EARNINGS RELEASE

Period ending on
March 31, 2018

1. Summary of 2018

- During the first quarter of 2018, the Company's revenues amounted to CLP Th$ 152,478,323, CLP Th$ 6,609,644 (4.5%) higher than in the same quarter of 2017. This increase was mainly explained by higher sales volumes, with an increase of 1.3% in potable water and 1.1% in wastewater, together with indexations recorded during 2017 and 2018.

- Non-regulated subsidiaries increased their sales by CLP Th$ 342,078, which was mainly explained by higher sales of materials in Gestión y Servicios, higher sales of Environmental Analysis laboratory services and higher sales of methanized biogas from the Aguas del Maipo subsidiary. This is partially offset by lower revenues in EcoRiles due to lower activity in maintenance and wastewater discharge projects.

- Costs increased by 8.4% mainly due to an increase in electricity costs of CLP Th$ 1,234,273, due to higher consumption due to larger volume of groundwater collection and potable water elevation caused by the lower availability of water in the rivers of the Metropolitan Region and also to higher tariffs. There were also increases of CLP Th$ 1,602,119 in personnel expenses due to severance costs, CPI readjustments, larger staffing and benefits paid due to a collective bargaining process completed in January of this year and which will be effective for the next 3 years. Additionally, higher network maintenance costs by CLP Th$ 531,054, an increase in customer management costs amounting to CLP Th$ 339,388 and higher campus maintenance costs by CLP Th$ 230,844 were recorded. This is partially offset by a lower allowance for doubtful accounts by CLP Th$ 972,095 due to greater efforts in collection management.

- EBITDA for the period reached CLP Th$ 97,825,955, an increase of 2.5% when compared to the same period of the previous year

- Financial income displayed a loss of CLP Th$10,202,048, higher by CLP Th$927,466 than that of the previous year, mainly as a result of a higher revaluation of the readjustable debt in Unidades de Fomento (Indexation Units).

- Income tax expense at the end of the first quarter of 2018 was CLP Th$ 18,124,319, CLP Th$ 1,199,914 higher than in the same period of the previous year. This variation was mainly explained by the change in the tax rate from 25.5% to 27.0% due to the Tax Reform, added to a higher result of CLP Th$ 2,316,266 before taxes.

- Net income as of March 31, 2018 amounted to CLP Th$ 25,824,925, CLP Th$ 734,471 (2.9%) higher than that obtained in the same quarter of the previous year.

2. Results

2.1 Accumulated Results

Income Statement (CLP Th$)	Mar. 18	Mar. 17	% Var.	2018 - 2017
Ordinary Revenue	152,478,323	145,868,679	4.5%	6,609,644
Operational Cost and Expenses	(54,652,368)	(50,418,370)	8.4%	(4,233,998)
EBITDA	**97,825,955**	**95,450,309**	**2.5%**	**2,375,646**
Depreciation and Amortization	(18,857,653)	(17,796,044)	6.0%	(1,061,609)
Income From Operations	**78,968,302**	**77,654,265**	**1.7%**	**1,314,037**
Other Earnings	2,021,589	91,894	>200%	1,929,695
Financial Income*	(10,202,048)	(9,274,582)	10.0%	(927,466)
Tax Expenses	(18,124,319)	(16,924,405)	7.1%	(1,199,914)
Net Earnings	**25,824,925**	**25,090,454**	**2.9%**	**734,471**

** Includes financial revenue, financial costs, exchange differences and results by readjustment units.*

2.2 Revenue Analysis

	Mar. 18		Mar. 17		Variation	
	Sales CLP Th$	Participation	Sales CLP Th$	Participation	CLP Th$	%
Potable Water	65,245,564	42.8%	62,606,158	42.9%	2,639,406	4.2%
Wastewater	69,318,337	45.5%	67,545,948	46.3%	1,772,389	2.6%
Other Regulated Income	5,796,414	3.8%	4,061,205	2.8%	1,735,209	42.7%
Non-Regulated Income	12,118,008	7.9%	11,655,368	8.0%	462,640	4.0%
Total	**152,478,323**	**100.0%**	**145,868,679**	**100.0%**	**6,609,644**	**4.5%**

Sales Volume (Thousands of m^3)	Mar. 18	Mar. 17	% Var.	Difference
Potable Water	168,484	166,352	1.3%	2,132
Wastewater Collection	159,284	157,604	1.1%	1,680
Wastewater Treatment and Disposal	136,418	135,466	0.7%	952
Interconnections*	37,613	37,354	0.7%	259

Customers	Mar. 18	Mar. 17	% Var.	Difference
Potable Water	2,275,240	2,215,289	2.7%	59,951
Wastewater Collection	2,221,880	2,161,626	2.8%	60,254

** The interconnections include the Treatment and Disposal of Wastewater from other Water Utility Companies.*

a. Regulated Business

1. Potable Water

Revenues from potable water during the first quarter of 2018 reached CLP Th$65,245,564, an increase of CLP Th$2,639,406 over the same quarter of the previous year, as a result of higher volumes supplied together with the indexations recorded during 2017 and 2018.

2. Wastewater

Wastewater revenue during the first quarter of 2018 reached CLP Th$69,318,337, an increase of 2.6% when compared to CLP Th$67,545,948 in 2017. The increase of CLP Th$1,772,389 was mainly due to a higher volume of supply, together with the indexations recorded during 2017 and 2018.

3. Other Regulated Revenue

This item displays an increase of CLP Th$1,735,209, which was mainly explained by the variation in the provision of non-billed consumptions together with income from fixed charges to customers.

b. Non-Regulated Income

Non-regulated revenue increased by CLP Th$462,640 during the first quarter of 2018 when compared to the same quarter last year. This variation was explained by:

1. Water Utility Services

An increase of CLP Th$120,582, mainly due to increased activity in agreements with developers and new services requested by customers.

2. Non Water Utility Services

An increase of CLP Th$342,078 was mainly explained by larger sales of materials in Gestión y Servicios, larger sales of Environmental Analysis laboratory services and larger sales of methanized biogas from the subsidiary Aguas del Maipo. This is partially offset by lower revenue from EcoRiles due to lower activity in maintenance and wastewater discharge projects.

(ThCh$)	Mar. 18	Mar. 17	Var. %
Anam S.A.	1,120,973	996,409	12.5%
EcoRiles S.A.	3,143,592	3,381,097	(7.0%)
Gestión y Servicios S.A.	1,650,155	1,423,524	15.9%
Aguas del Maipo S.A.	228,388	0	-
Non-regulated, non-sanitation companies	**6,143,108**	**5,801,030**	**5.9%**

2.3. Expense Analysis

a) Raw Materials and Consumables Used

As of March 31, 2018, raw materials and consumable costs were CLP Th$9,889,860, CLP Th$1,525,726 higher than in the first quarter of the 2017 financial year. The increase was mainly due to higher electricity costs by CLP Th$1,234,273, due to higher consumption of groundwater and potable water lifting due to lower water availability in the rivers of the Metropolitan Region and higher tariffs. Additionally, higher material costs by CLP Th$355,059 were recorded, mainly associated with higher material expenses for Gestión y Servicios and Aguas del Maipo.

b) Personnel Expenses

At the end of the first quarter of 2018, personnel expenses reached CLP Th$14,488,951, which is CLP Th$1,602,119 higher due to severance costs, CPI readjustments, larger staff and benefits paid due to a collective bargaining process completed in January of this year and which will be in force for the next three years.

c) Depreciation and Amortization Expenses

As of March 31, 2018, depreciation and amortization amounted to CLP Th$18,857,653, higher by CLP Th$1,061,609 than in the prior financial year. This is the result of the depreciation associated with the new assets acquired during the period.

d) Other Expenses

At the end of the first quarter of 2018, these expenses amounted to CLP Th$30,273,557, which is CLP Th$1,106,153 higher than the amount recorded for the same period in 2017, mainly due to higher consumption of groundwater and potable water lifting due to the lower availability of water in the rivers of the Metropolitan Region and higher tariffs. Additionally, higher network maintenance costs by CLP Th$531,054, higher customer service costs by CLP Th$339,388 and higher facilities maintenance costs by $230,844 were recorded. This is partially offset by a lower provision for bad debts amounting to CLP Th$972,095 due to increased collection management efforts.

2.4. Analysis of Financial Results and Other Earnings

a) Other Earnings

As of March 31, 2018, other earnings in the amount of CLP Th$2,021,589 were obtained, higher by CLP Th$1,929,695 than in 2017, as a result of sales of expendable land located in various municipalities of the Metropolitan Region.

b) Financial Revenue

As of March 31, 2018, financial income amounting to CLP Th$1,394,611 was obtained, CLP Th$191,916 lower than that obtained in 2017, mainly due to lower cash surpluses and lower interest on the repurchase of AFR promissory notes (Repayable Financial Contributions). This is partially offset by higher interest rates on customer debt.

c) Financial Cost

At the end of the first quarter of 2018, financial cost reached CLP Th$6,983,431, which meant a decrease of CLP Th$577,962 to those recorded in the same period of 2017. This is mainly explained by higher financial capitalization together with lower interest rates, and AFR promissory notes (Reimbursable Financial Contributions).

d) Results from Indexation Units

As of March 31, 2018, revenues amounting to CLP Th$4,584,309 was obtained, resulting in a higher expense of CLP Th$1,284,204 when compared to 2017, explained by a higher appreciation of the debt due to the higher variation of the UF when compared to the first quarter of 2017.

e) Income Tax Expense (Revenue)

Income tax expense at the end of the first quarter of 2018 was CLP Th$18,124,319, CLP Th$1,199,914 higher than in the same period of the previous year. This variation was mainly explained by the change in the tax rate from 25.5% to 27.0% due to the Tax Reform, added to a higher before tax income by CLP Th$2,316,266.

f) Net income

Net income as of March 31, 2018 amounted to CLP Th$25,824,925, CLP Th$734,471 (2.9%) higher than in the previous year.

3. Revenues by Segment

3.1 Accumulated Results, Water Segment

Income Statement (ThCh$)	Mar. 18	Mar. 17	% Var.	2018 - 2017
External Revenue	146,319,945	140,448,605	4.2%	5,871,340
Revenues Between Segments	299,330	217,404	37.7%	81,926
Operating Costs and Expenses	(49,790,629)	(45,927,111)	8.4%	(3,863,518)
EBITDA	**96,828,646**	**94,738,898**	**2.2%**	**2,089,748**
Depreciation and Amortization	(18,683,150)	(17,625,264)	6.0%	(1,057,886)
Income from Operations	**78,145,496**	**77,113,634**	**1.3%**	**1,031,862**
Other Earnings	1,905,887	27,629	>200%	1,878,258
Financial Results*	(10,180,235)	(9,282,390)	9.7%	(897,845)
Tax Expense	(17,837,088)	(16,621,058)	7.3%	(1,216,030)
Net Earnings	**51,170,880**	**50,147,699**	**2.0%**	**1,023,181**

** Includes financial income, financial cost, exchange differences and income due to readjustment units.*

The income of this business was 2.0% higher than in the same quarter of the previous year, mainly due to the following factors

- An increase in external revenue, mainly associated with higher volumes supplied, together with the positive variations in tariffs recorded during 2018 and 2017.
- Costs increased by 8.4% mainly due to an increase in electricity costs amounting to CLP Th$1,234,273, due to higher consumption of groundwater and elevation of potable water caused by the lower availability of water in the rivers of the Metropolitan Region and additionally to higher tariffs. There were also increases in personnel expenses amounting to CLP Th$1,602,119 due to severance costs, CPI readjustments, larger staffing and benefits paid for a collective bargaining process completed in January this year and which will be in force for the next 3 years. Additionally, higher network maintenance costs amounting to CLP Th$531,054, higher customer management costs amounting to CLP Th$339,388 and higher campus maintenance costs amounting to $230,844 were recorded. This is partially offset by a lower provision for bad debts amounting to CLP Th$972,095 due to increased collection management efforts.
- An increase in depreciation and amortization cost mainly due to new assets acquired during the period.
- An increase in other earnings from sales of expendable land located in several municipalities in the Metropolitan Region.
- A loss in financial income compared to 2017, mainly due to a greater revaluation of the readjustable debt in Unidades de Fomento.
- Higher income tax expense when compared to the previous year, mainly due to higher income before taxes and the increase in the tax rate from 25.5% to 27.0% due to the Tax Reform.

3.2 Accumulated Results, Non-Water Segment

Income Statement (ThCh$)	Mar. 18	Mar. 17	% Var.	2018 - 2017
External Revenue	6,159,433	5,421,109	13.6%	738,324
Revenues Between Segments	1,036,768	1,003,207	3.3%	33,561
Operating Costs and Expenses	(5,924,588)	(5,372,860)	10.3%	(551,728)
EBITDA	**1,271,613**	**1,051,456**	**20.9%**	**220,157**
Depreciation and Amortization	(179,617)	(175,555)	2.3%	(4,062)
Income from Operations	**1,091,996**	**875,901**	**24.7%**	**216,095**
Other Earnings	115,656	71,193	62.5%	44,463
Financial Results*	(28,787)	(736)	>200%	(28,051)
Tax Expense	(292,356)	(256,798)	13.8%	(35,558)
Net Earnings	**886,509**	**689,560**	**28.6%**	**196,949**

** Includes financial income, financial cost, exchange differences and income due to readjustment units.*

Earnings from the Non-Water segment showed an increase of 28.6% when compared to the same period of the previous year, mainly due to:

- An increase in revenue which was mainly due to a higher activity in Gestión y Servicios associated with the sale of network materials, in Anam associated with a laboratory project in Easter Island and in Aguas del Maipo it was due to the sale of biogas, a situation that did not occur in the same quarter of the previous year. This is partially offset by lower revenue at EcoRiles due to lower activity in maintenance and wastewater discharge projects.

- An increase in costs mainly associated with Gestión y Servicios due to increased activity in sales of materials to external parties.

- The increase in other earnings is mainly explained in Gestión y Servicios, due to the recovery of Guarantee Notes that had been provisioned for over 4 years, partially offset by lower asset sales (collector cleaning trucks sold in 2017).

- Higher income tax expense when compared to the same quarter of 2017, mainly due to an increase in income before taxes together with an increase in the tax rate from 25.5% to 27.0%.

3. Balance Sheet

	Mar. 18 CLP Th$	Dec. 17 CLP Th$	% Var.
Assets			
Current Assets	169,174,335	151,737,073	11.5%
Non Current Assets	1,929,346,763	1,917,633,912	0.6%
Total Assets	**2,098,521,098**	**2,069,370,985**	**1.4%**
Assets and Equity			
Current Liabilities	228,709,868	237,819,145	(3.8%)
Non- Current Liabilities	852,333,134	866,737,268	(1.7%)
Total Liabilities	**1,081,043,002**	**1,104,556,413**	**(2.1%)**
Shareholders' Equity	619,313,076	593,488,151	4.4%
Minority Interest	398,165,020	371,326,421	7.2%
Total Shareholders' Equity	**1,017,478,096**	**964,814,572**	**5.5%**
Total Liabilities and Shareholders' Equity	**2,098,521,098**	**2,069,370,985**	**1.4%**

3.1 Asset Analysis

Inversiones Aguas Metropolitanas' total assets reconciled as of March 31, 2018 showed an increase of 1.4% over December 31, 2017, from CLP Th$2,069,370,985 to CLP Th$2,098,521,098.

Current assets increased by CLP Th$17,437,262, mainly due to the increase of CLP Th$8,047,633 in other current financial assets associated with the recording of the prepayment of capital and interest on bonds payable on April 1, 2018, higher receivables from sales amounting to CLP Th$5,503,981, together with higher cash by CLP Th$4,893,590.

Non-current assets increased by CLP Th$11,712,851, mainly explained by accounts receivable amounting to CLP Th$1,178,320 associated with the collective bargaining process, higher deferred taxes by CLP Th$1,298,515 and an increase in plant and equipment properties amounting to CLP Th$8,238,488, associated with the investments made during the period. The main investment projects during the period are shown in the following table:

Investments (CLP Th$)	Mar-18
Asset Replacement of La Farfana-Trebal Wastewater Treatment Plants	2,294,305
Preventive renovation of potable water networks	2,282,889
Pirque Tank Construction	1,959,819
Construction of Emergency Works for Turbidity Events	1,883,669
Expansion of Talagante Wastewater Treatment Plant	1,255,023
Construction of a Potable Water Treatment Plant for Chamisero	1,241,717

3.2 Liabilities and Shareholders' Equity Analysis

Liabilities through in March 2018 decreased by CLP Th$23,513,411 when compared to December 2017.

Current liabilities decreased by CLP Th$9,109,277. This variation was mainly due to the distribution of interim dividends made during the first quarter of 2018, partially offset by an increase in bank loans, together with the long term to short-term reclassification of Aguas Cordillera's bank loan of CLP Th$20,000,000.

Non-current liabilities decreased by CLP Th$14,404,134. The foregoing mainly corresponds to the reclassification of long-term bank loans for CLP Th$20,000,000 to short-term, which is partially offset by higher appreciation of debt in bonds and promissory notes.

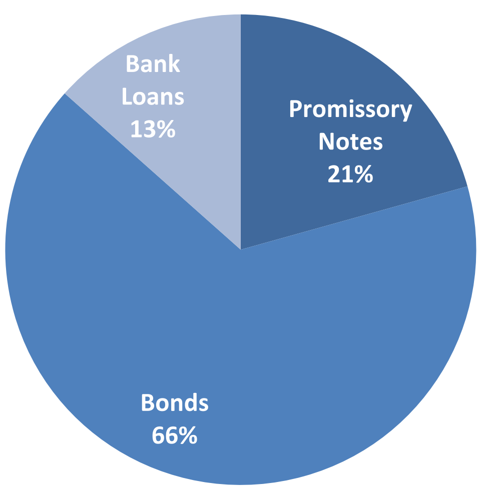
Total equity increased by CLP Th$52,663,524 and equity attributable to the owners of the parent company increased by CLP Th$25,824,925, mainly explained by the earnings gained for the period.

The maturity profile of the financial debt as of March 31, 2018 is as follows:

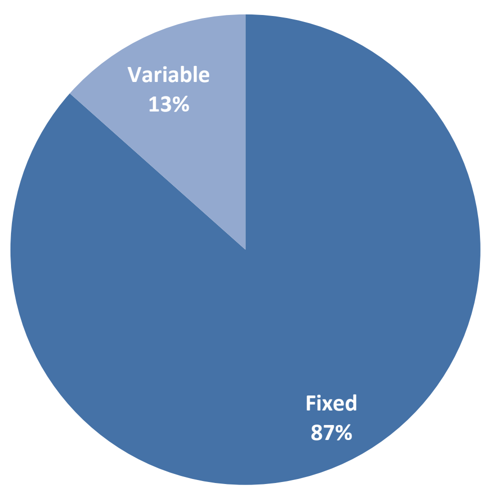
Capital CLP Th$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
Promissory Notes	$	183,058,227	14,992,126	19,742,887	46,546,432	101,776,782
Bonds	$	583,809,523	36,082,013	22,724,728	19,728,407	505,274,375
Loans	$	119,019,209	50,283,345	64,419,014	4,316,850	0
Totals		**885,886,959**	**101,357,484**	**106,886,629**	**70,591,689**	**607,051,157**

3.3 Financial Liabilities Structure

Composition by Instrument



Composition by Interest Rate



4. Consolidated Cash Flow

Cash Flow Statement (CLP Th$)	Mar. 18	Mar. 17	% Var.
Operating Activities	61,547,543	57,610,299	6.8%
Investment Activities	(32,905,978)	(25,689,824)	28.1%
Financing Activities	(23,747,975)	(45,078,769)	(47.3%)
Net Cash Flow for the Period	**4,893,590**	**(13,158,294)**	**(137.2%)**
Final Cash Balance	**24,696,798**	**52,963,712**	**(53.4%)**

Flows from operating activities increased by CLP Th$3,937,244 when comparing March 2018 to March 2017.

The main variations were as follows:

- Increase in collections from sales of goods and services amounting to CLP Th$12,313,674, mainly due to higher sales volume together with the tariff indexation recorded during 2017 and 2018.
- Reduction of payments for premiums and benefits, annuities and other obligations derived from the policies subscribed, amounting to CLP Th$3,302,922, associated with the payment of fire insurance for 18 months.
- Decrease in other payments for operational activities amounting to CLP Th$2,883,955, due to a higher value added tax credit.

These variations were partially offset by the following items:

- Increase in payments to suppliers for an amount of CLP Th$11,399,716, associated mainly with suppliers of water utility infrastructure transfers and leases.
- Increase in personnel expenses by CLP Th$3,336,837, generated by higher compensation and bonuses associated with CPI readjustments, increased provisions and extraordinary benefits to personnel paid due to collective bargaining processes.

The disbursement for investment activities increased by CLP Th$7,216,154, associated with the investments made during the period.

Financing activities generated a negative net cash flow (decrease) of CLP Th$21,330,794, mainly due to increased borrowing and short-term financing instruments.

5. Financial Ratios

		Mar. 18	Dec. 17
Liquidity			
Current Ratio	times	0.74	0.64
Acid Test Ratio	times	0.11	0.08
Leverage			
Total Leverage	times	1.06	1.14
Current Leverage	times	0.21	0.22
Long-term Leverage	times	0.79	0.78
Interest Coverage Ratio	times	7.25	7.06
Return			
ROE	%	11.26	11.62
ROA	%	3.35	3.34
Annualized Earnings per Share	$	69.45	68.72
Dividend Yield (*)	%	6.00	5.71

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*
(*)The share price as of March 2018 was $1,110.9 and $1,167.9 as of December 2017.

As of March 2018, the current ratio increased by 15.6%, due to an increase in current assets of CLP Th$17,437,262 (11.5%), mainly explained by the recording of the prepayment of principal and interest on bonds payable on April 1, 2018, higher receivables from sales and cash, and a decrease in current liabilities by CLP Th$9.109,277, as a result of the payment of interim dividends during the first quarter of 2018, partially offset by the reclassification of the bank loan from Aguas Cordillera for CLP Th$20,000,000 from long-term to short-term.

Total leverage decreased by 7.2%, as a result of an increase in total equity of CLP Th$52,663,524, due to the profit for the period, and a decrease in liabilities receivable of CLP Th$23,513,411, mainly explained by the payment of interim dividends made during the first quarter of 2018.

The annualized return on equity attributable to the owners of the parent company decreased by 3.1%, due to an increase in average equity of CLP Th$25,457,689, partially offset by an increase in the income for the year by CLP Th$734,471.

6. Other Information

a) Tariffs

The most important factor that determines the results of our operations and financial condition is the tariffs that are established for our regulated sales and services. As a water utility company we are regulated by the S.I.S.S. and our tariffs are established in accordance with the D.F.L. Sanitation Services Fee Law. Nº70 of 1988.

Our tariff levels are reviewed every five years and, during this period, are subject to additional readjustments associated with an indexation polynomial, which is applied when the cumulative variation since the previous adjustment is 3.0% or higher, based on calculations based on various inflation indexes. Specifically, the readjustments are applied according to a formula that includes the Consumer Price Index, the Imported Goods Price Index for the Manufacturing Sector and the Producer Price Index for the Manufacturing Sector, all of which are measured by the National Statistics Institute of Chile. The latest indexations made by each company in the group were applied on the following dates:

Aguas Andinas S.A.:	
Group 1	July 2017
Group 2	July 2017
Rinconada de Maipú	January 2017, September 2017 and January 2018
Aguas Cordillera S.A.:	January 2017
Aguas Manquehue S.A.:	
Santa Maria	February 2018
Chicureo	June 2017
Chamisero	November 2016
Los Trapenses	February 2018
Valle Grande 3	January 2017, September 2017 and January 2018
Essal S.A.:	
Group 1	October 2015
Group 2	October 2015
Group 3	October 2015
Chinquihue	May 2017
Los Alerces	October 2015

In addition, the tariffs are subject to adjustment to reflect additional services previously authorized by the S.I.S.S.

The tariffs in force for Aguas Andinas S.A., for the period 2015-2020 were approved by Decree No. 83 dated June 5, 2015, of the Ministry of Economy, Development and Reconstruction and entered into force on March 1, 2015 (published in the Official Gazette on September 3, 2015). Aguas Cordillera S.A.'s current tariffs for the same five-year period 2015-2020 were approved by Decree No. 152 dated October 19, 2015, and entered into force on June 30, 2015 (published in the Official Gazette on November 25, 2015) and Aguas Manquehue S.A.'s current tariffs for 2015-2020 were approved by Decree No. 139 dated September 16, 2015, and entered into force on May 19, 2015 (published in the Official Gazette on November 25, 2015).

For the subsidiary Essal, the tariffs in force for the period 2016-2021 were approved by Decree No. 143 dated August 25, 2016, published in the Official Gazette on January 21, 2017.

b) Market Risk

Our company has a favorable situation in terms of risk, which is mainly due to the particular characteristics of the water utility sector. Our business is seasonal and operating results may vary from quarter to quarter. The highest levels of demand and income are recorded during the summer months (December to March) and the lowest levels of demand and income during the winter months (June to September). In general, the demand for water is higher in the warmer months than in the milder ones, mainly due to the additional water needs generated by irrigation systems and other external water uses.

Adverse climatic conditions can eventually affect the optimal delivery of water utility services, because the processes of collection and production of potable water depend to a large extent on the weather conditions in the river basins. Factors such as meteorological precipitation (snow, hail, rain, and fog), temperature, humidity, sediment carry-over, river flows and turbidity determine not only the volume, quality and continuity of raw water available in each intake, but also the possibility that it can be properly treated in potable water treatment plants.

In the event of a drought, we have important water reserves that we maintain in El Yeso, Laguna Negra and Lo Encañado reservoirs, in addition to the contingency plans that we have developed, which allow us to reduce the possible negative impacts that adverse weather conditions could generate for our operations. In the current period, the drought that has existed since 2010 persists, which means applying contingency plans such as the purchase of raw water, intensive use of wells, leasing and purchase of water rights, among others. All this in order to reduce the impact of the drought and provide our services normally, both in terms of quality and continuity.

c) Market Analysis

The Company does not have any variation in the market in which it participates due to the nature of its services and the legal regulations in force, which mean that it has no competition in its area of concession.

Aguas Andinas S.A. has 100% coverage in potable water, 98.8% in sewerage services and 100% in wastewater treatment in the Santiago basin.

Aguas Cordillera S.A. has 100% coverage in potable water, 98.9% in sewerage services and 100% in wastewater treatment.

Aguas Manquehue S.A. has 100% coverage in potable water, 99.4% in sewerage services and 100% in wastewater treatment.

Essal S.A. has 100% coverage in potable water, 95.7% in the sewerage service in the X Region and 92.6% in the XIV Region; and 100% in wastewater treatment.

d) Capital Investments

One of the variables that most affects the results of our operations and financial position is capital expenditures. These are of two kinds:

Committed Investments. We are required to agree to an investment plan with the S.I.S.S., which describes the investments we are required to undertake during the 15 years following the date on which the investment plan enters in force. Specifically, the investment plan reflects a commitment on our side to carry out certain projects related to the maintenance of certain quality standards and service coverage. The aforementioned investment plan is subject to review every five years and amendments may be requested when certain relevant facts are verified.

Dates for approval and updating of the Aguas Group's development plans:

Aguas Andinas S.A.
Greater Santiago: December 23, 2015
Locations April 5, 2013, September 26, 2013, December 31, 2014, January 12, 2015 and November 17, 2015

Aguas Cordillera S.A.
Aguas Cordillera and Villa Los Dominicos: December 21, 2015

Aguas Manquehue S.A.
Santa Maria and Los Trapenses: December 23, 2014
Chicureo, Chamisero and Valle Grande III: August 10, 2016
Alto Lampa: November 22, 2013

Essal S.A.
Locations in the X and XIV Region: June 1, 2016, June 14, 2016, August 12, 2016 and January 16, 2017.

Non-Committed Investments. Non-committed investments are those that are not covered by the investment plan and that we undertake voluntarily in order to ensure the quality of our services and replace obsolete assets. These are generally related to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

In accordance with international financial reporting standards in force in Chile, in particular IAS 23, interest on capital investments in work in progress is capitalized. IAS 23 establishes that when an company acquires debt to finance investments, the interest on that debt must be deducted from the interest expense and included in the construction work financed, up to the total amount of such interest, applying the respective rate to the disbursements made at the date of submission of the financial statements. Consequently, the financial costs associated with our capital investment plan affect the amount of interest expense recorded in the income statements, and these financial costs are recorded together with the work in progress under "property, plant and equipment" in our financial position statement.

e) Financial Aspects

Currency Risks: Our revenue is largely linked to the evolution of the local currency. As a result, our debt is mainly issued in the same currency, and therefore we do not have significant foreign currency risk.

Interest Rate Risks: As of March 31, 2018, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. was 86.7% at a fixed rate and 13.3% at a variable rate. Fixed-rate debt is composed of: short-term and long-term bond issues (76.3%) and reimbursable financial contributions (23.7%), while variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2017, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. was 88.9% at a fixed rate and 11.1% at a variable rate. Fixed-rate debt is composed of: short-term and long-term bond issues (76.1%) and repayable financial contributions (23.9%), while variable-rate debt corresponds to loans with domestic banks.

The company maintains a policy of interest rate monitoring and management, which in order to optimize the cost of financing, permanently evaluates the hedging instruments available in the financial market.

All this favorable situation has meant that the risk rating agencies have assigned us an AA+ risk rating for long-term debt. In the case of the shares: Feller Rate assigned us a first class rating level 1 and Fitch Ratings assigned us a first class rating level 2.