expenses) from other activities	1,097,773	942,320
Cash flow form other operating activities	(13,935,069)	(8,395,764)
NET CASH FLOW FROM OPERATING ACTIVITIES	57,348,429	44,997,510
Proceeds from sales of PP&E	4,364,292	856,463
Proceeds from sales of other assets	440,595	-
Other investment income	-	99
Addition of PP&E	21,240,104	12,134,525
Addition of intangible assets	0	34,432
NET CASH FLOW FROM INVESTING ACTIVITIES	(16,435,217)	(11,312,395)
Loans	597,144	1,119,500
Other financing	2,846,854	4,031,794
Payment of loans	11,524,169	-
Other financing disbursements	2,200,264	1,940,805
Dividend payment	6,186	-
Other income (expenses) from financing activities	73,090	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(10,213,531)	3,210,489
TOTAL NET CASH FLOW FOR THE PERIOD	30,699,681	36,895,604
OPENING BALANCE OF CASH & CASH EQUIVALENT	1,763,617	10,844,103
CLOSING BALANCE OF CASH & CASH EQUIVALENT	32,463,298	47,739,707