EARNINGS RELEASE

For the financial years ending December 31 2015 and 2014

1. Highlights for 2015

- The Company's revenue reached CLP$473,397 million, an increase of CLP $32,541 million (7.4%) in comparison to the previous financial year. This increase was mainly due to higher supplied volumes, the application of tariffs due to the entry into operation of the new potable water safety infrastructure works and the tariff indexations that occurred at the beginning of April and October 2014 and November 2015.

- During the last quarter of 2015, temperatures were lower and there was higher precipitation than those of the last quarter of 2014 which had an impact in consumption levels for the Metropolitan Region.

- Aguas Andinas' current tariffs for the 2015-2020 period were approved through Decree N°83 which was approved on June 5th 2015 and came into effect March 1st 2015 (these tariffs were published in the Official Newspaper on September 3rd 2015). Aguas Cordillera's current tariffs for the 2015-2020 period were approved through Decree N°152 which was approved on October 19th 2015 and came into effect June 30th 2015 (these tariffs were published in the Official Newspaper on November 25th 2015). Aguas Manquehue's current tariffs for the 2015-2020 period were approved through Decree N°139 which was approved on September 16th 2015 and came into effect May 19th 2015 (these tariffs were published in the Official Newspaper on November 25th 2015).

- Costs increased by 14.3% mainly due to higher employee benefits of CLP$5.460 mainly associated with a provision for the early retirement program of CLP$2,054 million and extraordinary benefits paid to employees at the end of the collective negotiation process for CLP$561 million. In addition, there were higher salary payments associated with the application of consumer price index readjustments. Additionally, the cost of raw materials and consumables increased in CLP$7,171 million, mainly due to the increase in the cost of electricity. This cost amounted to CLP$6,915 million at the end of the financial year, mainly due to higher tariffs, and the acknowledgement of retroactive charges by the electricity companies amounting to CLP$2,827 million. Additionally, other costs increased due to higher activity related to higher costs of sale such as the modifications of sanitation infrastructure required by third parties for CLP$2,084 million, higher expenses in software licenses for CLP$1,999 million, higher costs related to client service for CLP$1,765 million, an increase in network maintenance activities for CLP $1,320 million and higher operating costs for the sewage treatment plants for CLP$1,108 million. With this, the EBITDA for the year reached CLP$281,402 million, exhibiting an increase of CLP$8,592 (3.1%) in comparison to the previous year.

- The financial result generated a loss for CLP$47, 818 million, CLP$11,834 million less in comparison to that obtained in the previous year. This was mainly due to a lower revaluation of the Company's re-adjustable debt in Unidades de Fomento (Indexation Units).

- Tax expenses at the end of 2015 amounted to CLP$33.846 million, CLP$8,561 million higher in comparison to the same quarter of the previous year. This variation was mainly justified by higher earnings before taxes of CLP$17,955 million and by the change in the tax rate increasing from 21% to 22.5% due to the Tax Reform and due to the permanent differences between financial and tax results which affect the results which are associated to taxes.

- Net income as of December 31 2015 amounted to CLP$63,283 million, CLP$4,572 higher (7.8% increase) in comparison to 2014

2. Operating Results

2.1 Accumulated Results

Income Statement (CLP$ millions)	Dec. 15	Dec. 14	% Var.	2015 - 2014
Revenues	473,397	440,856	7.4%	32,541
Operating Costs & Expenses	-191,995	-168,046	14.3%	-23,949
EBITDA	**281,402**	**272,810**	**3.1%**	**8,592**
D&A	-68,403	-66,241	3.3%	-2,162
Operating Income (EBIT)	**212,999**	**206,569**	**3.1%**	**6,430**
Financial Result*	-47,818	-59,652	-19.8%	11,834
Tax Expenses	-33,846	-25,285	33.9%	-8,561
Net Income	**63,283**	**58,711**	**7.8%**	**4,572**

**Includes financial revenue, financial costs, exchange rate differences and results due to indexation units.*

2.2. Revenue Analysis

	Dec. 15		Dec. 14		Variation	
	Sales CLPMM$	% of Rev	Sales CLPMM$	% of Rev	CLP MM$	%
Potable Water	180,937	38.2%	171,488	38.9%	9,449	5.5%
Sewage	220,706	46.6%	202,001	45.8%	18,705	9.3%
Other Regulated Revenue	18,015	3.8%	20,282	4.6%	-2,267	-11.2%
Non-Regulated Revenue	53,739	11.4%	47,085	10.7%	6,654	14.1%
Total	**473,397**	100.0%	**440,856**	100.0%	**32,541**	7.4%

Sales Volume (Th. m^3)	Dec. 15	Dec. 14	% Var.	Difference
Potable Water	562,187	558,555	0.7%	3,632
Sewage Collection	542,921	540,463	0.5%	2,458
Sewage Treatment & Disposal	473,680	473,688	0.0%	-8
Interconnections *	121,799	119,260	2.1%	2,539

Customers	Dec. 15	Dec. 14	% Var.	Difference
Potable Water	2,149,673	2,096,999	2.5%	52,674
Sewage Collection	2,096,347	2,045,634	2.5%	50,713

** Interconnections include the Treatment and Disposal of Sewage from other Sanitation Companies*

a. Regulated Business

1. Potable Water

Potable water revenues as of the end of 2015 totaled CLP$180,937 million. This is an increase of CLP$9,449 million in comparison to the end of the previous year. The higher level of revenue was caused in part by higher potable water sales volumes billed during 2015, which was 0.7% higher than in 2014. In addition to this, there was a higher average tariff due to the application of new tariffs. These new tariffs include the potable water safety infrastructure works that were incorporated in March 2014 and the inflation indexations that were registered during 2014 and 2015.

2. Sewage

Revenues from sewage as of the end of 2015 reached CLP$220,706 million, exhibiting an increase of 9.3% in comparison to the CLP$202,001 million registered the previous year. The CLP$18,705 million increase was due to an increased sales volume of 2.4 million m^3 and a higher average tariff due to the tariff indexations registered during 2014 and 2015

3. Other Regulated Revenue

This segment had a CLP$2,267 million decrease mainly due a lower provision for sales volume when compared to 2014.

b. Non-Regulated Revenue

Non-Regulated revenues increased by CLP$6,654 million in 2015 in comparison to the previous year. This variation was explained by:

1. Sanitation Services

An increase of CLP$5,318 million mainly due to a higher number of services related to the transfer of sanitation infrastructure requested by third parties in addition to more services solicited by clients. This was compensated by less agreements with developers.

2. Non-Sanitation Services

Revenues increased by CLP$1,336 million which was mainly explained by more activity in EcoRiles S.A. and Gestión y Servicios S.A.

(MM$)	Dec. 15	Dec. 14	Var. %
Gestión y Servicios S.A.	9,053	8,488	6.7%
EcoRiles S.A.	12,519	11,600	7.9%
Anam S.A.	3,102	3,275	-5.3%
Aguas del Maipo S.A.	919	772	19.0%
Inversiones Aguas Metropolitanas S.A.	4	126	-96.8%
Non-regulated, non-sanitation products	**25,597**	**24,261**	**5.5%**

2.3. Cost Analysis

a. Raw Materials and Consumables Used

As of December 31 2015, the cost of raw materials and consumables used totaled CLP$37,354 million, an increase of CLP$7,171 million in comparison to that obtained in 2014.The increase in these costs was due mainly to the cost of electricity of CLP$6.915 million. The increase in electricity costs was due to higher tariffs and a higher consumption of Kwh associated with an increase in the elevation of ground water in addition to the acknowledgement of retroactive charges by the electricity companies for CLP$2,827 million.

b. Personnel Expenses

At the end of 2015, personnel expenses amounted to CLP$51.157 million, CLP$5,460 million higher than the same period of the previous year. This was mainly due to a provision associated with an early retirement program for CLP$2,054 million, extraordinary benefits paid to personnel at the end of the collective negotiation for CLP$561 million, in addition to higher salaries associated to inflation adjustments.

c. Depreciation and Amortization Expenses

As of December 31 2015, depreciation and amortization totaled to CLP$68, 403 million, CLP$2,161 million higher than that obtained in 2014. This increase was mainly due to the depreciation of the new commercial system and new investments that were incorporated during the period.

d. Other Expenses

As of December 31 2015, these expenses totaled CLP$103,484 million, a CLP$11,317 million increase to that obtained in 2014. This was explained due to higher activity related to the transfer of sanitation infrastructure solicited by third parties for CLP$2,084 million, software licenses for $1,999 million, increased client service costs for CLP$1,765 million and an increase in network maintenance for CLP$1,320 million. In addition to this, there were higher operating costs of the sewage treatment plants due to higher volume treated and UF (indexation units) readjustment for CLP$1,108 million, higher costs due to an increase in works requested by clients for CLP$734 million and higher Communications and Advertisement expenses for CLP$503 million (mainly due to the Responsible Use of Water and World Water Day campaigns).

2.4. Analysis of Financial Results and Other Results

a. Financial Income

As of December 31 2015, financial income amounted to CLP$6,631 million, a CLP$1,255 million increase to that obtained in 2014. This was explained by an inflation insurance and higher repurchases of promissory notes (AFR).

b. Financial Costs

As of December 31 2015, financial costs totaled CLP$27,909 million, a CLP$2,833 million decrease in costs to those obtained in 2014. The latter was explained by lower bond amortization and interest, which is partially due to that during 2014, Bond Series F, which had an interest rate of 4.15%, was pre-paid using Bond Series W with an interest rate of 3.16%. In addition to this, there are lower bank-loan interest expenses due to a lower TAB rate in comparison to the previous period. This was partially compensated by an increase in promissory note (AFR) expenses due to an increase in the level of this debt.

c. Results from Indexation

At the end of 2015, results from indexation reached CLP$26,525 million, determined by a lower expense of CLP$7,727 million in comparison to 2014. This was mainly due to a lower debt revaluation due to a lower variation of the UF (indexation units) in comparison to 2014.

d. Expense (Income) due to Income Tax

The provision for income taxes totaled CLP$33,846 million for the 2015 financial year. This was CLP$8,561 million higher in comparison to the previous year. This variation was justified mainly by higher earnings before taxes of CLP$17,955 million, the change in tax rate from 21% to 22.5% due to the Tax Reform, and due to the permanent differences between financial and tax results that positively affect the results which are associated to taxes.

e. Net Income

Net income as of December 30 2015 amounted to CLP$63,283 million, CLP$4,572 million higher (7.8%) than that obtained in 2014.

3. Quarterly Results

Income Statement (CLP$ millions)	4Q15	4Q14	% Var.	4Q15 – 4Q14
Revenues	126,711	122,586	3.4%	4,125
Operating Costs & Expenses	-49,045	-42,615	15.1%	-6,430
EBITDA	**77,666**	**79,971**	**-2.9%**	**-2,305**
D&A	-17,178	-17,053	0.7%	-125
Operating Income (EBIT)	**60,488**	**62,918**	**-3.9%**	**-2,430**
Financial Result*	-12,841	-17,403	-26.2%	4,562
Tax Expenses	-10,232	-7,025	45.7%	-3,207
Net Income	**17,827**	**18,697**	**-4.7%**	**-870**

**Includes financial revenue, financial costs, exchange rate differences and results due to indexation units.*

3.1. Revenue Analysis

a. Operating Revenues

Ordinary revenues for the fourth quarter of 2015 amounted to CLP$126,711 million, CLP$4,125 million higher (3.4% increase) to that obtained in the same quarter of the previous year. This increase was mainly due to higher average tariffs due to the tariff indexations that occurred in April and October 2014 and November 2015 which adjust tariffs to the variations of the existing polynomial in addition to the change in the Tariff Decree as of March 2016. This was partially compensated by lower billed volume during the quarter. Additionally, higher non-regulated services were generated mainly due to works executed for the Public Works Ministry, in addition to an increase in services related to infrastructure modifications requested by third parties.

3.2. Cost Analysis

a. Raw Materials and Consumables Used

In the fourth quarter of 2015, the cost of raw materials and consumables used totaled CLP$9,037 million, an increase of CLP$427 million in comparison to that obtained in the same quarter of 2014. The increase was mainly due to higher electricity costs of CLP$890 million due to higher tariffs, higher consumption, and the acknowledgement of retroactive charges by the electricity companies. This was partially compensated by a decrease in the cost of sales of Gestión y Servicios due to a decrease in activity.

b. Personnel Expenses

At the end of the fourth quarter of 2015, personnel expenses amounted to CLP$13,535 million, CLP$1,419 million higher than the same quarter of the previous year. This was mainly due to the payment of the early retirement program, extraordinary benefits paid to personnel at the end of the collective negotiation process, in addition to higher remunerations associated with CPI readjustments.

c. Depreciation and Amortization Expenses

Depreciation and amortization for the fourth quarter of 2015 amounted to CLP$17.178 million, CLP$125 million lower than that obtained in the same quarter of 2014.

d. Other Expenses

During the fourth quarter of 2015, other expenses totaled CLP$26,472 million, a CLP$4,584 million increase to that obtained in the same quarter of 2014. This was explained due to higher activity related to the transfer of sanitation infrastructure solicited by third parties for CLP$571 million, software licenses for $714 million, increased client service costs for CLP$487 million (mainly due to an increase in the activity level in the Potable Water replacement services, meter readings and phone assistance), an increase network maintenance and repair for CLP$357 million, higher costs due to works requested by clients for CLP$624 million, lease services for CLP$209 million, and communications and advertisements costs for CLP$202 million. In addition to this, there were higher operating costs of the sewage treatment plants due to the UF (indexation units) readjustment and due to higher volume treated and for CLP$293 million.

3.3. Analysis of Financial Results and Other Results

a. Financial Income

Financial income for the fourth quarter of 2015 amounted to CLP$2,271 million, CLP$1,015 million higher than that obtained in the same quarter of 2014. This was mainly explained by the results obtained by the inflation insurance.

b. Financial Costs

Financial costs for the fourth quarter of 2015 totaled CLP$6,786 million, a CLP$428 million decrease in costs to those obtained in the same quarter of 2014. This decrease was mainly due to higher activation of financial interests.

c. Results from Indexation

Results from indexation for the fourth quarter of 2015, resulted in losses of CLP$8,328 million. This decreased by CLP$3,108 million in comparison to the fourth quarter of 2014. This was mainly due to a lower debt revaluation due to a lower variation of the UF (indexation units) in comparison to the same quarter of 2014.

d. Expense (Income) due to Income Tax

The provision for income taxes for the fourth quarter of 2015 totaled CLP$10,232 million, CLP$3,207 million higher in comparison to the same quarter of the previous year. This variation was justified mainly by deferred taxes, associated with the variation of the tax rate between the deferred tax rate of 27% versus the tax rate applied for the corresponding quarter of 22.5%. This is in addition to the permanent differences that positively affect the amount associated with taxes and an increase in earnings before taxes in comparison to the fourth quarter of 2014.

e. Net Income

Net income for the fourth quarter of 2015 amounted to CLP$17,827 million, CLP$870 million lower (4.7% decrease) than that obtained in the same quarter of 2014.

4. Balance Sheet

	Dec. 15 CLP Millions	Dec. 14 CLP Millions	% Var.
Assets			
Current Assets	149,879	128,642	16.5%
Long-Term Assets	1,813,935	1,750,739	3.6%
Total Assets	**1,963,814**	**1,879,381**	**4.5%**
Liabilities & Shareholder's Equity			
Current Liabilities	233,356	177,518	31.5%
Long-Term Liabilities	787,470	763,838	3.1%
Total Liabilities	**1,020,826**	**941,356**	**8.4%**
Shareholder's Equity	580,626	577,634	0.5%
Minority Interest	362,362	360,391	0.5%
Total Shareholder's Equity	**942,988**	**938,025**	**0.5%**
Total Liabilities & Shareholder's Equity	**1,963,814**	**1,879,381**	**4.5%**

4.1 Asset Analysis

Inversiones Aguas Metropolitanas' consolidated total assets as of December 31 2015 had an increase of 4.5% in comparison with December 31 2014, going from CLP$1,879,381 million to CLP$1,963,814 million.

Current assets increased by CLP$21,237 million, mainly due to an increase in accounts receivable from related entities for CLP$5,154 million mainly due to the pre-payment of works to Degrémont S.A. for the expansion of the fourth module of the Mapocho Trebal Sewage Treatment Plant in addition to an increase in commercial debtors of CLP$5,402 million mainly due to a decrease in the provision for doubtful debts and CLP$ 3,773 million associated mainly with taxes which will be recovered.

Long-term assets increased by CLP$63,196 million, mainly due to an increase higher investments conducted during the period. The following were the main investments during the period:

Investments **(CLP Millions)**	**Dec.15**
Expansion of the Fourth Module of the Trebal-Mapocho Plant	37,240
Corrective Maintenance (Starters, Valves, Others)	6,126
Replacement of Operating Assets	5,238

4.2 Liabilities & Shareholder's Equity

Total liabilities as of December 2015 increased by 8.4% (CLP$79,470 million) in comparison to December 2014.

Current liabilities increased by CLP$55,838 million (31.5%). This variation was mainly due to the reclassification of the Series N bond moving from non-current liabilities to current liabilities. This had an impact of CLP$32,036 million. In addition to this, there was an increase in trade accounts payable, associated to new investment projects.

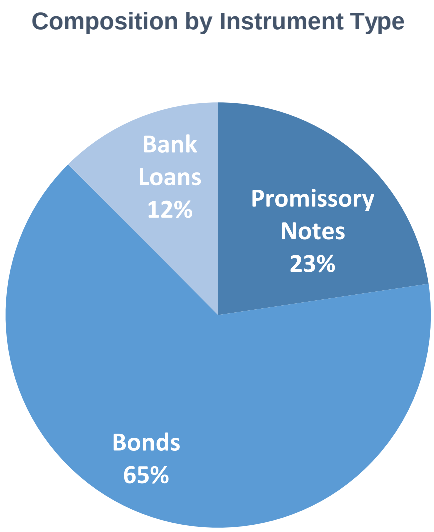
Long-term liabilities increased by CLP$23,632 million (3.1%). The main variations were due to an increase in promissory notes (AFRs) of CLP$18,427 million, in addition to greater obligations in long-term bonds for CLP$8,269 million due to the revaluation of the debt in UF and the issuance of the Series X bond in April 2015.

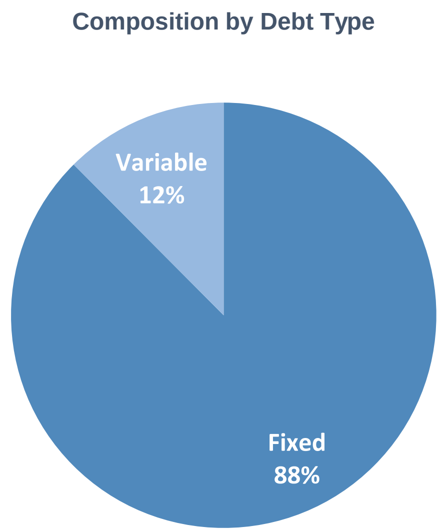
Total shareholders' equity increased by CLP$4,963 million and the net equity attributable to the controllers increased by CLP$2,992 million, explained by the distribution of dividends corresponding to the 2014 financial year and the earnings generated during 2015.

The table below outlines the amortization profile of consolidated debt as of December 31, 2015 (figures include only capital in millions of CLP$):

	Currency	Total	1 - 12 months	1 - 3 years	3 - 5 years	more than 5 years
Promissory Notes	$	178,343	9,528	38,435	18,467	111,913
Bonds	$	510,920	49,926	42,955	8,783	409,256
Bank Debt	$	98,141	10,622	10,283	61,218	16,018
Total		**787,404**	**70,076**	**91,673**	**88,468**	**537,187**

4.3 Financial Liabilities Structure





5. Consolidated Cash Flows

Cash Flow Statement (CLP$ millions)	Dec. 15	Dec. 14	% Var.
Net Cash Flow from Operating Activities	211,900	204,961	3.4%
Net Cash Flow from Investing Activities	-91,751	-86,060	6.6%
Net Cash Flow from Financing Activities	-113,677	-131,481	-13.5%
Total Net Cash Flow for the Period	**6,472**	**-12,580**	**-151.4%**
Closing Balance of Cash & Cash Equivalents	**34,191**	**27,720**	**23.3%**

The net cash flow from operating activities increased by CLP$6,939 million, when comparing December 2015 to December 2014.

The main variation was as follows:

- Increase in charges due to sales of goods and services for CLP$39,282 million mainly due to higher sales volume and a higher average tariff. In addition to this, the Collections Unit was able to collect more client debts.

This variation was partially compensated by the following concepts:

- An increase in the payment to suppliers for CLP$14,913 million mainly associated to higher payments to maintenance and Potable Water and Sewerage network repair suppliers and electricity payments. The latter has been due to higher costs, higher consumption and resettlements due to retroactive charges.

- An increase in the benefits paid to employees for CLP$4,719 million due to the early retirement program which launched during 2015, in addition to extraordinary benefits given to employees associated with Aguas Andinas' collective negotiation with unions which took place in September and with the subsidiary Anam in December of this year.

- An increase in other payments for operation activities for CLP$4,368 million due to higher value added taxes paid.

- An increase of CLP$7,582 million for the payment of capital gains tax which has been due to the change in the Provisional Monthly Payment tax rate for the 2015 period, in addition to higher sales.

The disbursement for investment activities increased by CLP$5,691 million.

Financing activities generated a negative variation of net cash flow of CLP$17,804 million due the payment of the Bond Series G and F that occurred in 2014. The latter was compensated by a decrease in bank loans for CLP$128,540 million.

6. Financial Ratios

		Dec. 15	Dec. 14
Liquidity			
Current Ratio	times	0.6	0.7
Acid Test Ratio	times	0.2	0.2
Leverage			
Total Leverage	times	1.1	1.0
Current Leverage	times	0.2	0.2
Long-term Leverage	times	0.8	0.8
Interest Coverage Ratio	times	6.9	5.8
Return			
ROE	%	10.9	10.1
ROA	%	3.3	3.2
Earnings Per Share	CLP$	63.3	58.7
Dividend Yield*	%	5.9	6.1

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, 2015 was $999.34. As of December 31, 2014, the share price was $940.12.*

As of December 2015, the current ratio had an decrease of 11.1% due to an increase in current liabilities of CLP$55,838 million (31.5%) compensated with an increase in current assets of CLP$21,237 million (16.5%) in comparison to December 2014. The main variations in current liabilities were explained by the reclassification of Bond Series N from long-term liabilities to current liabilities for CLP$32,036 million, in addition to an increase trade accounts payable associated to new investment projects. The main variations in current assets were due an increase of CLP$5,154 million in accounts receivable from related entities due to the pre-payment of works to Degrémont S.A. for the expansion of the fourth module of the Mapocho Trebal Sewage Treatment Plant and an increase in trade debtors of CLP$ 5,402 million mainly due to a decrease in the provision for doubtful debtors.

Total leverage increased by 7.9% due to an increase in current liabilities of CLP$79,470 million. This was mainly due to an increase in trade accounts payable, in addition to an increase in promissory notes for CLP$18,427 million and an increase in bond obligations for CLP$28,740 million due to the revaluation of the debt in UF and the issuance of Bond Series X in April 2015. In addition to this, total shareholders' equity increased by CLP$4,963 million due to the earnings of the period, compensated with the distribution of dividends for the 2014 financial year.

The annualized return on equity attributable to the controller increased by 7.8% due to an increase of CLP$4,572 million in earnings in 2015.

7. Other Information

a. 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	April - October 2014 & November 2015.
Group 2	April - October 2014 & November2015.
Rinconada de Maipú	March 2014 & March – July – September 2015.
Aguas Cordillera S.A.:	April - October 2014 & November 2015.
Aguas Manquehue S.A.:	
Santa María	February - July 2014 & March - November 2015.
Chicureo	March - October 2014, & October 2015.
Chamisero	March 2014, March & September 2015.
Valle Grande 3	March 2014, March & September 2015
Essal S.A.:	
Group 1	April & October 2014 & March & October 2015
Group 2	April & October 2014 & March & October 2015
Group 3	April & October 2014 & March & October 2015
Chinquihue	February & September 2014 & March & December 2015
Los Alerces	January & September 2014 & March & October 2015

In addition, tariffs may also be adjusted when additional services/investments become operational. These adjustments are previously authorized by the SISS.

Aguas Andinas' current tariffs for the 2015-2020 period were approved through Decree N°83 which was approved on June 5th 2015 and came into effect March 1st 2015 (these tariffs were published in the Official Newspaper on September 3rd 2015). Aguas Cordillera's current tariffs for the 2015-2020 period were approved through Decree N°152 which was approved on October 19th 2015 and came into effect June 30th 2015 (these tariffs were published in the Official Newspaper on November 25th 2015). Aguas Manquehue's current tariffs for the 2015-2020 period were approved through Decree N°139 which was approved on September 16th 2015 and came into effect May 19th 2015 (these tariffs were published in the Official Newspaper on November 25th 2015).

For ESSAL, the relevant dates for the tariff process have been published. Bases to the study will be observed on August 11 2015, the tables with historical information will be provided on October 28, 2015, studies will be interchanged on March 8, 2016, and the new tariffs will come into force on September 12, 2016.

b. Market Risk

Our Company has a favorable situation in terms of risk, mainly due to the particular characteristics of the sanitation industry. 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.

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 continue to provide quality, timely services.

c. 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, 98.7% 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, 95.6% service coverage in the X Region and 92.0% in the XIV Region of sewage collection and 100% service coverage in sewage treatment.

d. Capital Investments

One of the variables that influence the results of the operations and the financial condition of the Company are capital investments. There are 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.

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

Aguas Andinas S.A.
Gran Santiago: May 16 2011
Other Areas: September 12 2012, April 5 2013, September 26 2013, December 31 2014 and January 12 2015.

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

Aguas Manquehue S.A.
Santa María and Los Trapenses: December 23 2014
Chicureo, Chamisero, and Valle Grande III: December 29 2011
Alto Lampa: November 22 2013

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

Uncommitted Investments: Uncommitted investments 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.

e. Financial Aspects

Currency Risks: Our 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, 2015, the Company's interest rate profile consisted of 87.5% fixed rate and 12.5% variable rate. The fixed rate debt includes short-term and long-term bonds (74.2%) and promissory notes (25.8%), while the variable rate debt includes bank debt with local financial institutions.

As of December 31, 2014, the Company's interest rate profile consisted of 85.2% fixed rate and 14.8% variable rate. The fixed rate debt includes short-term and long-term bonds (75.9%) and promissory notes (24.1%), 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.

This favorable situation has meant that the local rating agencies have assigned the Company a solvency rating of AA+. In the case of our stocks, Feller Rate has assigned us a rating of first class Level 1 and Fitch Ratings has assigned us a rating of first class Level 2.