

INVERSIONES AGUAS METROPOLITANAS S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2010

(Santiago – Chile, November 25, 2010) 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 September 30, 2010 ⁽¹⁾.

HIGHLIGHTS

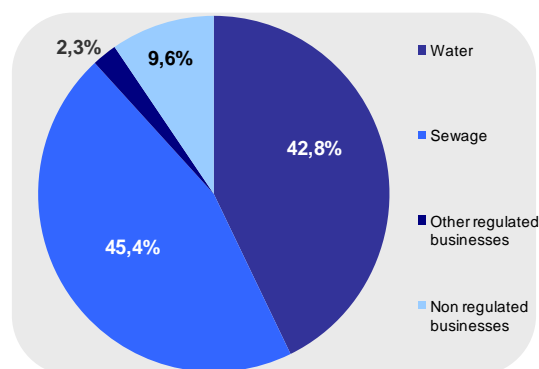
Net income of IAM as of September 30, 2010, amounted to Ch\$35,961 million as compared to Ch\$43,934 million for the third quarter of 2009.

- Operating revenues amounted to Ch\$238,402 million, Ch\$2,667 million (-1.1%) less than in the previous period. This was mainly due to a lower average tariff for the regulated businesses.
- Consolidated EBITDA for the period amounted to Ch\$147,060 million, higher by Ch\$583 million (0.4%) as compared to the previous period. This variation was mainly explained by lower costs in consumption of raw materials & secondary materials.
- Financial result reached Ch\$(21,915) million, lower by Ch\$19,778 million as compared to the previous period. This was mainly explained due to the positive variation in the value of the UF in the first nine months of 2010, which compares with a negative change in the value of the UF in the 2009 period.
- Due to the above-mentioned factors, the consolidated Net Income of Inversiones Aguas Metropolitanas S.A. for the period ended September 2010 reached Ch\$35,961 million, compared to Ch\$43,934 million for the previous period.

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

	Sep. 10	Sep. 09	% Var
Operating Revenues	238,402	241,069	(1.1%)
EBITDA	147,060	146,477	0.4%
EBITDA Margin	61.7%	60.8%	
Operating Income (EBIT)	107,213	108,790	(1.4%)
Net Income	35,961	43,934	(18.1%)

Revenue Breakdown



Operating Data

Sales Volume (Thousand m ³) ⁽²⁾	Sep. 10	Sep. 09	% Var
Water	385,889	378,815	1.9%
Sew age Collection	376,410	367,594	2.4%
Sew age Treatment & Disposal	328,556	320,322	2.6%
Sew age Interconnection Service	86,731	85,894	1.0%
Customers ⁽²⁾	Sep. 10	Sep. 09	% Var
Water	1,899,623	1,860,865	2.1%
Sew age Collection	1,855,915	1,817,716	2.1%

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

⁽²⁾ Figures include ESSAL.

PRINCIPALS EVENTS OF THE PERIOD

Interim Dividend Payment

On October 28, 2010, Inversiones Aguas Metropolitanas' Board of Directors agreed the payment of an interim dividend of \$16.3435 per share, totaling ThCh\$16,343,500 charged against the net income for the year 2010. This dividend was paid on November 24, 2010.

Resignation of Chief Executive Officer

At the Board Meeting of the Company, held on August 26, 2010, Mrs. Marta Colet, Chief Executive Officer of IAM presented her resignation to be effective on September 1, 2010. At the same meeting, the Board unanimously agreed to appoint Mr. Iván Yarur as CEO of the Company with effect since September 1, 2010.

New Controller Shareholder

On June 7, 2010, Suez Environnement Company S.A. acquired indirectly 75.1% of the share capital of Sociedad General de Aguas de Barcelona S.A. (Agbar), who, through different subsidiaries is the holder of 56.6% of the capital of IAM. Consequently, as from June 7, 2010, the new controller of IAM is Suez Environnement.

Supreme Court dictates definitive judgment in requirement of the National Economic Attorney's Office (FNE) in opposition to the sanitary companies Aguas Andinas, ESSAL, ESSBIO and Aguas Nuevo Sur Maule (ANSM).

The judgment, of May 18, 2010, confirms the absolution of Aguas Andinas and ESSAL, reduces the fines applied originally to ESSBIO and ANSM; and rejects the change in the law suggested by the Court of Defense of the Free Competition.

Final Dividend Payment

At the Annual Ordinary Shareholders' Meeting of the Company held on April 21, 2010, the payment of a final dividend of Ch\$44.679 per share (equivalent to Ch\$893.58 per ADS), totaling ThCh\$44,679,900, charged against the net income for the year 2009, was approved. The dividend was paid on May 19, 2010.


Appointment of a new Board of Directors

At the annual Ordinary Shareholders' Meeting of the Company held on April 21, 2010, the following Board members were elected:

Director	Alternate Director
Ángel Simón Grimaldos	Pedro Buttazoni Álvarez
Joaquín Villarino Herrera	Marcelo Tokman Ramos
Josep Bagué Prats	Jorge Bande Bruck
Juan Antonio Guijarro	Anthony Harding
Alberto Muchnick Mlynarz	Paola Cúneo Queirolo
Ignacio Guerrero Gutiérrez	Rodrigo Castro Fernández
Pablo Pérez Cruz	Edmundo Pérez Vergara

Aguas Andinas' Bond Issuance

On April 14, 2010 the subsidiary Aguas Andinas issued UF2.75 million (US\$111 million) of Series K and M bonds in the Chilean market. The Series K (UF1.0 million) have a term of 6.5 years, with 1.5



years of grace and maturity the year 2016; the effective rate reached 2.90%, corresponding to a spread of 68 bps; the Series M (UF1.75 million) have a term of 21 years (bullet); the effective rate reached 4.08%, corresponding to a spread of 43 bps, the lowest spread for a private unguaranteed bond issuance in the history of Chile.

Consequences of the earthquake of February 27, 2010 in Chile

According to the requested by the Superintendency of Securities and Insurance (SVS), on March 3, 2010, the company and its subsidiaries informed the damages produced by the earthquake of February 27, 2010 in Chile. Inversiones Aguas Metropolitanas S.A. suffered no damage whatsoever, however, its subsidiary Aguas Andinas informed that its infrastructure was not significantly affected; hence the company kept almost normal operations, with water service coverage of nearly 100%, the only problems being shortages to electricity supply problems. The Company has insurance covering physical damage. Later, on May 25, 2010, Aguas Manquehue, subsidiary of Aguas Andinas, informed the SVS that after evaluating the damages, diverse breakdowns were identified in the north sewage collector, estimated in Ch\$2.224 million, informing likewise that has insurances to protect its infrastructure of eventual damages.

Aguas Andinas' tariff setting process agreement

The subsidiary Aguas Andinas and the Superintendency of Sanitation Services (the sector's regulator), reached an agreement concerning the tariff setting process for the period 2010-2015. The accomplished agreement involves, in relation with the in force services, a Net Long-Term Total Cost as of October 31, 2009 of Ch\$229,494,000,000; which represents a variation, in currency of December, 2008, of -1.3%. The same agreement contemplated stipulation of tariffs for the concepts of Mapocho Urban Cleaning project, necessary works to reach 100% of sewage treatment and safety works for the production of drinkable water in the Santiago. The tariffs were set by means of decree No. 60 of the Ministry of Economy, dated February 2, 2010; and are in force since March 1, 2010.

INCOME STATEMENT ANALYSIS

(In Million of Chilean Pesos)	Sep. 10 MM\$	Sep. 09 MM\$	% Var
Operating Revenues	238,402	241,069	(1.1%)
Operating Costs & Expenses	(131,189)	(132,279)	(0.8%)
Operating Income (EBIT)	107,213	108,790	(1.4%)
Financial Expenses	(16,248)	(17,307)	(6.1%)
Financial Result *	(21,915)	(2,137)	(925.4%)
Net Income	35,961	43,934	(18.1%)

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

Operating Revenues

Operating revenues as of September 2010 reached Ch\$238,402 million, Ch\$2,667 million less (-1.1%) than on the third quarter of 2009. The following table sets forth, for the periods indicated, the principal components of our net revenues:


	Sep. 10		Sep. 09	
	Million Ch\$	%	Million Ch\$	%
Water	102,033	42.8%	110,244	45.7%
Sewage	108,119	45.4%	104,612	43.4%
Other regulated businesses	5,472	2.3%	4,416	1.8%
Non regulated businesses	22,778	9.6%	21,798	9.0%
Total	238,402	100.0%	241,070	100.0%

Figures include ESSAL.

The decrease in net revenues as of September 2010 resulted mainly from the following factors:

- a) Water: Water revenues show a decrease of Ch\$8,211 million, which is explained by a lower average tariff, offset by larger sales volume of 7 million m³. The change in the average tariff is due to the accumulated effect of indexation adjustments during 2009 and 2010, a new tariff in force since March 2010, and a positive tariff indexation in June 2010.
- b) Sewage: Sewage revenues show an increase of Ch\$3,507 million explained by:
 - i. Higher collection revenues of Ch\$1,101 million (Ch\$54,773 million in 2010 compared to Ch\$53,672 million the previous year), due to increased sales volumes of 8.8 million m³, offset by a lower average tariff;
 - ii. Higher treatment revenues of Ch\$2,019 million (Ch\$42,412 million in 2010 compared to Ch\$40,393 million the year before) due to increased sales volumes of 8.2 million m³ and a higher average tariff applied, which is related to the start up of the Mapocho Urban Cleaning project; and
 - iii. Higher revenues from sewage inter-connections of Ch\$387 million (Ch\$10,934 million in 2010 compared to Ch\$10,547 million the previous year), due to higher average tariff, which is related to the start up of the Mapocho Urban Cleaning project and sales volumes of 0.8 million m³.

The change in the average tariff is due to the accumulated effect of indexation adjustments during 2009 and 2010, and a new tariff in force since March 2010. The decrease is partly offset by the tariff of the Mapocho Urban Cleaning project, in force since April 1, 2010.

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- c) 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 increased by Ch\$1,056 million due mainly to higher income accruals of Ch\$1,742 million, partly offset by lower revenues relating to disconnection and reconnection of Ch\$230 million, and lower fixed charges of Ch\$126 million.
 - d) Non-regulated businesses: Revenues from non-regulated businesses show an increase of Ch\$980 million, mainly due to an increase of Ch\$1,566 million relating to higher revenues in non-regulated water businesses (real-estate development agreements and engineering services, among others); higher revenues in Ecoriles of Ch\$1,208 million (liquid waste treatment plant operation and treatment of excess organic load for industrial companies); larger revenues in ANAM of Ch\$172 million (laboratory, sampling and analysis services); partly compensated by lower revenues in Gestión & Servicios of Ch\$2,007 million.

Consumption of Raw Materials and Secondary Materials

These costs amounted to Ch\$16,791 million as of September 2010, a decrease of Ch\$4,623 million over the third quarter of 2009, mainly explained by lower energy costs of Ch\$2,966 million and lower various materials costs of Ch\$1,721 million.

Personnel Expenses

These amounted to Ch\$27,429 million as of September 2010, Ch\$528 million more than in the third quarter of 2009, mainly explained by term bonds related to collective bargaining.

Depreciation and Amortization

These amounted to Ch\$39,847 million as of September 2010, Ch\$2,160 million higher than in the third quarter of 2009, mainly explained by the new investments of the company.

Impairment Loss

This amounted to Ch\$1,555 million as of September 2010, due to assets damaged by the earthquake of February 27, 2010. The main losses were in Aguas Manquehue of Ch\$1,121 million (North Zone Sewage Collector) and Aguas Andinas of Ch\$429 million.

Other Expenses

These amounted to Ch\$45,567 million as of September 2010, Ch\$710 million less than as of September 2009, mainly explained by lower uncollectable debts of Ch\$1,760 million, partly offset by higher expenses of retirement and disposal of waste and sludge from treatment plants of Ch\$401 million.

Financial Income

This amounted to Ch\$2,777 million as of September 2010, Ch\$1,408 million less than in the third quarter of 2009, mainly explained by reduced income from financial assets.

Financial Expenses

These amounted to Ch\$16,248 million as of September 2010, Ch\$1,058 million less than in the third quarter of 2009, mainly explained by lower interest expenses in bank debts.

Results of Indexation Adjustments

This charge amounted to Ch\$(8,431) million as of September 2010, Ch\$19,380 million less than in the third quarter of 2009, mainly explained by a higher revaluation of the debt due mainly to the positive variation in the value of the UF in the first nine months of 2010, which compares with a negative change in the value of the UF in the 2009 period.

Other Income

Inversiones Aguas Metropolitanas S.A obtained a result of Ch\$1,649 million, Ch\$619 less than as of September 2009, explained by lower income on land sales, performed by the subsidiary Aguas Cordillera S.A. during the previous period.

Charge (Recovery) for Income Taxes

The provision for income tax as of September 2010 was Ch\$5,580 million lower than in the third quarter of 2009, mainly related to lower pre-tax income.

Net Income (Loss)

For the reasons set out above, the net income of Inversiones Aguas Metropolitanas as of September 2010 amounted to Ch\$35,961 million; Ch\$7,973 million less than in the 2009 period.

EBITDA

Consolidated EBITDA for the period amounted to Ch\$147,060 million, higher by Ch\$583 million (0.4%) as compared to the 2009 period.

BALANCE SHEET ANALYSIS

(In Million of Chilean Pesos)	Sep. 10	Dec. 09	% Var
Assets			
Current Assets	95,698	92,956	2.9%
Long-Term Assets	1,588,573	1,579,582	0.6%
Total Assets	1,684,271	1,672,538	0.7%
Liabilities & Shareholders' Equity			
Current Liabilities	108,360	116,316	(6.8%)
Long-Term Liabilities	655,834	600,503	9.2%
Total Liabilities	764,194	716,819	6.6%
Minority Interest	356,291	374,631	(4.9%)
Shareholders' Equity	563,786	581,088	(3.0%)
Total Liabilities & Equity	1,684,271	1,672,538	0.7%

Assets

As of September 2010, current assets increased by Ch\$2,742 million over December 2009, mainly due to a raise in cash and cash equivalents of Ch\$11,131 million, due to an interim increase in time deposits related to an increase in accounts collected in the months of highest water consumption, next to a raise in current tax assets of Ch\$959 million. All of the above partly offset by a decrease in trade and others receivables account of Ch\$9,755 million.

Long-term assets rose by Ch\$8,991 million compared to December 2009, mainly explained by the net increase in Property, plant and equipment of Ch\$4,520 million; and higher deferred income taxes of Ch\$4,900 million (mainly due to tax accounting Price-level restatement of Long-term assets).

The following are the main investments of the period.

Project	Accumulated, Sep. 10 (ThCh\$)
Gran Santiago's Third Sew age Treatment Plant	5,137
Mapocho Sew age Interceptor	4,787
Essal Investments	4,127
Meters and Connections	3,366
Sew age Netw orks	2,478
IT Developements	2,444

Liabilities and Shareholders' Equity

As of September 2010, current liabilities decreased by Ch\$7,956 million over December 2009, mainly explained by lower current financial liabilities of Ch\$8,714 million (due to bank debt amortizations), lower sundry creditors and other accounts payable Ch\$6,199 million and lower income taxes of Ch\$3,713 million. This was partly offset by higher accounts payable to related companies of Ch\$11,511 million, due to higher accruals related to dividends payable to Inversiones Aguas del Gran Santiago Ltda. of Ch\$4,859 million; and due to accounts payable to Empresa Depuradora de Aguas Servidas Mapocho El Trebal of Ch\$5,354 million, for the BOT contract of the Mapocho Sewage Treatment Plant.

Long-term liabilities increased by Ch\$55,331 million compared to December 2009, due to an increase in other long term financial liabilities of Ch\$43,446 million explained by bonds issued by the subsidiary Aguas Andinas in April 2010, among other.

The controller's portion of Shareholders' equity decreased Ch\$17,302 million and Net Shareholders' equity, including Minority Interest, decreased by Ch\$35,642 million.

The table below sets forth the maturity of our consolidated debt, as of September 30, 2010 (nominal figures in million of Ch\$):

	Currency	Total	Oct. 10 Sep. 11	Oct. 11 Sep. 12	Oct. 12 Sep. 13	After Sep. 13
Bonds	Indexed Ch\$	397,773	25,433	53,403	20,230	298,707
Bank Debt	Non-Indexed Ch\$	108,525	2,851	2,800	26,173	76,701
RFCs ⁽¹⁾	Indexed Ch\$	75,759	345	32	6,860	68,521
Total ⁽²⁾		582,057	28,629	56,236	53,263	443,930

⁽¹⁾ Reimbursable financial contributions.

⁽²⁾ The figures include the accrued financial expenses as of September 30, 2010.

CASH FLOW ANALYSIS

Consolidated Cash Flow (In Million of Chilean Pesos)	Sep. 10	Sep. 09	% Var
Net Cash Flow from Operating Activities	128,158	138,758	(7.6%)
Net Cash Flow from Investment Activities	(46,544)	(63,882)	(27.1%)
Net Cash Flow from Financing Activities	(70,483)	(26,275)	168.2%
Net Cash Flow of the Period	11,131	48,601	(77.1%)
Closing Balance of Cash & Cash Equivalent	37,428	50,365	(25.7%)

The cash flow from operating activities showed a negative change of Ch\$10,600 million compared to the previous period, mainly explained by a decrease in collection of trade account receivables of Ch\$20,606 million. This was partly compensated by lower payment to suppliers of Ch\$9,619 million, and lower interests of Ch\$5,037 million.

Cash flow from investment activities decreased by Ch\$17,338 million, mainly due to lower addition of property, plant and equipment of Ch\$21,500 million, partly offset by a decrease in proceeds from sales of PP&E of Ch\$3,796 million.

The cash flow from financing activities increased by Ch\$44,208 million, the main changes being higher dividend payments of Ch\$15,035 million and higher loan payments of Ch\$16,530 million.

MAIN OPERATING FIGURES

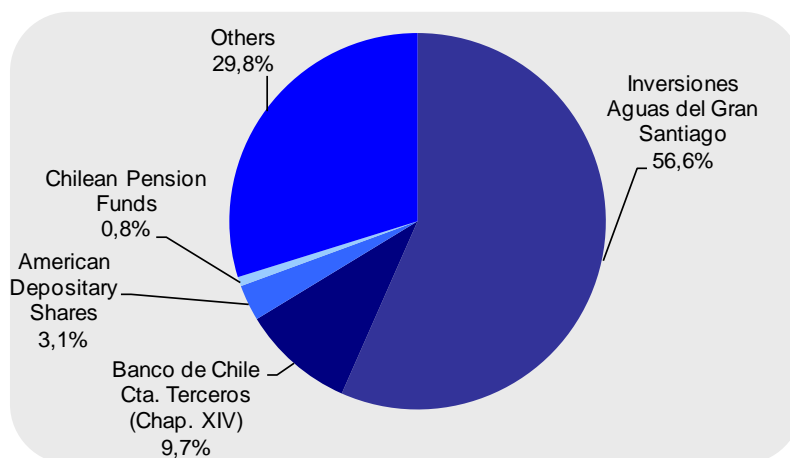
Sales Volume * (In thousand m ³)	Sep. 10	Sep. 09	% Var
Water	385,889	378,815	1.9%
Sew age Collection	376,410	367,594	2.4%
Sew age Treatment & Disposal	328,556	320,322	2.6%
Sew age Interconnection Service	86,731	85,894	1.0%

* Figures include ESSAL.

Customers *	Sep. 10	Sep. 09	% Var
Water	1,899,623	1,860,865	2.1%
Sew age Collection	1,855,915	1,817,716	2.1%

* Figures include ESSAL.

INVERSIONES AGUAS METROPOLITANAS S.A. Shareholder Composition as of September 30, 2010



Total subscribed and paid shares: 1,000,000,000
Number of shareholders: 275

For further information contact:
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CONSOLIDATED BALANCE SHEETS

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

ASSETS	Sep. 10	Dec. 09
Cash & cash equivalents	37,428,425	26,297,436
Other financial current assets	551,736	900,059
Other non-financial current assets	1,107,813	494,595
Trade accounts and other accounts receivable (net)	52,162,881	61,917,676
Accounts receivable from related companies	62,426	63,570
Inventories (net)	1,837,377	1,694,961
Income taxes	2,547,123	1,588,001
TOTAL CURRENT ASSETS	95,697,781	92,956,298
Other non-financial non-current assets	332,303	480,229
Trade accounts and other accounts receivable (net)	2,293,122	3,265,193
Other intangible assets	218,492,702	217,801,365
Goodwill	307,940,996	307,940,996
Property, plant & equipment (net)	1,027,097,541	1,022,577,703
Deferred income taxes	32,416,213	27,516,144
TOTAL LONG TERM ASSETS	1,588,572,877	1,579,581,630
TOTAL ASSETS	1,684,270,658	1,672,537,928

CONSOLIDATED BALANCE SHEETS

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

LIABILITIES & SHAREHOLDERS' EQUITY	Sep. 10	Dec. 09
Other current financial liabilities	27,846,847	36,560,941
Sundry creditors and other accounts payable	57,825,387	64,024,147
Accounts payable to related companies	15,505,066	3,994,500
Other accruals	1,003,217	957,415
Income taxes	536,160	4,248,752
Post-Employment Benefit Obligation	2,182,801	3,898,576
Other current non-financial liabilities	3,460,894	2,631,830
CURRENT LIABILITIES	108,360,372	116,316,161
Other long term financial liabilities	551,851,920	508,405,440
Long term liabilities	988,804	1,557,754
Other accruals	944,230	1,029,507
Deferred taxes	80,758,075	79,102,661
Post-Employment Benefit Obligation	5,562,778	5,747,456
Other long term non-financial liabilities	15,728,163	4,660,169
LONG TERM LIABILITIES	655,833,970	600,502,987
Paid-in capital	468,358,402	468,358,402
Retained earnings	132,695,541	149,998,037
Other reserves	(37,268,417)	(37,268,417)
Net shareholders' equity attributable to the parent company	563,785,526	581,088,022
Minority interest	356,290,790	374,630,758
SHAREHOLDERS' EQUITY	920,076,316	955,718,780
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,684,270,658	1,672,537,928

CONSOLIDATED STATEMENTS OF INCOME

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

CONSOLIDATED STATEMENTS OF INCOME	Sep. 10	Sep. 09
Operating revenues	238,401,899	241,069,276
Consumption of raw materials & secondary materials	(16,790,731)	(21,414,215)
Personnel expenses	(27,429,326)	(26,901,436)
Depreciation & amortization	(39,846,981)	(37,686,695)
Impairment loss	(1,554,718)	-
Other expenses	(45,567,089)	(46,277,013)
OPERATING INCOME (EBIT)	107,213,054	108,789,917
Financial income	2,777,008	4,185,068
Financial expenses	(16,248,282)	(17,306,510)
Exchange differences	(13,189)	34,491
Results of indexation units	(8,430,606)	10,949,817
FINANCIAL RESULT	(21,915,069)	(2,137,134)
Other income	1,648,929	2,267,848
NET INCOME (LOSS) BEFORE TAXES	86,946,914	108,920,631
Income taxes	(13,614,379)	(19,194,007)
POST-TAX NET INCOME (LOSS) FROM ONGOING ACTIVITIES	73,332,535	89,726,624
Minority interest	37,371,682	45,792,827
NET INCOME FOR THE PERIOD	35,960,853	43,933,797

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

CONSOLIDATED STATEMENTS OF CASH FLOWS	Sep. 10	Sep. 09
Collection of trade account receivables	285,201,487	305,807,244
Collection from insurance contracts	3,706,086	405,029
Other operating income	3,964,451	2,678,846
Payment to suppliers	(69,310,547)	(78,929,588)
Payment to personnel	(30,009,805)	(28,202,443)
Payment of insurance contracts	(1,388,693)	(1,003,295)
Other operating payments	(30,210,968)	(26,780,113)
Interest paid	(11,073,715)	(16,110,304)
Interest received	262,795	305,221
Income tax refund (paid)	(21,651,488)	(18,715,706)
Other income (payment)	(1,331,795)	(696,724)
NET CASH FLOW FROM OPERATING ACTIVITIES	128,157,808	138,758,167
Proceeds from sales of PP&E	574,339	4,369,917
Addition of PP&E	(46,049,415)	(67,549,082)
Addition of intangible assets	(386,124)	(19,439)
Other investing activities	(682,734)	(683,259)
NET CASH FLOW FROM INVESTING ACTIVITIES	(46,543,934)	(63,881,863)
Long term loans (banks, bonds and other financing)	52,367,663	56,275,659
Short term loans (banks, bonds and other financing)	305,239	8,573,144
Cash flow form loans	52,672,902	64,848,803
Payment of loans and other financing disbursements	(32,256,391)	(15,725,932)
Dividend payment	(90,351,244)	(75,316,032)
Other payments	(548,152)	(82,160)
NET CASH FLOW FROM FINANCING ACTIVITIES	(70,482,885)	(26,275,321)
TOTAL NET CASH FLOW FOR THE PERIOD	11,130,989	48,600,983
OPENING BALANCE OF CASH & CASH EQUIVALENT	26,297,436	1,763,617
CLOSING BALANCE OF CASH & CASH EQUIVALENT	37,428,425	50,364,600