PRESS RELEASE

December 2013

1. Highlights

- Operating revenues reached Ch$402,791 million, Ch$19,764 million (5.2%) higher than in the previous year, due mainly to higher sales volumes and higher average tariffs as a result of the tariff increase for the completion of the Mapocho sewage treatment plant, which has enabled the company to treat 100% of sewage in the Metropolitan Region.

- In January and February of 2013, intense rain on two occasions caused a series of mudslides in the Cajón del Maipo area, forcing the Company to stop production at its main water treatment plants resulting in water stoppages.

- Costs increased 10.5% because of provisions made for customer compensation as a result of imprecise information provided during the water stoppages of January and February 2013 and increased costs related to the operation of the Mapocho sewage treatment plant. As a result, consolidated EBITDA for the period amounted to Ch$246,413 million, (2.0%) higher compared to last year.

- Financial result for the period reached Ch$(34,787) million, Ch$5,091 million lower than the previous year, as a result of lower capitalized financial expenses.

- Net income for 2013, reached Ch$57,648 million, Ch$2,566 million (-4.3%) lower than the previous year.

2. Operating Results

	Dec. 13	Dec. 12	% Var.	2013 / 2012
Revenues	402,791	383,027	5.2%	19,764
Operating Costs & Expenses	(156,378)	(141,510)	10.5%	(14,868)
EBITDA	246,413	241,517	2.0%	4,896
D&A	(64,721)	(55,225)	17.2%	(9,496)
Operating Income (EBIT)	181,692	186,292	-2.5%	(4,600)
Financial Result*	(34,787)	(29,696)	17.1%	(5,091)
Net Income	57,648	60,214	-4.3%	(2,566)

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

2.1. Revenue Analysis

	Dec. 13		Dec. 12		2013 / 2012	
	Sales	% of Rev.	Sales	% of Rev.	Ch$ (mio)	%
Water	157,307	39.1%	152,918	39.9%	4,389	2.9%
Sewage	184,299	45.8%	174,839	45.6%	9,460	5.4%
Other Regulated	16,067	4.0%	14,948	3.9%	1,119	7.5%
Other Non-regulated	45,118	11.1%	40,322	10.6%	4,796	11.9%
Total	**402,791**	100%	**383,027**	100%	**19,764**	5.2%

Sales Volume (Th. m^3)	Dec. 13	Dec. 12	% Var.	2013 / 2012
Water	548,631	539,178	1.8%	9,453
Sewage Collection	533,864	526,545	1.4%	7,319
Sewage Treatment & Disposal	466,732	460,351	1.4%	6,381
Customers	**Dec. 13**	**Dec. 12**	**% Var.**	**2013 / 2012**
Water	2,039,298	1,984,132	2.8%	55,166
Sewage Collection	1,999,419	1,943,788	2.9%	55,631

Regulated Businesses

1. Water

Revenues in 2013 for this business segmented reached Ch$157,307 million, Ch$4,389 million higher than 2012. The increase in revenue is due in part to increased sales volume of water billed during 2013, which was 1.8% higher than during the previous year. In addition, higher average tariffs in 2013 from tariff indexation as a result of polynomial variation at the end of September 2013 also contributed to higher revenues in this segment.

2. Sewage

Revenues from sewage services in 2013 reached Ch$184,299 million, 5.4% higher compared to the Ch$174,839 million registered in the previous year. The increase of Ch$9,460 million is explained by:

- Sewage Collection
  - Higher sewage collection revenue of Ch$1,348 million (Ch$87,080 million in 2013 compared to Ch$85,732 million in 2012), mainly as a result of a 7.3 million m^3 increase in sales volumes and higher average tariffs due to the polynomial tariff adjustment at the end of September 2013.

- Sewage Treatment
  - Higher sewage treatment revenues of Ch$6,842 million (Ch$77,873 million in 2013 compared to Ch$71,031 million in 2012), mainly as a result of higher average tariffs due to the completion of the Mapocho sewage treatment plant and the polynomial tariff adjustment at the end of September 2013, as well as an increase in sales volumes of 6.4 million m^3.

- Interconnection
  - Higher revenues from sewage interconnection services of Ch$1,270 million (Ch$19,346 million in 2013 compared to Ch$18,076 million in the previous year), mainly as a result of slightly higher average tariffs, partially offset by lower sales volume of 0.5 million m^3.

3. Other Regulated Revenue

Revenues of other regulated businesses increased Ch$1,119 million mainly due to higher provisions for non-billed consumption of Ch$778 million and higher revenues of Ch$386 million from fixed/baseline charges due to the higher number of customers.

Other Non-regulated Revenue

Revenues of non-regulated businesses increased Ch$4,796 million during 2013 compared to 2012, due mainly to:

1. Sanitation Services: Revenues in this segment increased Ch$1,980 million mainly due to engineering projects related to infrastructure modifications.

2. Non-Sanitation Services: Revenues in this segment increased Ch$2,790 million mainly due to higher sales of materials in Gestión y Servicios S.A., increased revenues in Anam S.A. and higher revenues in Aguas del Maipo, which were offset by lower revenues in EcoRiles S.A.

(MM$)	Dec. 13	Dec. 12	Var. %
Gestión y Servicios S.A.	9,558	7,863	21.6%
EcoRiles S.A.	10,981	11,137	-1.4%
Anam S.A.	2,654	2,164	22.6%
Aguas del Maipo S.A.	761	-	-
Total	**23,954**	**21,164**	**13.2%**

2.2. Cost Analysis

Cost of Sales

Costs of raw and secondary materials reached Ch$27,417 million in 2013, Ch$1,746 million lower than the costs recorded in the previous year. The decrease in costs is related to the fewer purchases of water rights, which were acquired to mitigate the effects of the drought in the Santiago area, and lower energy costs. This decrease is partially offset by slightly higher cost of materials.

Personnel Expenses

Personnel costs in 2013 reached Ch$40,811 million, Ch$2,323 million higher than the figured posted in the last year, mainly due to higher personnel compensation linked to inflation adjustments.

Depreciation and Amortization

As of December 31, 2013, depreciation and amortization reached Ch$64,721 million, Ch$9,496 million higher than the previous year. This increase is related to new investments made by the company that began operating during the period, mainly the Mapocho sewage treatment plant.

Other Expenses

As of December 31, 2013, other expenses reached Ch$88,150 million, Ch$14,292 million higher than the figure registered in 2012. This increase is a result of provisions made for consumer compensation related to water stoppages during the months of January and February 2013 (Ch$2,954 million); higher operation costs of sewage treatment plants (Ch$2,819 million); increased costs for waste/sludge removal associated with the Mapocho sewage treatment plant (Ch$1,625 million); increased costs for non-regulated sanitation services (Ch$857 million); higher customer services costs (Ch$548 million); and higher costs of network maintenance (Ch$1,470 million).

2.3. Analysis of Financial and Other Results

Financial Income

As of December 31, 2013, financial income amounted to Ch$7,056 million, Ch$1,333 million lower than the figured registered last year, explained by lower interest revenue due to lower cash surpluses.

Financial Costs

Financial costs for 2013 reached Ch$28,887 million, Ch$4,715 million higher than the financial costs recorded in the previous year. This increase is mainly due to decreased capitalized interest from investments (mainly the Mapocho sewage treatment plant).

Results of Indexation

Results of indexation as of December 31, 2013, reached Ch$12,954 million, Ch$932 million lower than the result recorded in 2012. This difference is the result of a lower revaluation of debt in UF.

Income Tax Charge (Credit)

The provision for income tax reached Ch$29,333 million as of December 31, 2013, Ch$6,436 million lower compared to the previous year. This decrease is related to the increase in corporate tax rate to 20% in September 2012, which revalued deferred taxes for the 2012 period.

Earnings

Earnings as of December 31, 2013, reached Ch$57,648 million, Ch$2,566 million (-4.3%) lower than the previous year.

3. Balance Sheet

(Millions of Ch$)	Dec. 13 MM$	Dec. 12 MM$	% Var.
Assets			
Current Assets	134,623	122,937	9.5%
Long-Term Assets	1,716,133	1,696,351	1.2%
Total Assets	**1,850,756**	**1,819,288**	**1.7%**
Liabilities & Shareholders' Equity			
Current Liabilities	221,033	167,343	32.1%
Long-Term Liabilities	680,044	695,418	-2.2%
Total Liabilities	**901,077**	**862,761**	**4.40%**
Shareholder's Equity	580,912	583,788	-0.5%
Minority Interest	368,767	372,739	-1.1%
Total Shareholder's Equity	**949,679**	**956,527**	**-0.7%**
Total Liabilities & Shareholder's Equity	**1,850,756**	**1,819,288**	**1.7%**

Assets

Total consolidated assets as of December 31, 2013, were Ch$1,850,756 million, an increase of 1.7% compared to December 31, 2012 when total assets were Ch$1,819,288 million.

The variation of Ch$11,686 million in current assets is due mainly to an increase in account receivables, related to higher sales volumes and higher average tariffs in 2013.

As of December 31, 2013, non-current assets increased Ch$19,782 million compared to December 31, 2012. This increase was due to new investments made during the period which were offset by increased depreciation, related to the Mapocho sewage treatment plant that came online.

The following are the main investments during the period:

Investments (Millions of Ch$)	Dec. 13
Storage Tank - Las Vizcachas Production Plant	17,166
Laguna Negra Aqueduct Connection - El Yeso	8,165
Expansion and Maintenance of Sewage Network	5,704

Liabilities & Shareholder's Equity

As of December 31, 2013, total liabilities increased 4.4% (Ch$38,316 million) compared to December 31, 2012.

Current liabilities increased by Ch$53,690 million from December 31, 2012. This increase is explained in part by increased other current financial liabilities (Ch$36,815 million), as a result of the Series G bond (UF 2.5 million) moving to current liabilities. This movement was offset in part by lower bank debt (Ch$12,000 million).

In addition, accounts payable increased Ch$23,283 million, explained by dividends payable (interim dividend paid in January 2014). Because of the completion of the Mapocho sewage treatment plant, accounts payable to related companies (mainly Empresa Depuradora de Aguas Servidas Mapocho Trebal Ltda.) decreased Ch$5,387 million. Lower accounts payable were slightly offset by increased dividends payable to Inversiones Aguas del Gran Santiago Ltda.

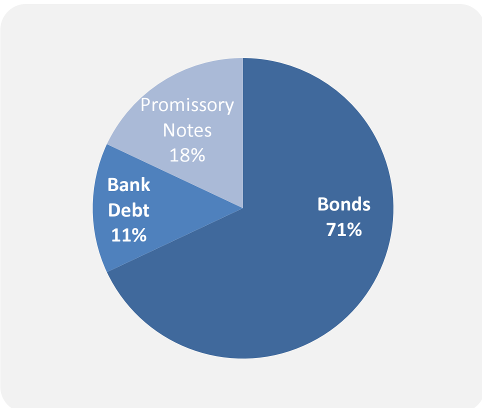
Long-term liabilities as of December 2013 decreased by Ch$15,374 million (-2.2%) compared to December 2012, as a result of the Series G bond (UF 2.5 million) moving to current liabilities, which was partially offset by the Series U bond emission (UF 2.0 million) in April 2013.

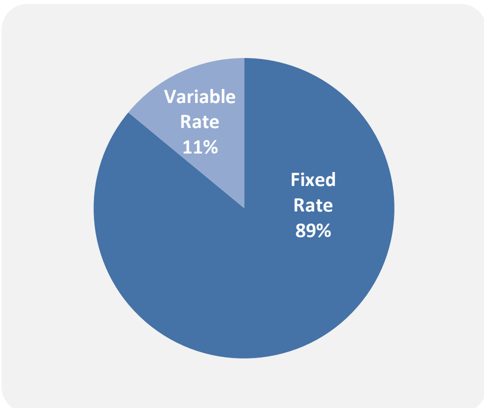
Total shareholder's equity as of December 2013 decreased by Ch$6,848 million compared to December 2012, generated by final dividend distribution and offset by retained earnings from 2013.

The table below outlines the amortization profile of consolidated debt as of December 31, 2013 (figures include only capital in millions of Ch$):

		Total	Less than 1 yr.	1-3 yrs.	3-5 yrs.	More than 5 yrs.
Bonds	UF	507,449	78,296	100,080	48,746	280,327
Bank Debt	$	76,701	6,197	70,504	-	-
Promissory Notes	UF	128,172	4,274	30,643	22,577	70,678
Total		**712,322**	**88,767**	**201,227**	**71,323**	**351,005**

Financial Liabilities Structure





4. Consolidated Cash Flows

	Dec. 13	Dec. 12	% Var.
Net Cash Flow from Operating Activities	202,592	202,701	-0.1%
Net Cash Flow from Investing Activities	-119,029	-105,369	13.0%
Net Cash Flow from Financing Activities	-80,471	-66,678	20.7%
Total Net Cash Flow for the Period	3,092	30,654	-89.9%
Closing Balance of Cash & Cash Equivalents	**40,299**	**37,207**	**8.3%**

The net cash flow from operating activities decreased Ch$109 million in 2013 compared to the previous year.

The main variations are:

- An increase in payments to suppliers of Ch$8,064 million, associated with increased costs from increased volumes treated since the Mapocho sewage treatment startup and from maintenance of the potable water network.
- An increase in interest payments (Ch$5,989 million) not related to construction projects.
- Higher taxes (Ch$3,356 million).

These variations were offset by:

- An increase in collection of payments from the sale of goods and services for Ch$15,203 million, as a result of higher tariffs and sales volumes since the Mapocho sewage treatment plant came online.
- A decrease in the payment of insurance premiums of Ch$1,884 million, mainly because the "total risk to physical asset" policy was renewed in 2012 for a duration of 18 months.

Cash flow from investment activities increased Ch$13,660 million, mainly due to the increase of property, plant and equipment of Ch$19,234 million, which correspond mainly to payments made for the Mapocho plant. These factors were offset by lower capitalization of interest (Ch$5,760 million).

The negative net cash flow from financing activities was Ch$13,793 million, due in part to the lower bond issuances of Ch$84,872 million in 2013 (UF 2.0 million) compared to 2012 (UF 4.95 million) and lower bank debt in the short term (Ch$3,169 million). These variations were offset by lower level of bank debt repayment (Ch$46,491 million) and lower dividend payments in 2013 (Ch$27,110 million) compared to 2012.

5. Financial Ratios

		Dec. 13	Dec. 12
Liquidity			
Current Ratio	times	0.61	0.73
Acid Test Ratio	times	0.18	0.22
Leverage			
Total Leverage	times	0.95	0.90
Current Leverage	times	0.25	0.19
Long-term Leverage	times	0.75	0.81
Interest Coverage Ratio	times	6.13	7.50
Return			
ROE	%	9.90	10.35
ROA	%	3.14	3.38
Earnings per share	$	57.65	60.21
Dividend Yield*	%	6.81	5.77

Current ratio: currents assets / current liabilities.
Acid test ratio: *cash and cash equivalents / current liabilities.*
Total leverage: *total liabilities / total shareholders' equity.*
Current leverage: *current liabilities / total liabilities.*
Long-term leverage: *long-term liabilities / total liabilities.*
Interest rate coverage: *net income before taxes / financial costs.*
ROE: *net income / average assets.*
ROA: *net income / average assets.*
Earnings per share: *Net income / total shares.*
Dividend Yield: *Dividends paid / share price.*
**Share price as of December 31, 2013 was $892.25. As of December 31, 2012 the share price was $964.84.*

As of December 2013, the current ratio decreased 16.4%, due to an increase of Ch$53,690 million (32.1%) in current liabilities and an increase in currents assets of Ch$11,686 million (9.5%), compared to December 2012. The main increases in current liabilities were in financial liabilities as a result of the Series G bond moving to current liabilities and higher accounts payable related to the interim dividend. These increases were offset by lower bank debt and lower accounts payable to related companies. Current assets increased due to an increase in accounts receivable, related to higher sales volume and increased tariffs in 2013 compared to 2012.

Total leveraged increased 5.6%, due to an increase in liabilities of Ch$38,315 million, explained mainly by an increase in dividends payable (interim dividend paid in January 2014) and lower shareholders' equity of Ch$6,847 million, due to final dividend payment compensated by net income generated in 2013.

Return on equity decreased 4.3% due to a decrease of Ch$2,566 million in 2013 net income and an increase in average shareholders' equity of Ch$600 million.

6. Other Information

Tariffs

The most important factor that determines the Company's results of operations and financial condition are the tariffs set for regulated services. As a water utility, the Company is regulated by the SISS, and our tariffs are set in accordance with the tariff law DFL No. 70 of 1988.

Tariffs are reviewed and set every five years and are adjusted in the interim period based on a polynomial index. The accumulated variation of the polynomial index must reach 3.0% or higher to produce a tariff adjustment. The polynomial index includes various inflation indices, specifically the Consumer Price Index (IPC), the Imported Goods of the Manufacturing Sector Price Index (IPBIM) and the Manufacturing Producers Price Index (IPPIM). These indices are all published by the National Institute of Statistics (INE).

The latest adjustments for tariff indexations for each group/company were applied on the following dates:

Aguas Andinas S.A.:	
Group 1	September 2013
Group 2	September 2013
Rinconada de Maipú	July 2012
Aguas Cordillera S.A.:	August 2013
Aguas Manquehue S.A.:	
Santa María	July 2013
Chicureo	August 2013
Chamisero	July 2012
Valle Grande 3	July 2012
Essal S.A.:	
Group 1	December 2013
Group 2	December 2013
Group 3	December 2013
Chinquihue	August 2013
Los Alerces	April 2013

In addition, tariffs may also be adjusted when additional services/investments become operational. These adjustments are previously authorized by the SISS. Tariffs may also be adjusted if changes in tax rates are made.

Current tariffs for Aguas Andinas S.A. for the 2010-2015 period were approved by Decree No. 60 dated February 2, 2010 by the Ministry of Economy, Development and Reconstruction and were applied beginning March 1, 2010. Current tariffs for Aguas Cordillera S.A. and Aguas Manquehue S.A. were approved by Decrees No. 176, on June 8, 2010, and No. 170, on May 20, 2010, respectively. Essal S.A. concluded its last tariff negotiation process in 2011 for the 2011-2016 period, and new rates were approved by Decree No. 116, on August 31, 2011.

Market Risk

Due to the stable nature of the water utility industry, there is low market risk. Operational results follow a seasonal pattern and may vary from quarter to quarter. The highest levels of demand and revenues are registered during the summer months (December to March) and lower levels of demand and revenues during the winter months (June to September). In general, demand for water is higher in warmer months, mainly due to the additional water needs caused by irrigation and other outdoor water uses.

Adverse weather conditions could potentially affect optimal delivery of services, because the processes of extracting and producing drinking water depend largely on weather conditions that develop in watersheds. Climate factors such as rainfall, snow, hail, temperature and moisture as well as other factors such as sediment and water levels in rivers determine not only the quantity, quality and continuity of raw water available at each intake point, but also determine the probability that water is properly treated in the water treatment plants. During the months of January and February 2013, mudslides in the Cajón del Maipo area significantly increased the level of sediment in the Maipo river, forcing the Company to shut down its main water treatment plants which resulted in water stoppages for a significant number of customers.

In the event of prolonged drought, the Company has significant reserves of water that in the El Yeso, Laguna Negra and Lo Encañado reservoirs. Additionally the Company has developed contingency plans to mitigate the effects from adverse climate conditions that could affect our operations. The Metropolitan Region has been affected by drought conditions since 2010. The Company has implemented several contingency plans such as the purchase raw water, increase use of wells and the lease and purchase of water rights, among other measures to reduce the impact of the drought and provide continue to provide quality, timely services.

Market Analysis

The market in which the Company participates has not varied given that by the nature of its services and under current legislation it has no competition in its concession area.

Aguas Andinas S.A. has 100% service coverage in drinking water, 98.5% service coverage in sewage collection and 100% service coverage in sewage treatment.

Aguas Cordillera S.A. has 100% service coverage in drinking water, 98.8% service coverage in sewage collection and 100% service coverage in sewage treatment.

Aguas Manquehue S.A. has 100% service coverage in drinking water, 99.4% service coverage in sewage collection and 100% service coverage in sewage treatment.

Essal S.A. has 100% service coverage in drinking water, 95.0% service coverage in sewage collection and 100% service coverage in sewage treatment.

Capital Investments

One of the variables that impact results of operations and the financial condition of the Company are capital investments. There are of two types:

Committed Investments: The Company has the obligation to agree on an investment plan with the industry regulator (S.I.S.S). The investment plan outlines investments that will be made in the subsequent 15 year period. Specifically, the plan includes certain projects related to maintaining certain quality standards and service coverage. The investment plan is subject to review every five years, and amendments may be made given certain circumstances.

Committed investments include several projects related to sewage treatment such as the construction of the Mapocho Urban Treatment Plan (MUL), in operation since 2010, the Mapocho Sewage Treatment

Plant and the La Farfana-El Trebal Connector. These investments were important milestones in achieving the goal of 100% sewage coverage treatment, which was reached in 2013. There are additional important committed investments developed to increase network autonomy such as: additional storage tanks, with the most relevant tank being one built at the Las Vizcachas plant which will have a capacity of 160,000 m^3; the CAYA project which will connect the El Yeso reservoir with the Laguna Negra aqueduct (capacity of 4.0 m^3/s; length of connection is 5km); and additional drilling in the Cerro Negro area to increase capacity (500 l/s). These investments aimed to improve the quality and availability of water, especially in emergency situations.

Dates of approval and dates of updates to the investment plan for the Aguas Group:

Aguas Andinas S.A.
Greater Santiago: 16 May 2011
Other areas: 13 October 2011, 12 September 2012, 5 April 2013, 3 July 2013

Aguas Cordillera S.A.
Aguas Cordillera and Villa Los Dominicos: 18 October 2011

Aguas Manquehue S.A.
Santa María and Los Trapenses: 28 December 2010
Chicureo, Chamisero and Valle Grande III: 29 December 2011
Alto Lampa: 22 November 2013

Essal S.A.
X and XIV Regions: 30 December 2010

Uncommitted Investments: Uncommitted investments are those which are those investments that are not included in the committed investment plan that the Company chooses to carry out voluntarily to ensure the quality of services and to replace obsolete assets. These investments are generally related to the replacement of network infrastructure and other assets, the acquisition of certain water rights and investments in unregulated businesses, among others.

According to IAS 23 of the International Financial Reporting Standards (IFRS), the current accounting standard in Chile, interest on capital investments is capitalized during the construction phase. IAS 23 outlines that when a company acquires debt in order to finance investments, the interest on that debt must be subtracted from financial expenses and incorporated into the financed construction project, for up to the full amount of interest. Consequently, the financial costs associated with our capital investment plan affects the amount of financial expenses recorded in the income statement. These financial costs are recorded along with ongoing works in the line item Property, Plant and Equipment of the balance sheet.

Financial Aspects

Currency risks:

Revenues are largely linked to the evolution of the local currency (Chilean peso). Because of this factor, the Company's debt is mainly denominated in Chilean pesos or financial instruments linked to the Chilean peso, specifically the UF. As a result, the Company does not significant risk of foreign currency transactions.

Interest rate risk:

As of December 31, 2013, the Company's interest rate profile consisted of 89.2% fixed rate and 10.8% variable rate. The fixed rate debt includes short-term and long-term bonds (79.8%) and promissory notes (20.2%), while the variable rate debt includes bank debt with local financial institutions.

As of December 31, 2012, the Company's interest rate profile consisted of 86.0% fixed rate and 14.0% variable rate. The fixed rate debt includes short-term and long-term bonds (79.5%) and promissory notes (20.5%), while the variable rate debt includes bank debt with local financial institutions.

The company has a policy of monitoring and managing its interest rate, with the aim of optimizing the cost of financing. It continuously evaluates available hedging instruments in the financial market.

The local rating agency Feller Rate has assigned the Company a solvency rating of AA. Feller Rate and Fitch Rating have assigned the Company's shares a rating of Level 2.