



**Inversiones Aguas Metropolitanas announces the signing of a sale commitment agreement for acquiring Iberaguas (controller of Essal S.A.) and a new financing of UF 3.5 million by its subsidiary Aguas Andinas.**

Santiago – Chile, May 23, 2008. Inversiones Aguas Metropolitanas S.A. communicates the following:

**Signing of sale commitment agreement for acquiring Iberaguas Ltda. (controller of ESSAL)**

On May 19, 2008, the subsidiary Aguas Andinas S.A. and Iberdrola Energía Chile Limitada signed a sale commitment agreement for all the corporate rights held by the latter in Inversiones Iberaguas Limitada, the direct parent company of ESSAL S.A., with a 51% shareholding.

The price of the final transaction, which includes all the corporate rights in Inversiones Iberaguas Limitada will amount to €103.334.886, payable once the conditions set out in the commitment agreement are met. At the same time and subject to the same conditions of the sale commitment agreement, Aguas Andinas will make a public share acquisition offer for all of the share capital of ESSAL S.A.

**New financing of UF 3.5 million**

The board of Aguas Andinas S.A., at its meeting held on May 20, 2008, agreed to obtain financing for up to the sum of 3,500,000 Unidades de Fomento, authorizing the management to determine the type of financing.

Aguas Andinas S.A. may therefore contract one or more bank loans and/or register one or more bond issues and arrange their respective issuance, with a maximum maturity for the bonds of 30 years.

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