Empresa de Transporte de Pasajeros Metro S.A. and Subsidiary

Interim Consolidated Financial Statements

For the periods ended

As of March 31, 2017 and December 31, 2016

EMPRESA DE TRANSPORTE DE PASAJEROS METRO S.A. AND SUBSIDIARY

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended
As of March 31, 2017 and December 31, 2016

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ThCh$	:	Figures expressed in thousands of Chilean Pesos
MCh$	:	Figures expressed in millions of Chilean Pesos
US$	:	Figures expressed in United States dollars
ThUS$	:	Figures expressed in thousands of United States dollars
MUS$	:	Figures expressed in millions of United States dollars

Consolidated Financial Statements

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Interim Consolidated Statements of Financial Position

for the periods ended as of March 31, 2017 and December 31, 2016

(In thousands of Chilean pesos)

ASSETS	NOTE	03-31-2017	12-31-2016
CURRENT ASSETS			
Cash and cash equivalents	4	353,101,267	118,298,953
Other current financial assets	10	95,101,236	65,468,951
Other current non-financial assets	11	4,891,917	5,456,571
Trade and other receivables, current	5	8,230,963	7,841,983
Inventories	6	12,054,629	12,239,475
Current tax assets		1,516,348	1,377,223
Total current assets		474,896,360	210,683,156
NON-CURRENT ASSETS			
Other non-current financial assets	10	4,183,807	4,546,022
Other non-financial assets, non-current	11	19,825,330	20,525,178
Rights receivable		1,304,249	1,347,289
Intangible assets other than goodwill	7	6,148,735	5,831,487
Property, plant and equipment	8	4,048,480,881	3,963,708,545
Investment property	9	18,845,039	18,915,614
Total non-current assets		4,098,788,041	4,014,874,135
TOTAL ASSETS		4,573,684,401	4,225,557,291

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Financial Position, continued

for the periods ended as of March 31, 2017 and December 31, 2016

(In thousands of Chilean pesos)

LIABILITIES AND EQUITY	NOTE	03-31-2017	12-31-2016
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	12	160,376,237	167,228,914
Trade and other payables	15	63,863,381	78,448,191
Other short-term provisions	19	2,660,583	630,590
Provisions for employee benefits, current	17	5,891,762	12,671,164
Other current non-financial assets	13	18,578,435	17,429,927
Total current liabilities		251,370,398	276,408,786
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	12	1,967,273,969	1,645,023,640
Trade payables due to related parties, non-current	14	101,296,200	41,296,200
Provisions for employee benefits, non-current	17	13,678,228	13,519,115
Other non-current non-financial liabilities	13	3,303,837	3,347,215
Total non-current liabilities		2,085,552,234	1,703,186,170
Total liabilities		2,336,922,632	1,979,594,956
EQUITY			
Share capital	20	2,742,569,245	2,742,569,245
Retained earnings (accumulated deficit)	20	(539,175,792)	(529,975,226)
Other reserves	20	33,378,961	33,378,961
Equity attributable to the owners of the Parent		2,236,772,414	2,245,972,980
Non-controlling interests	20	(10,645)	(10,645)
Total equity		2,236,761,769	2,245,962,335
Total equity and liabilities		4,573,684,401	4,225,557,291

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income

For the periods ended as of March 31, 2017 and 2016

(In thousands of Chilean pesos)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	NOTE	ACCUMULATED	
		01-01-2017 03-31-2017	01-01-2016 03-31-2016
PROFIT (LOSS)			
Revenue	21	74,741,092	70,215,281
Cost of sales	21	(61,981,364)	(64,399,047)
Gross profit		12,759,728	5,816,234
Other income, by function	21	322,271	253,731
Administrative expenses	21	(10,621,511)	(6,472,395)
Other expenses, by function	21	(186,262)	(66,334)
Other profit (loss)	21	(1,228,819)	(3,359,705)
Finance income	21	2,456,768	1,495,610
Finance costs	21	(13,296,201)	(13,145,146)
Foreign currency translation differences	21	5,515,317	38,506,652
Profit (loss) on index-adjusted units	21	(4,723,371)	(6,532,503)
Income tax expense			
Profit (loss) from continuing operations		(9,002,080)	16,496,144
Profit (loss)		(9,002,080)	16,496,144
PROFIT (LOSS) ATTRIBUTABLE TO:			
Owners of the Parent		(9,002,080)	16,496,144
Non-controlling interests			
Profit (loss)		(9,002,080)	16,496,144
STATEMENT OF COMPREHENSIVE INCOME			
Profit (loss)		(9,002,080)	16,496,144
Other comprehensive income	21	(198,486)	(182,789)
Total comprehensive income		(9,200,566)	16,313,355
Comprehensive income attributable to:			
Owners of the Parent		(9,200,566)	16,313,355
Non-controlling interests		-	-
Total comprehensive income		(9,200,566)	16,313,355

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Changes in Equity

For the periods ended as of March 31, 2017 and 2016
(In thousands of Chilean pesos)

Concept	Share capital	Other reserves				Retained earnings (accumulated deficit)	Equity attributable to the owners of the Parent	Non-controlling interests	Total net equity
		Other miscellaneous reserves	Revaluation surplus	Reserve for gain (loss) on defined benefit plans	Total other reserves				
Opening balance as of 01-01-2017	2,742,569,245	30,336,377	3,042,584	-	33,378,961	(529,975,226)	2,245,972,980	(10,645)	2,245,962,335
Profit (loss)	-	-	-	-	-	(9,002,080)	(9,002,080)	-	(9,002,080)
Other comprehensive income	-	-	-	(198,486)	(198,486)	-	(198,486)	-	(198,486)
Comprehensive income	-	-	-	(198,486)	(198,486)	(9,002,080)	(9,200,566)	-	(9,200,566)
Increase (decrease) on transfers and other changes	-	-	-	198,486	198,486	(198,486)		-	-
Closing balance as of 03-31-2017	2,742,569,245	30,336,377	3,042,584	-	33,378,961	(539,175,792)	2,236,772,414	(10,645)	2,236,761,769
Opening balance as of 01-01-2016	2,392,831,968	30,336,377	3,042,584	-	33,378,961	(499,432,394)	1,926,778,535	(10,645)	1,926,767,890
Profit (loss)	-	-	-	-	-	16,496,144	16,496,144	-	16,496,144.00
Other comprehensive income	-	-	-	(182,789)	(182,789)	-	(182,789)	-	(182,789)
Comprehensive income	-	-	-	(182,789)	(182,789)	16,496,144	16,313,355	-	16,313,355.00
Increase (decrease) on transfers and other changes	-	-	-	182,789	182,789	(182,789)	-	-	-
Closing balance as of 03-31-2016	2,392,831,968	30,336,377	3,042,584	-	33,378,961	(483,119,039)	1,943,091,890	(10,645)	1,943,081,245

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows
For the periods ended as of March 31, 2017 and 2016
(In thousands of Chilean pesos)

Consolidated Statements of Cash Flows (Direct Method)	01-01-2017 03-31-2017	01-01-2016 03-31-2016
Cash flows from (used in) operating activities		
Receipts from sale of goods and rendering of services	70,542,328	67,080,060
Other cash receipts from operating activities	2,354,242	1,139,184
Payments to suppliers for goods and services	(36,011,342)	(34,040,350)
Payments to and on behalf of employees	(22,099,054)	(19,650,877)
Other payments for operating activities	(1,755,851)	(1,167,202)
Net cash flows generated from operating activities	**13,030,323**	**13,360,815**
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	(113,533,828)	(106,203,275)
Acquisition of intangible assets	(4,081)	(109,822)
Other receipts to acquire equity or debt securities belonging to other entities	60,804,354	22,761,193
Other payments to acquire equity or debt securities of other entities	(90,571,035)	(26,457,689)
Interest paid	(8,510,995)	(8,424,481)
Net cash used in investing activities	**(151,815,585)**	**(118,434,074)**
Cash flows from (used in) financing activities		
Proceeds from loans from related parties - Contributions from the Government of Chile	60,000,000	90,000,000
Proceeds from long-term borrowings	345,190,389	51,376,389
Other cash collections	10,581,617	3,345,027
Loan payments	(17,835,310)	(18,050,094)
Interest paid	(18,184,734)	(16,760,366)
Other cash inflows (outflows)	(9,333,275)	(1,817,618)
Net cash flows from financing activities	**370,418,687**	**108,093,338**
Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rate	231,633,425	3,020,079
Effects of changes in exchange rate on cash and cash equivalents	3,168,889	(5,014,660)
Net decrease in cash and cash equivalents	234,802,314	(1,994,581)
Cash and cash equivalents at the beginning of period	118,298,953	152,905,969
Cash and cash equivalents at the end of period	**353,101,267**	**150,911,388**

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED MARCH 31, 2017, 2016 AND DECEMBER 31, 2016

(In thousands of Chilean pesos)

1. General information

Empresa de Transporte de Pasajeros Metro S.A., (hereinafter referred to as the Company) is a Chilean state-owned enterprise created by Law 18.772 on January 28, 1989 as the legal successor, in all the rights and obligations, to the Dirección General de Metro.

The Company is a stock corporation bound by the principles applicable to open stock corporations, and has its legal domicile at 1414 Avenida Libertador Bernardo O'Higgins, Santiago, Chile.

The Company is registered on the Register of Securities under file number 421 and is subject to the supervision of the Chilean Superintendence of Securities and Insurance (SVS).

The purpose of the Company is to carry out all activities related to providing passenger transportation services on subways or other complementary electric modes of transportation and the performance of surface transportation services through buses or vehicles using any technology, as well as all activities related to such line of business.

These consolidated financial statements are presented in thousands of Chilean pesos (unless expressly stated otherwise) since this is the functional currency of the main jurisdiction in which the Company operates.

2. Summary of significant accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements, as required by IAS 1, have been designed in accordance with International Financial Reporting Standards (hereinafter "IFRS") in effect as of March 31, 2017 and have been applied on a consistent basis to all accounting periods presented in these consolidated financial statements.

2.1. Basis of preparation

The consolidated financial statements comprise the statements of financial position as of March 31, 2017 and December 31, 2016, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended March 31, 2017 and 2016, which have been prepared in accordance with specific instructions and standards issued by the Superintendence of Securities and Insurance (hereinafter "SVS"). These instructions and standards require that the Company complies with the International Financial Reporting Standards (IFRS) and IAS 34 "Interim Financial Information" issued by the International Accounting Standards Board (hereinafter the "IASB") except for certain IFRS standards. Through Ordinary Official Letter No. 6158 dated March 5, 2012, the Company was authorized by the SVS to exceptionally apply Public Sector International Accounting Standard (hereinafter "IPSAS") 21, instead of IAS 36. Note 2.8 provides more details regarding this exception.

These Consolidated Financial Statements were approved by the Board on May 8, 2017, authorizing their publication by management.

These consolidated financial statements have been prepared in accordance with historical cost principles, although modified by the revaluation of certain assets included in financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss, as applicable.

The preparation of Consolidated Financial Statements in accordance with IFRS, and specific instructions issued by the SVS, requires the use of certain critical accounting estimates, necessary for the quantification of certain assets, liabilities, income and expenses.

It also requires that management use its judgment in the process of applying the Company's accounting policies. The areas that involve a greater degree of judgment or complexity, in which assumptions or estimates are significant for the financial statements, are described in Note 3 "Management's Estimates and Accounting Criteria".

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

2.2. Basis of consolidation

Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.) is consolidated from the date on which control of the Company was transferred. Consolidation includes the financial statements of the parent company and its subsidiary which includes all assets, liabilities, income, expenses and cash flows of the subsidiary, once the adjustments and eliminations for intra-group transactions have been made.

The value of the non-controlling interest of the consolidated subsidiary is presented under shareholders' equity, in non-controlling interests, in the consolidated statement of financial position and in income (loss) attributable to non-controlling interest in the Consolidated Statements of Comprehensive Income.

Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.) is in a pre-operational stage and has not yet registered any activity since its creation to the present date and was consolidated under the guidelines of SVS Memo 1819 of November 14, 2006.

Tax ID Number	Company	Ownership percentage					
		03-31-2017			31-12-2016		
		Direct	Indirect	Total	Direct	Indirect	Total
96.850.680-3	Transub S.A.	66.66	-	66.66	66.66	-	66.66

Participation in this subsidiary is not subject to joint control.

The Company does not have interests in joint ventures or in associates.

2.3. Foreign currency transactions

2.3.1. Functional and presentation currency

The items included in the consolidated financial statements are presented using the currency of the main jurisdiction in which the reporting entity operates in (functional currency). The Company's functional currency is the Chilean peso, all information is presented in thousands of Chilean pesos (ThCh$) rounded to the nearest unit.

2.3.2. Transactions and balances in foreign currency and adjustment units

Transactions in foreign currency and adjustment units are converted to the functional currency using the exchange rates in effect on the transaction dates. Profits and losses in foreign currency that result from the settlement of these transactions and from conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are recognized in the comprehensive income statement, unless they have to be deferred, then they are recorded in equity, as in the case of cash flow hedges, if any.

Exchange rate differences affecting financial assets measured at fair value are included in gains or losses.

2.3.3. Foreign currency translations

Assets and liabilities in foreign currency and those negotiated in Unidades de Fomento (index-adjusted units, or UF), are presented at the following exchange and conversion rates and closing values, respectively:

Date	US$	EUR	UF
03-31-2017	663.97	709.37	26,471.94
12-31-2016	669.47	705.60	26,347.98
03-31-2016	669.80	762.26	25,812.05
12-31-2015	710.16	774.61	25,629.09

US$ = US dollar

EUR = Euro

UF = Unidad de Fomento (index-adjusted units)

2.4. Property, plant and equipment

Property, plant and equipment items are initially measured at their acquisition price, plus all costs directly attributable to getting the asset to operating conditions for its intended use.

Subsequent to initial measurement it should be calculated using the historical cost model discounting the corresponding accumulated depreciation and impairment losses, which are recorded in the consolidated statement of comprehensive income.

Costs include expenditure directly attributable to the acquisition of assets and the capitalized interest incurred during the construction and development period.

The cost of self-constructed assets includes the cost of materials and direct labor costs; any other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the costs of dismantling and removing the items and restoring the site in which they are located.

Work in progress is reclassified as operating assets under the same property, plant and equipment heading once the testing period has been completed and the assets are available for use, at which point their depreciation begins.

Costs of extensions, modernization or improvements that represent an increase in productivity, capacity, efficiency or lengthening of the useful lives of assets, are capitalized as higher cost of the corresponding assets.

Substitutions or renovation of assets that increase their useful lives, or their economic capacity, are recorded as higher value of the respective assets, with the consequent accounting derecognition of the substituted or renovated assets.

Periodic maintenance, conservation and repair expenses are recorded directly in the statement of income as costs for the period in which they are incurred.

Major maintenance costs of rolling stock, which includes among other things, replacement of parts and pieces, are capitalized as an asset that is independent from the main asset, if it is probable that future economic benefits related to the costs are received.

Depreciation of property, plant and equipment items is calculated using the straight-line method to allocate costs over their estimated economic useful lives, except in the case of certain technical components identified in rolling stock, which are depreciated on the basis of cycles and kilometers traveled.

Amortization (depreciation) of property, plant and equipment according to IAS 16 must be recorded separately for each significant part that composes a final property, plant and equipment item. In the case of rolling stock, the Company separately depreciates the significant components of a property, plant and equipment item that have different useful lives than the rest of the elements that compose it.

Residual values, in the cases defined and useful lives of assets are reviewed and adjusted prospectively in each statement of financial position, in order to have remaining useful lives that are in accordance with the current service use and with the effective use of the asset.

Gains and losses on the sale of property, plant and equipment, are calculated comparing the income obtained to the carrying amount and are included in the consolidated statement of comprehensive income.

At least once a year the Company evaluates the existence of possible impairment of property, plant and equipment, in accordance with Public Sector IAS 21, as described in Note 2.8.

The effects of the impairment analysis are recognized directly in profit or loss.

2.5. Investment property

Relates to real state (land and buildings) held by the Company to obtain economic benefits derived from their rental or to obtain capital appreciation from holding on to them.

The Company has commercial stores, land and buildings leased under operating leases.

Investment property that corresponds to land and buildings are valued using the cost model.

The estimated useful lives of investment property are detailed as follows:

Type of asset	**Residual useful life**
Commercial premises	57 years on average
Other buildings	88 years on average

2.6. Intangible assets other than goodwill

2.6.1. Easements

Easements are presented at historical cost. If those easements have indefinite useful lives, they are not subject to amortization. However, indefinite useful life assets are subject to review at each reporting period, to determine whether the determination of indefinite useful life is still applicable. These assets are subject to annual impairment testing.

2.6.2. Computer software

Licenses for information technology programs acquired are capitalized on the basis of the costs incurred to acquire them and prepare them for use. Such costs are amortized over their estimated useful lives.

Expenses related to internal development and maintenance expenses do not qualify for capitalization and are recognized as an expense as they are incurred.

2.7. Finance income and finance costs

Finance income, composed of interest from investing cash and cash equivalents, from derivative transactions and other finance income is recognized in the Consolidated Statement of Comprehensive Income over the term of the financial instrument, using the effective interest method and fair value in the case of derivative transactions.

Finance costs, both interest and expenses on bank loans, obligations with the public, bonds and other finance expenses are recognized in the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method. Costs of interest incurred in the construction of any asset qualified as Property, plant and equipment, are capitalized over the period necessary to complete the asset for its intended use. Other interest costs are recorded as an expense in the consolidated statement of comprehensive income.

2.8. Losses due to impairment of non-financial assets

Since the Company is a state-owned entity, its business model is oriented toward public service with emphasis on social benefits. It has an operating, services and infrastructure operation model, which means that its main source of income is established through a technical tariff, determined by the authority that does not cover recovery of its assets.

This business model defined by its shareholders, the Ministry of Finance (Ministerio de Hacienda) and the Corporación de Fomento de la Producción, or CORFO, goes against the concept of economic profitability of assets, as per IAS 36, where the value of use corresponds to the present value of estimated future cash flows expected to be obtained from the operation of the assets.

Therefore, the Company formally requested authorization from the SVS to apply IPSAS 21 instead of IAS 36, which is a standard that is specifically for State-owned entities with assets that are not cash generating. Through Ordinary Official Letter 6158 dated March 5, 2012 the SVS authorized the Company to apply IPSAS 21 to assess the impairment of its assets.

The application of this standard allows the financial statements of the Company present its economic and financial reality, and enables it to compare the carrying amount to the replacement cost.

This standard defines the value of use of a non-cash generating asset as the present value of an asset maintaining its potential service. This is determined using depreciated replacement cost or cost of reinstatement methods.

However, under specific circumstances in which certain assets lose their service potential, the loss of value is recognized directly in income.

2.9. Financial assets

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and accounts receivable, financial assets held to maturity and available-for-sale assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of their initial recognition.

In accordance with IFRS 7 "Financial Instruments: Disclosure", we consider that the carrying amounts of assets valued at amortized cost are a reasonable approximation of their fair value, therefore, as indicated in IFRS 7, it is no necessary to provide disclosures related to fair value for each of them.

2.9.1. Financial assets at fair value through profit or loss

They are financial assets held for trading. A financial asset is designated as at fair value through profit or loss if it was acquired mainly with the purpose of selling it in the short term. Derivatives are also included in this category unless they are designated as hedges. Assets classified in this category are classified as non-current assets and obligations for accrued interest is classified as current.

2.9.2. Loans and receivables

Loans and accounts receivables are non-derivative financial assets, with fixed or determinable payments, that are not traded in the local financial market. They are included in current assets, except for those maturing in excess of 12 months as of the date of the statement of financial position, which are classified as non-current assets. Loans and accounts receivable include trade and other accounts receivable. These items are initially recorded at fair value plus any directly attributable transaction costs. These are subsequently valued at amortized cost, using the effective interest method less impairment losses.

2.9.3. Financial assets held to maturity

They are non-derivative financial assets, with fixed or determinable payments and fixed maturity date that the Company owns and which it has the intention and capacity to hold to maturity. They are valued at amortized cost.

2.9.4. Financial assets available-for-sale

Financial assets available-for-sale are non-derivative financial assets that are designated under this category or do not classify for any of the other categories. They are included in non-current assets unless management has the intention of disposing of the investment within the 12 months following the date of the statement of financial position.

2.9.5. Recognition and measurement of financial assets

Financial assets and liabilities are initially recognized at their fair value. In the case of assets and liabilities that are not accounted for at fair value through profit or loss, the fair value shall be adjusted by the cost of transactions that are directly attributable to their purchase or issuance.

Subsequent valuation depends on the category in which the asset has been classified.

Financial assets at fair value through profit or loss: A financial asset is recorded at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets recorded at fair value through adjustments in profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Loans and receivables: These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Held-to maturity financial assets: These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets: These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and the changes therein, other than impairment losses and foreign currency differences on debt instruments are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

When a derivative financial instrument is not designated for a relationship that qualifies as a hedge, all changes in fair value are recognized immediately in income.

Profits and losses that arise from changes in the fair value of financial assets at fair value through profit or loss are included in the income statement under other profits (losses), in the period in which such changes to fair value have occurred.

Investments are derecognized in the accounting when the rights to receive their cash flows have expired or have been transferred and the Company has substantially transferred all the risks and advantages derived from its ownership of such investments.

At each date of the statement of financial position, the Company evaluates whether there is objective evidence that a financial asset, or a group of financial assets, might have suffered impairment losses.

2.10. Inventories

Inventories correspond to spare/parts required for the operations and which are estimated to be used or consumed during one year.

Inventory is valued initially at acquisition cost. Inventory items are subsequently valued at the lower of cost value or net realizable value. Cost is determined using their weighted average purchase price.

Spare parts classified as inventory are adjusted to their net realizable value, recognizing their technological obsolescence with a direct charge to profit or loss.

2.11. Trade and other receivables

Trade and other receivable are initially recognized at their fair value (nominal value that includes implicit interest) and thereafter at their amortized cost using the effective interest method, less impairment losses. An impairment loss provision is established for trade accounts receivable when there is objective evidence that the Company will not be able to collect all the amounts owed to it in accordance with the original terms of the account receivable. The amount of the provision is the difference between the carrying amount of the asset and the real value of estimated future cash flows discounted at the effective interest rate.

Trade receivables are netted against the allowance for doubtful accounts and the amount of losses is recognized with a charge to the Consolidated Statement of Comprehensive Income.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash, checking account balances, term deposits and other highly liquid short-term investments with original maturities of three months or less.

2.13. Share capital

The Company´s share capital is represented by Series A and Series B common shares.

2.14. Trade and other payables

Suppliers and other accounts payable are initially recognized at their fair value net of directly attributable costs. They are subsequently valued at amortized cost.

2.15. Other financial liabilities

Loans, obligations with the public and other financial liabilities of a similar nature are initially recognized at their fair value net of the costs incurred in the original transaction. They are subsequently valued at their amortized cost and any difference between the proceeds obtained by the Company (net of the costs necessary to obtain them) and their reimbursement value is recognized in the Consolidated Statement of Comprehensive Income during the term of the debt using the effective interest method.

Financial obligations are classified as current liabilities and non-current liabilities in accordance with the contractual maturity date of the nominal principal.

For loans with financial institutions the nominal rate is similar to the effective rate, since there are no additional transaction costs that must be taken into consideration.

2.16. Income tax and deferred taxes

The income tax provision is determined through the application of the tax rate on the taxable net income base for the period, after applying the permitted tax deductions, plus variations in deferred tax assets and liabilities and tax credits.

Differences between the carrying amount of the assets and liabilities and their tax base generate deferred tax assets or liabilities balances, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized.

The tax regime that will apply to the Company starting from January 1, 2017, as a stock company not related to final taxpayers, is the corporate income tax associated with profit generated from the performance of its business activities.

The deferred tax rate is measured using the tax rates expected to be applicable to the temporary differences in the period when they are reversed using tax rates that by default will be applicable to the Company at the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. (See Note 18).

2.17. Employee benefits

2.17.1. Accrued vacations

The Company recognizes accrued vacation expenses using the accrual method.

2.17.2. Severance indemnity payments

The Company has created provisions for its obligations to pay severance indemnity payments to all employees whose contracts and collective agreements state that they are entitled to this benefit in all cases.

The liability recognized is the present value of that obligation plus/minus adjustments on actuarial profits or losses and discounted debt service. The present value of the obligation is determined by discounting estimated outgoing cash flows, at a market interest rate for long-term debt instruments that approximates the term of the termination benefits obligation up to their expiration date.

2.17.3. Incentive bonuses

The Company has an annual incentive bonus plan for compliance with objectives, based on the individual conditions of each employment contract. These incentives consist of a percentage of the applicable monthly salary and are accrued on the basis of the estimated amount to be paid.

2.18. Provisions

The Company recognizes provisions when:

- ✓ It has a present obligation, legal or implicit, as a result of past events;
- ✓ It is probable that an outflow of resources will be necessary to settle the obligation; and
- ✓ The amount of the obligation can be estimated reliably.

The amount recognized as a provision must be the best estimate of the disbursement necessary to pay the present obligation at the end of the reporting period.

2.19. Classification of balances (current and non-current)

In the consolidated classified statements of financial position, balances are classified as current when the maturity is equal to twelve months or less from the cut-off date of the Consolidated Financial Statements and as non-current, when it is in excess of that period.

2.20. Revenue and expenses recognition

Revenue is recognized when it is probable that the economic benefit associated with the compensation received or to be received, will flow to the Company and the amount can be reliably measured. The Company recognizes revenues at their fair value, net of value added tax, returns, rebates and discounts.

a) Revenue from transportation of passengers is recognized when the service has been provided.

b) Revenue from operating leases is recognized on an accrual basis.

c) Income from sale of assets relates to exceptional sales of items of property, plant and equipment and is recognized when the asset has been delivered to the client and there is no pending obligation to be fulfilled that might affect its acceptance.

d) Revenue from interest is recognized using the effective interest rate method.

e) Other revenue is recognized when the services have been rendered.

Expenses include both the losses and expenses that arise from the Company's ordinary activities. Expenses also include cost of sales, remuneration and depreciation. Generally, expenses represent an outflow or decrease in assets, such as cash and cash equivalent and inventory or property, plant and equipment.

2.21. Lease agreements

The Company has a contract that has the characteristics of a financial lease, which has been recorded as established in IAS 17 "Leases". When assets are leased under a financial lease agreement, the value of the lease payments is recognized as an account receivable. The difference between the gross amount receivable and the real value of the amount is recognized as financial yield of the principal.

Income from financial leases is recognized over the term of the lease using the net investment method, which reflects a constant periodic yield rate.

Contracts that do not fulfill the characteristics of a financial lease are classified as operating leases.

A lease is an operating lease when the lessor conserves a significant part of the risks and benefits derived from ownership of the leased goods.

2.22. New IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC).

The following standards and interpretations have been issued, but its effective date is not yet mandatory

New IFRS	**Mandatory application date**
IFRS 9: Financial instruments.	Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 15: Revenue from Contracts with Customers.	Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 16: Leases.	Effective for periods beginning on or after January 1, 2019. Early adoption is permitted.
New Interpretations	
IFRIC 22: Foreign Currency Transactions and Advance Consideration.	Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
Amendments to IFRS	
IFRS 2: Share-based payments: Clarifies the accounting for of certain types of share-based payments transactions.	Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 10: Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Mandatory date deferred indefinitely.
IFRS 15: Revenue from Contracts with Customers: Amendment clarifying requirements and providing additional transition relief for entities implementing the new standard.	Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
Applying IFRS 9 “Financial Instruments” with IFRS 4 “Insurance Contracts” (Amendments to IFRS 4)	Annual periods beginning on or after January 1, 2018.
Transfers of Investment Property (amendments to IAS 40)	Annual periods beginning on or after January 1, 2018.
Improvements to 2014-2016 cycle (amendments to IFRS 1 and IAS 28)	IFRS 1 and IAS 28, annual periods beginning on or after January 1, 2018.

The Company is still assessing the impact that the application of the new and modified standards will have on the consolidated financial statements of Metro S.A. and Subsidiary

3. Management estimates and accounting criteria

The estimates and criteria used by management are continuously assessed and are based on historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable based on the circumstances.

The most relevant management estimates and accounting criteria are detailed as follows:

3.1. Severance indemnity payments

The Company recognizes a liability for the agreed upon obligations for severance payments using an actuarial methodology that considers factors such as the discount rate, effective turnover and other factors inherent to the Company. Any change in these factors and assumptions, shall have an impact on the carrying amount of the severance obligation.

The Company determines the discount rate at the end of each year considering the market conditions as of the valuation date. This interest rate is used to determine the present value of estimated future cash outflows required to settle the severance obligation. When determining interest rates, the Company considers representative rates of financial instruments that are denominated in the currency in which the obligation is expressed and which have expiry terms that are close to the payment terms of such obligation.

Actuarial gains and losses arise from variances between estimated and actual performance of actuarial assumptions or the restatement of established actuarial assumptions, which are reported directly in Other Comprehensive Income for the period.

3.2. Useful life of property, plant and equipment

Property, plant and equipment and intangible assets with finite useful lives are depreciated using the straight-line method on the basis of an estimated useful life. Such estimate takes into consideration technical aspects, nature and conditions of use of those assets and might vary significantly as a consequence of technological innovations or other variables, which will imply adjusting the remaining useful lives, recognizing higher or lower depreciation, as applicable. Likewise, residual values are determined based on technical aspects that might vary in accordance with the specific conditions of each asset.

3.3. Litigation and other contingencies

The Company is involved in different types of legal and administrative proceedings for which it is not possible to exactly determine the economic effect that their outcome might have on the consolidated financial statements of the Company. In cases where the Company's management and legal counsel expect an unfavorable outcome, provisions have been established with a charge to expenses based on estimates of the maximum amounts to be paid.

3.4. Measurements and/or valuations at fair value

The fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants on the measurement date. The Company uses the assumptions that market participants would use when establishing the price of the asset or liability under current market conditions, including assumptions regarding risk. To measure fair value the following must be determined:

a) the concrete asset or liability to be measured.

b) for a non-financial asset, the maximum and best use of the asset and if the asset is used in combination with other assets or in an independent manner.

c) the market in which an orderly transaction would take place for the asset or liability; and

d) the appropriate valuation technique(s) to be used when measuring fair value. The valuation technique(s) used must maximize the use of relevant observable entry data and minimize non-observable entry data.

Market value hierarchies for items at fair value:

Each of the market values for the financial instruments is supported by a methodology for calculation and entry of information. Each of them has been analyzed to determine at which of the following levels they can be allocated:

Level 1, corresponds to methodologies using market units (without adjustment) in active markets and considering the same assets and liabilities valued.

Level 2, corresponds to methodologies using market trading data, not included in Level 1, which are observable for the assets and liabilities valued, whether directly (prices) or indirectly (derived from prices).

Level 3, corresponds to methodologies using valuation techniques, which include data on the assets and liabilities valued, which are not supported on observable market data.

The Company measures and/or evaluates all financial instruments at their fair value upon initial measurement and they are subsequently valued at amortized cost, except for derivative transactions and cross currency swaps (CCS), which continue to be valued at their fair value after their initial recognition.

The Company hierarchically classifies its measurement of fair value under level 2, as established in IFRS 13, and the costs of transactions attributable to those instruments are recognized in income as they are incurred.

In all cases changes in the fair value of these items are considered components of net income for the period.

Valuation techniques used to measure fair value for assets and liabilities.

The valuation techniques used by the Company are appropriate under the circumstances and there is sufficient data available on the Company's assets and liabilities to measure their fair value, maximizing the use of observable variables and minimizing the use of non-observable variables. The specific technique used by the Company to valuate and/or measure the fair value of its assets (derivative financial instruments) is the discounted cash flow method, based on market demand curves.

Entry data for fair value measurement:

Level 1:

- ✓ Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

- ✓ Quoted prices for identical or similar assets in markets that are not active.
- ✓ Variables other than quoted prices that is observable for the asset, for example: Interest rates, observable yield curves at commonly quoted intervals and implicit volatilities.

Level 3:

- ✓ Unobservable inputs.

Items where gains (losses) are recognized on fair value measurements.

Income items where gains (losses) are recognized on fair value measurements are recognized as other gains (losses).

Fair value measurement for assets and liabilities.

A fair value measurement requires determining the particular asset or liability to be measured (Derivative financial instruments). This is why, when measuring fair value the Company keeps in mind the characteristics of the asset or liability in the same manner as market participants would take into account when establishing the price of that asset or liability on the measurement date. The characteristics include the restrictions for asset recognition or the payment of the liability (if any).

Based on these methodologies, inputs and definitions, the Company has determined the following market levels for the financial instruments portfolio it has recorded holds as of March 31, 2017 and December 31, 2016:

Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss	03-31-2017		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross Currency Swap	-	5,077,965	-
Financial liabilities			
Cross Currency Swap	-	151,571	-

Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss	12-31-2016		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross Currency Swap	-	6,690,795	-
Financial liabilities			
Cross Currency Swap	-	500,060	-

4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

Concept	**Currency**	**Balance as of**	
		03-31-2017 ThCh$	**12-31-2016 ThCh$**
Cash			
On hand	Ch$	71,961	53,297
	US$	7,630	13,015
	EUR	560	557
In banks	Ch$	1,525,784	3,819,201
	US$	20,240	1,364,677
Total cash		**1,626,175**	**5,250,747**
Term deposits	Ch$	150,061,577	107,903,520
	US$	199,563,450	-
	UF	-	58,798
Total term deposits		**349,625,027**	**107,962,318**
Reverse repurchase agreements	Ch$	1,850,065	1,000,097
	US$	-	4,085,791
Total reverse repurchase agreements		**1,850,065**	**5,085,888**
Total cash and cash equivalents		**353,101,267**	**118,298,953**
Subtotal by currency	Ch$	153,509,387	112,776,115
	US$	199,591,320	5,463,483
	EUR	560	557
	UF	-	58,798

Cash equivalents: represent short-term highly liquid investments such as term deposits and fixed income investments –repurchase agreements- that are easily convertible into cash, and are subject to insignificant risk of changes in value, which are maintained to comply with short-term payment commitments. The detail for periods 2017 and 2016 is as follows:

Term deposits

Type of investment	Currency of origin	Capital in currency of origin in ThCh - ThUS$	Average annual rate	Average days of maturity	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 03-31-2017 ThCh$
Term deposits	Ch$	149,767,709	3.46%	20	149,767,709	293,868	150,061,577
Term deposits	US$	300,275.15	1.08%	27	199,373,693	189,757	199,563,450
Total					**349,141,402**	**483,625**	**349,625,027**

Type of investment	Currency of origin	Capital in currency of origin in ThCh - UF	Average annual rate	Average days of maturity	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 12-31-2016 ThCh$
Term deposits	Ch$	107,654,490	3.95%	18	107,654,490	249,030	107,903,520
Term deposits	UF	1,525	0.57%	24	-	58,798	58,798
Total					**107,654,490**	**307,828**	**107,962,318**

Repurchase agreements

Code	Date		Counterparty	Currency of origin	Subscription value ThCh$	Annual rate %	Final value ThCh$	Instrument identification	Carrying amount 03-31-2017 ThCh$
	Beginning	End							
CRV	03-30-2017	04-03-2017	BCI CORREDOR DE BOLSA S.A.	Ch$	850,000	2.76	850,261	NON-ADJ P NOTE	850,065
CRV	03-31-2017	04-03-2017	BCI CORREDOR DE BOLSA S.A.	Ch$	1,000,000	2.76	1,000,230	NON-ADJ P NOTE	1,000,000
Total					**1,850,000**		**1,850,491**		**1,850,065**

Code	Date		Counterparty	Currency of origin	Subscription value ThCh$	Annual rate %	Final value ThCh$	Instrument identification	Carrying amount 12-31-2016 ThCh$
	Beginning	End							
CRV	12-30-2016	01-03-2017	BCI CORREDOR DE BOLSA S.A.	Ch$	1,000,000	3.48	1,000,387	NON-ADJ P NOTE	1,000,097
CRV	12-30-2016	01-05-2017	BCI CORREDOR DE BOLSA S.A.	US$	4,072,447	4.20	4,085,990	ADJ P NOTE	4,085,791
Total					**5,072,447**		**5,086,377**		**5,085,888**

5. Trade and other receivables, current

As of March 31, 2017 and December 31, 2016, this caption is composed of the following:

Trade And Other Receivables, Gross	Balance as of 03-31-2017 ThCh$	Balance as of 12-31-2016 ThCh$
Trade and other receivables, gross	**9,407,303**	**8,914,299**
Trade receivables, gross	3,353,833	3,022,952
Sales channel accounts receivable, gross	4,453,150	4,016,205
Other accounts receivable, gross	1,600,320	1,875,142

Trade And Other Receivables, Net	Balance as of 03-31-2017 ThCh$	Balance as of 12-31-2016 ThCh$
Trade and other receivable, net	**8,230,963**	**7,841,983**
Trade receivables, net	2,177,493	1,950,636
Sales channel accounts receivable, net	4,453,150	4,016,205
Other accounts receivable, net	1,600,320	1,875,142

As of March 31, 2017 and December 31, 2016, the analysis of net trade and other accounts receivable by maturity and expiration date are detailed below:

Trade Receivables, Net	Balance as of 03-31-2017 ThCh$	Balance as of 12-31-2016 ThCh$
Maturity up to 3 months	1,227,103	1,113,970
Maturity from 3 months to 1 year	351,171	250,811
Maturity of more than 1 year	599,219	585,855
Total	**2,177,493**	**1,950,636**

Sales Channel Accounts Receivable, Net	Balance as of 03-31-2017 ThCh$	Balance as of 12-31-2016 ThCh$
Maturity up to 3 months	4,299,758	3,241,213
Maturity from 3 months to 1 year	107,999	728,092
Maturity of more than 1 year	45,393	46,900
Total	**4,453,150**	**4,016,205**

Other Accounts Receivable, Net	Balance as of 03-31-2017 ThCh$	Balance as of 12-31-2016 ThCh$
Maturity up to 3 months	358,074	648,811
Maturity from 3 months to 1 year	1,242,246	1,226,331
Total	**1,600,320**	**1,875,142**

Movements as of March 31, 2017 in the allowance for impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2016	**1,072,316**
Increase for the period	237,800
Decrease for the period	(56,176)
Write-offs for the period	(77,600)
Balance as of March 31, 2017	**1,176,340**

The Company establishes a provision using evidence of impairment for trade receivables.

The Company only uses the provision method and no direct write-offs, for better control of this item. Once pre-judicial and judicial collection measures have been exhausted the assets are written-off against the provision recorded.

6. Inventories

This caption comprises the following:

Inventory types	03-31-2017 ThCh$	12-31-2016 ThCh$
Inventories and stock	1,412,357	1,404,070
Spare parts and maintenance accessories	10,599,368	10,544,859
Imports in transit and others	42,904	290,546
Total	**12,054,629**	**12,239,475**

As of March 31, 2017 and 2016, inventory consumption was charged to the Statement of Comprehensive Income in the cost of sales line item, in the amount of ThCh$1,318,985 and ThCh$2,018,069, respectively.

As of March 2017 and 2016, the Company records no inventory write-offs. Based on the analysis performed by management there is no objective evidence of impairment of spare parts, maintenance accessories and supplies inventory.

There are no inventory items pledged or subject to any lien during 2017 and 2016.

7. Intangible assets other than goodwill

Intangible assets other than goodwill correspond to licenses and software and transit easements. They are accounted for using the acquisition cost and subsequently valued at the net cost of the corresponding accumulated amortization and impairment losses which they may have experienced.

Licenses and software are amortized using the straight-line method over the applicable useful life, which is generally estimated at four years. For easements, the contracts are established in perpetuity, considered with undefined useful life, and therefore they are not amortized.

At the balance sheet date, the Company found no objective evidence of impairment for this type of asset.

The items within the Consolidated Statement of Comprehensive Income that include amortization of intangible assets with finite useful lives are in the cost of sales and administrative expenses line items.

There are no intangible assets with ownership restrictions or that provide security for any liabilities of the Company.

a) Intangible assets other than goodwill for periods 2017 and 2016, are as follows:

Concept	03-31-2017			12-31-2016		
	Gross intangible ThCh$	Accumulated amortization ThCh$	Net intangible ThCh$	Gross intangible ThCh$	Accumulated amortization ThCh$	Net intangible ThCh$
Licenses and software	5,706,817	(3,849,652)	1,857,165	5,706,817	(3,769,779)	1,937,038
Easements	4,291,570	-	4,291,570	3,894,449	-	3,894,449
Total	**9,998,387**	**(3,849,652)**	**6,148,735**	**9,601,266**	**(3,769,779)**	**5,831,487**

b) Movements of intangible assets other than goodwill for 2017 are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance as of 01-01-2017	1,937,038	3,894,449	5,831,487
Additions		397,121	397,121
Amortization	(79,873)	-	(79,873)
Closing balance as of 03-31-2017	1,857,165	4,291,570	6,148,735
Average remaining useful life	1 year	Indefinite	

c) Movements of intangible assets other than goodwill for 2016 are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance as of 01-01-2016	2,199,599	3,765,286	5,964,885
Additions	128,131	129,163	257,294
Amortization	(390,692)	-	(390,692)
Closing balance as of 12-31-2016	1,937,038	3,894,449	5,831,487
Average remaining useful life	1 year	Indefinite	

8. Property, plant and equipment

a) This caption comprises the following:

Property, plant and equipment	03-31-2017 ThCh$	12-31-2016 ThCh$
Classes of property and equipment, net		
Property, plant and equipment, net	**4,048,480,881**	**3,963,708,545**
Work in progress, net	1,523,871,861	1,427,326,829
Land, net	119,820,228	119,819,188
Civil works, net	1,386,311,088	1,390,328,467
Buildings, net	75,809,468	76,294,382
Rolling stock, net	683,995,097	687,672,405
Electrical equipment, net	218,035,084	221,976,090
Machinery and equipment, net	24,844,097	25,209,397
Other, net	15,793,958	15,081,787
Classes of property and equipment, gross		
Property, plant and equipment, gross	**4,606,367,268**	**4,504,173,863**
Work in progress, gross	1,523,871,861	1,427,326,829
Land, gross	119,820,228	119,819,188
Civil works, gross	1,531,711,083	1,531,134,610
Buildings, gross	91,268,073	91,239,020
Rolling stock, gross	898,772,356	895,715,369
Electrical equipment, gross	384,142,238	383,140,311
Machinery and equipment, gross	40,987,471	40,716,749
Other, gross	15,793,958	15,081,787
Classes of accumulated depreciation and impairment of property and equipment		
Accumulated depreciation and impairment of property and equipment	**557,886,387**	**540,465,318**
Accumulated depreciation of civil works	145,399,995	140,806,143
Accumulated depreciation of buildings	15,458,605	14,944,638
Accumulated depreciation of rolling stock	214,777,259	208,042,964
Accumulated depreciation of electrical equipment	166,107,154	161,164,221
Accumulated depreciation of machinery and equipment	16,143,374	15,507,352

b) The detail of movements in property, plant and equipment for periods 2017 and 2016, is as follows:

	2017 movements	Work in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
Opening balance as of January 1, 2017		1,427,326,829	119,819,188	1,390,328,467	76,294,382	687,672,405	221,976,090	25,209,397	15,081,787	3,963,708,545
movements	Additions	99,316,702	1,040	32,324	1,630	2,695,085	8,303	272,684	712,171	103,039,939
	Transfers	(2,771,670)	-	544,149	27,423	1,090,463	1,106,966	2,669	-	-
	Derecognition or sales	-	-	-	-	(30,735)	(40,544)	(4,498)	-	(75,777)
	Depreciation expense	-	-	(4,593,852)	(513,967)	(7,432,121)	(5,015,731)	(636,155)	-	(18,191,826)
	Total movements	96,545,032	1,040	(4,017,379)	(484,914)	(3,677,308)	(3,941,006)	(365,300)	712,171	84,772,336
Closing balance as of March 31, 2017		1,523,871,861	119,820,228	1,386,311,088	75,809,468	683,995,097	218,035,084	24,844,097	15,793,958	4,048,480,881

	2016 movements	Work in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
Opening balance as of January 1, 2016		930,401,620	113,219,655	1,405,884,367	74,223,097	705,045,477	238,339,446	25,749,890	17,202,795	3,510,066,347
movements	Additions	512,730,211	6,599,533	-	132,324	12,633,126	604,985	1,070,115	(2,121,008)	531,649,286
	Transfers	(15,805,002)	-	2,780,792	3,966,542	-	3,307,728	872,057	-	(4,877,883)
	Derecognition or sales	-	-	-	-	(847,164)	(10,045)	(8,900)	-	(866,109)
	Depreciation expense	-	-	(18,336,692)	(2,027,581)	(29,159,034)	(20,266,024)	(2,473,765)	-	(72,263,096)
	Total movements	496,925,209	6,599,533	(15,555,900)	2,071,285	(17,373,072)	(16,363,356)	(540,493)	(2,121,008)	453,642,198
Closing balance as of December 31, 2016		1,427,326,829	119,819,188	1,390,328,467	76,294,382	687,672,405	221,976,090	25,209,397	15,081,787	3,963,708,545

c) The useful lives of the main assets are as follows:

Concept	Estimated useful life, years
Road networks	60
Stations	100
Tunnels	100
Rolling stock	41

d) Impairment

As of the reporting date, the Company did not find objective evidence of impairment of its property, plant and equipment assets as described in Note 2.8.

e) Investment projects

As of March 31, 2017, the estimated balance pending performance of the authorized projects within the Company's expansion plan amount to approximately MCh$631,845 and by type of investment is composed of: MCh$240,507 for civil works, MCh$161,053 for systems and equipment, and MCh$230,285 for rolling stock, ending 2023.

f) Spare parts and accessories

As of March 31, 2017, spare parts and accessories and maintenance materials amounted to ThCh$18,476,841 (ThCh$19,397,362 in 2016). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$2,713,990 as of March 31, 2017 and 2016.

g) Other disclosures

1. There are no property, plant and equipment items that are out of service.

   The gross carrying amount of property, plant and equipment that is fully amortized and is still in use is ThCh$24,898,791 as of March 31, 2017 and December 31, 2016.

2. There is no material property, plant and equipment elements that have been removed and not classified, that are recorded as held for sale in accordance with IFRS 5.

3. The Company revalues the useful life of rolling stock NS74.

h) Financing costs

During 2017, costs of capitalized interests of property, plant and equipment amounted to ThCh$8,268,557 (ThCh$20,196,991 in 2016).

9. Investment property

Investment property corresponds mainly to commercial stores, land and buildings that are held by the Company to be exploited under operating leases.

Investment property corresponding to land and buildings are valued using the cost model.

As of March 31, 2017, total investment property amounts to ThCh$18,845,039.0 (ThCh$18,915,614 in 2016).

Investment property	Commercial stores	Land	Buildings	Total
Balance as of January 1, 2017	9,687,916	607,816	8,619,882	18,915,614
Depreciation for the year	(45,472)	-	(25,103)	(70,575)
Closing balance as of March 31, 2017	**9,642,444**	**607,816**	**8,594,779**	**18,845,039**

Investment property	Commercial stores	Land	Buildings	Total
Opening balance as of January 1, 2016	5,034,176	607,816	8,720,292	14,362,284
Additions	4,831,095	-	-	4,831,095
Closing balance	9,865,271	607,816	8,720,292	19,193,379
Depreciation for the year	(177,355)	-	(100,410)	(277,765)
Closing balance as of 12-31-2016	**9,687,916**	**607,816**	**8,619,882**	**18,915,614**

As established by IAS 40, the fair value of investment property measured at costs has to be disclosed. For this reason, we have realized this calculation by means of internal valuations based on discounted future cash flow projections. As of March 31, 2017, such fair value is estimated to amount to MCh$132,027,484 (MCh$131,539,153 as of March 31, 2016).

Investment property has been classified as a Level 3 fair value, based on the inputs for the valuation technique used (see Note 3.4).

Concept	03-31-2017 ThCh$	03-31-2016 ThCh$
Commercial Stores	96,216,509	89,010,177
Land	29,102,442	36,127,012
Buildings	6,708,533	6,401,964
Total	**132,027,484**	**131,539,153**

Income and expenses from investment property as of March 2017 and 2016 is as follows:

Income and expenses from investment property	Accumulated	
	03-31-2017 ThCh$	03-31-2016 ThCh$
Commercial stores	1,608,644	1,548,437
Land	473,045	609,145
Buildings	157,847	157,847
Total amount due to rental income	**2,239,536**	**2,315,429**
Commercial stores (contribution)	(34,544)	(33,636)
Land (contribution)	(10,368)	(10,096)
Buildings (contributions)	(27,230)	(26,514)
Commercial stores (depreciation)	(45,473)	(38,787)
Buildings (depreciation)	(25,102)	(25,102)
Total expenses due to leases	**(142,717)**	**(134,135)**

The Company has not evidenced indicators of impairment of investment property.

The Company has no pledges (mortgage or other type of guarantee) on investment property.

The lease contracts generally establish the obligation to maintain and repair the properties, therefore the expenses are attributed to the lessees, except for the expenses for payment of property taxes that are borne by the lessor.

The future cash flow projections associated with commercial stores, land and buildings, based on a discount rate of 4.58% as of March 2017 (4.72% as of March 2016), are the following:

Concept	03-31-2017 ThCh$	03-31-2016 ThCh$
Commercial premises		
Up to 1 year	3,403,555	3,234,712
From 1 up to 5 years	20,087,122	19,066,034
Over 5 years	96,294,677	89,109,481
Land		
Up to 1 year	1,010,304	1,285,863
From 1 up to 5 years	6,079,865	7,744,435
Over 5 years	29,145,968	36,195,394
Buildings		
Up to 1 year	302,071	297,642
From 1 up to 5 years	1,386,524	1,356,859
Over 5 years	6,646,789	6,341,591
Total	**164,356,875**	**164,632,011**

10. Other financial assets, current and non-current

Other current and non-current financial assets are detailed below:

Concept	03-31-2017		12-31-2016	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments over 3 months	91,872,045	-	60,997,382	-
Derivative transactions	3,142,404	1,935,561	4,425,482	2,265,313
Financial lease	86,787	1,766,419	46,087	1,822,470
Promissory notes receivables	-	474,944	-	451,794
Other accounts receivable	-	6,883	-	6,445
Total	**95,101,236**	**4,183,807**	**65,468,951**	**4,546,022**

Financial investments, over 3 months

Term deposits

Type of investment	Currency of origin	Capital in currency of origin in ThCh - ThUS$	Average annual rate	Average maturity days	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 03-31-2017 ThCh$
Term deposits	US$	138,182.43	1.06%	72	91,748,988	123,057	91,872,045
Total					91,748,988	123,057	91,872,045

Type of investment	Currency of origin	Capital in currency of origin in ThCh - UF	Average annual rate	Average maturity days	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount ThCh$ 12-31-2016
Term deposits	Ch$	20,594,187	4.08%	4	20,594,187	214,546	20,808,733
	UF	1,525.30	0.57%	24	40,188,649	-	40,188,649
Total					60,782,836	214,546	60,997,382

Derivative transactions

Financial assets as of 03-31-2017

Tax ID Number	Name	Country	Tax ID Number	Name	Country	Currency	Nominal rate	Amortization type	Current: Maturity: Up to 90 days ThCh$	Current: Maturity: 90 days to 1 year ThCh$	Total current 03-31-2017 ThCh$	Non-current: Maturity: 1 to 3 years ThCh$	Non-current: Maturity: 3 to 5 years ThCh$	Non-current: Maturity: Over 5 years ThCh$	Total non-current 03-31-2017 ThCh$
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.44711%	Biannual	43,820	-	43,820	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.44780%	Biannual	28,605	-	28,605	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.54991%	Biannual	-	30,339	30,339	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.56239%	Maturity	-	1,181,344	1,181,344	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.56239%	Maturity	-	1,689,578	1,689,578	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.54990%	Biannual	-	150,482	150,482	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	-	18,236	18,236	1,935,561	-	-	1,935,561
						Total			**72,425**	**3,069,979**	**3,142,404**	**1,935,561**	**-**	**-**	**1,935,561**

Financial assets as of 12-31-2016

Tax ID Number	Name	Country	Tax ID Number	Name	Country	Currency	Nominal rate	Amortization type	Current: Maturity: Up to 90 days ThCh$	Current: Maturity: 90 days to 1 year ThCh$	Total current 12-31-2016 ThCh$	Non-current: Maturity: 1 to 3 years ThCh$	Non-current: Maturity: 3 to 5 years ThCh$	Non-current: Maturity: Over 5 years ThCh$	Total non-current 12-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.44711%	Biannual	-	57,643	57,643	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.44780%	Biannual	-	42,270	42,270	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.35820%	Biannual	-	97,064	97,064	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.41456%	Maturity	-	1,571,414	1,571,414	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.41456%	Maturity	-	1,884,695	1,884,695	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.35820%	Biannual	-	331,110	331,110	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	441,286	-	441,286	1,941,697	323,616	-	2,265,313
						Total			**441,286**	**3,984,196**	**4,425,482**	**1,941,697**	**323,616**	**-**	**2,265,313**

Financial lease agreements

On August 1, 2004 and through July 31, 2034, the Company leased to Enel Distribución Chile S.A. (Ex Chilectra S.A.) each and every one of the components of the SEAT Rectification Substations, Vicente Valdés and the 20 KV networks up to their arrival to the verifying spots. The useful life of the assets has the same duration as the respective lease contract, therefore and in accordance with IAS 17, it is a financial lease. For that reason, machinery and equipment was derecognized from property, plant and equipment and was recognized in accounts receivable at the time of adoption of IFRS.

Additionally, the present value of the lease installments pending from 2009 to 2034 was calculated, considering a 10% discount rate that is expressed in the respective lease agreement, producing a positive effect in the Company's shareholders' equity.

Metro S.A. issues an annual invoice to Enel Distribución Chile S.A., during the first 15 days of July, which shall be paid 30 days after that invoice is received. The payments that the tenant makes are divided into two parts, one that represents the financial burden and another which reduces the existing debt. The total financial burden is distributed among the years that constitute the term of the lease.

There is no unguaranteed residual value amounts accrued in favor of the lessor.

There is no accumulated provision for minimum payments on uncollectible leases.

There are no contingent leases recognized as income for the year.

Outstanding future minimum lease payments	03-31-2017			12-31-2016		
	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$
Up to 1 year	251,105	164,318	86,787	211,765	165,678	46,087
From 1 to 5 years	1,009,049	743,173	265,876	1,058,827	749,329	309,498
Over 5 years	2,310,283	809,740	1,500,543	2,329,419	816,447	1,512,972
Total	**3,570,437**	**1,717,231**	**1,853,206**	**3,600,011**	**1,731,454**	**1,868,557**

11. Other non-financial assets, current and non-current

Other current and non-current non-financial assets are detailed below:

Other current non-financial assets	03-31-2017 ThCh$	12-31-2016 ThCh$
Prepaid expenses	67,650	25,599
Advances to suppliers and personnel	3,920,010	4,530,569
Other non financial receivables	904,257	900,403
Total	**4,891,917**	**5,456,571**

Other non-current non-financial assets	03-31-2017 ThCh$	12-31-2016 ThCh$
Funds allocated to pay for expropriations of new lines	9,420,167	9,580,038
Value-added tax fiscal credit	8,045,782	8,532,599
Lease of land for investment	952,797	948,397
Advances for severance indemnities and other loans	1,406,584	1,464,144
Total	**19,825,330**	**20,525,178**

12. Other financial liabilities, current and non-current

This caption comprises the following:

Concept	03-31-2017		12-31-2016	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	119,279,400	343,772,457	120,608,843	326,150,198
Bonds payable	40,945,266	1,618,904,792	46,120,011	1,307,450,463
Derivative transactions	151,571	-	500,060	-
Megaproject contract retentions and other	-	4,596,720	-	11,422,979
Total	**160,376,237**	**1,967,273,969**	**167,228,914**	**1,645,023,640**

Biannual and equivalent interest-bearing loans as of 03-31-2017

Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Effective rate	Current - Maturity - Up to 90 days ThCh$	Current - Maturity - 90 days to 1 year ThCh$	Total current 03-31-2017 ThCh$	Non-current - Maturity - 1 to 3 years ThCh$	Non-current - Maturity - 3 to 5 years ThCh$	Non-current - Maturity - Over 5 years ThCh$	Total non-current 03-31-2017 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	3.30%	11,284,085	63,414,198	74,698,283	73,668,575	25,028,890	70,606,496	169,303,961
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US$	0.69%	835,377	2,007,409	2,842,786	8,445,009	5,630,006	10,756,525	24,831,540
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	22,209	34,957	57,166	167,384	103,694	39,025	310,103
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Banco Bilbao Vizcaya Argentaria	Chile	US$	2.66%	20,137,579	20,014,270	40,151,849	-	-	-	-
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US$	2.77%	1,529,316		1,529,316	29,865,371	39,820,494	79,640,988	149,326,853
						Total		**33,808,566**	**85,470,834**	**119,279,400**	**112,146,339**	**70,583,084**	**161,043,034**	**343,772,457**

Biannual and equivalent interest-bearing loans as of 12-31-2016

Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Effective rate	Current - Maturity - Up to 90 days ThCh$	Current - Maturity - 90 days to 1 year ThCh$	Total current 12-31-2016 ThCh$	Non-current - Maturity - 1 to 3 years ThCh$	Non-current - Maturity - 3 to 5 years ThCh$	Non-current - Maturity - Over 5 years ThCh$	Total non-current 12-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	3.04%	7,427,823	69,280,421	76,708,244	84,636,672	19,520,768	45,471,597	149,629,037
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US$	0.69%	626,614	2,233,951	2,860,565	11,353,285	5,676,642	8,611,954	25,641,881
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	7,513	48,476	55,989	221,993	87,436	6,048	315,477
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Banco Bilbao Vizcaya Argentaria	Chile	US$	2.78%	0	40,485,509	40,485,509	-	-	-	-
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US$	2.77%	0	498,536	498,536	50,187,934	40,150,348	60,225,521	150,563,803
						Total		**8,061,950**	**112,546,893**	**120,608,843**	**146,399,884**	**65,435,194**	**114,315,120**	**326,150,198**

Interest-bearing loans:

- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of US$87,793,769.88. As of March 31, 2017, it has been fully used, leaving a principal balance of US$41,638,242.03. (US$42,541,417.03 in 2016).
- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of €1,573,093.76. As of March 31, 2017, it has been fully used, leaving a principal balance of €515,806.36. (€525,758.08 in 2016).
- ✓ Buyer Credit Facility Agreement for the Metro Line 4 Project, with a syndicate of international banks led by BNP Paribas, in the amount of US$340,000,000.00 which is State guaranteed. As of March 31, 2017, it has been fully used, leaving a principal balance of US$2,797,746.93. (US$5,595,494.01 in 2016).
- ✓ Buyer Credit Facility Agreement for the acquisition of rolling stock, with a syndicate of international banks led by BNP Paribas in the amount of US$46,855,822.64. This financing is not guaranteed by the Government. As of March 31, 2017 and December 31, 2016, it has been fully used, leaving a principal balance of US$5,028,229.27.
- ✓ Buyer Credit Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$260,000,000.00. This financing is not guaranteed by the Government. As of March 31, 2017 and December 31, 2016, it has been fully used, leaving a principal balance of US$89,658,146.16.
- ✓ Financial Loan Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$130,000,000, without guarantees by the Government. As of March 31, 2017, it has been fully used, leaving a principal balance of US$24,375,000.00. (US$32,500,000.00 in 2016).

  Such agreement establishes that, at March 31, 2017, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that as of March 31, 2017, this debt/equity ratio is 1.04 times and equity amounts to ThCh$2,237 million, calculated as set forth in the relevant loan agreement.
- ✓ Debt Restructuring Loan Agreement, with BNP Paribas, in the amount of US$90,000,000 (bullet payment at maturity date). This financing is state guaranteed in the amount of US$60,000,000. As of March 31, 2017 and December 31, 2016, it has been fully used, leaving a principal balance of US$60,000,000.00.

  Such agreement establishes that, at March 31, 2017, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that as of March 31, 2017, this debt/equity ratio is 1.04 times and equity amounts to ThCh$2,237 million, calculated as set forth in the relevant loan agreement.

- ✓ Debt Restructuring Loan Agreement, with Banco Bilbao Vizcaya Argentaria, for US$60,000,000 (bullet payment at maturity date). This financing is not guaranteed by the Government. As of March 31, 2017 and December 31, 2016, it has been fully used, leaving a principal balance of US$60,000,000.

  Such agreement establishes that, at March 31, 2017, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that as of March 31, 2017, this debt/equity ratio is 1.04 times and equity amounts to ThCh$2,237 million, calculated as set forth in the relevant loan agreement.

- ✓ Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas, of US$550,000,000.00, without guarantees and signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$450,000,000.00. This financing is not guaranteed by the Government. As of March 31, 2017, it has been used US$183,126,274.28 (US$143,517,631.57 in 2016)

  Such agreement establishes that, at March 31, 2017, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that as of March 31, 2017, this debt/equity ratio is 1.04 times and equity amounts to ThCh$2,237 million, calculated as set forth in the relevant loan agreement.

- ✓ Financial Loan Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by Sumitomo Mitsui Banking, in the amount of US$250,000,000.00, without guarantees and signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$225,000,000.00. This financing is not guaranteed by the Government. As of March 31, 2017 and December 31, 2016, US$224,900,000.00 have been used of such financing

  Such agreement establishes that, at March 31, 2017, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that as of March 31, 2017, this debt/equity ratio is 1.04 times and equity amounts to ThCh$2,237 million, calculated as set forth in the relevant loan agreement.

Obligations with the public - bonds payable

The Company’s domestic and foreign liabilities as of 03-31-2017

											Current			Non-current			
											Maturity		Total current	Maturity			Total non-current
Series	Tax ID Number Debtor	Name	Country Debtor	Tax ID Number Bank	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization type	Up to 90 days	90 days to 1 year	03-31-2017	1 to 3 years	3 to 5 years	Over 5 years	03-31-2017
											ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	Biannual	1,853,036	3,838,376	5,691,412	16,677,322	15,982,434	50,669,705	83,329,461
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	1,992,732	926,518	2,919,250	8,338,661	5,559,107	29,813,251	43,711,019
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	1,764,796	2,795,862	4,560,658	15,000,766	10,588,776	60,815,194	86,404,736
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	1,764,796	2,836,296	4,601,092	13,235,971	10,588,776	68,357,135	92,181,882
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	2,628,200	1,235,357	3,863,557	8,029,823	7,412,143	52,551,471	67,993,437
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	838,278	1,366,447	2,204,725	5,448,809	5,029,669	35,499,567	45,978,045
G	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	1,235,360	1,374,641	2,610,001	7,412,145	6,794,465	60,917,474	75,124,084
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	2,647,194	2,813,639	5,460,833	13,163,104	-	-	13,163,104
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	0	739,987	739,987	17,146,580	13,717,264	43,997,567	74,861,411
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	1,740,981	-	1,740,981	7,059,177	14,118,354	84,334,645	105,512,176
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	-	227,312	227,312	-	-	133,766,581	133,766,581
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Biannual	576,282	-	576,282	-	-	39,388,274	39,388,274
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	Biannual	-	209,176	209,176	-	-	108,638,914	108,638,914
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	4.8%	4.9%	Biannual	-	2,496,804	2,496,804	-	-	328,171,333	328,171,333
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	5.0%	5.2%	Biannual	-	3,043,196	3,043,196	-	-	320,680,335	320,680,335
							Total				**17,041,655**	**23,903,611**	**40,945,266**	**111,512,358**	**89,790,988**	**1,417,601,446**	**1,618,904,792**

The Company’s domestic and foreign liabilities as of 12-31-2016

											Current			Non-current			
											Maturity		Total current	Maturity			Total non-current
Series	Tax ID Number Debtor	Name	Country Debtor	Tax ID Number Bank	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization type	Up to 90 days	90 days to 1 year	12-31-2016	1 to 3 years	3 to 5 years	Over 5 years	12-31-2016
											ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	Biannual	4,193,195	1,844,359	6,037,554	16,599,227	11,066,152	57,946,222	85,611,601
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	922,179	1,346,667	2,268,846	8,299,614	5,533,076	29,645,802	43,478,492
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	4,042,003	1,756,532	5,798,535	15,808,788	10,539,192	61,412,289	87,760,269
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	4,129,906	1,756,532	5,886,438	14,052,257	10,539,192	68,982,892	93,574,341
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	1,229,573	1,698,476	2,928,049	9,221,794	7,377,434	51,142,222	67,741,450
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	2,003,459	834,353	2,837,812	5,840,469	5,006,116	35,793,078	46,639,663
G	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	2,164,104	1,229,575	3,393,679	7,377,436	7,377,434	61,423,168	76,178,038
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	3,048,337	2,634,799	5,683,136	15,727,076	-	-	15,727,076
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	1,608,719	-	1,608,719	20,479,545	13,653,031	40,363,975	74,496,551
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	-	560,238	560,238	14,052,242	14,052,242	76,906,602	105,011,086
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	1,498,887	-	1,498,887	-	-	133,080,429	133,080,429
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Biannual	-	196,777	196,777	-	-	39,200,225	39,200,225
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	Biannual	928,877	-	928,877	-	-	108,172,048	108,172,048
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	4.8%	4.9%	Biannual	6,492,464	-	6,492,464	-	-	330,779,194	330,779,194
							Total				**32,261,703**	**13,858,308**	**46,120,011**	**127,458,448**	**85,143,869**	**1,094,848,146**	**1,307,450,463**

(*) RTB: Bondholders' Representative.

On July 31, 2001, December 5, 2001, August 9, 2002, December 3, 2003, June 23, 2004 and December 14, 2005, the Company placed Series A to G bonds in the domestic market, all calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period for the principal payment, with biannual interest payments and without early redemption.

On December 3, 2008, the Company placed Series H and I bonds in the domestic market, calculated on the basis of a 360-day year, with a 12-year term and 7 years of grace period for series H and a 21-year term with 10 years of grace period for Series I, with biannual interest payments and early redemption.

On November 18, 2009, the Company placed Series J bonds in the domestic market, calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period, with biannual payment of interest and without early redemption.

On October 6, 2011, the Company placed series K bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 16 years of grace period for principal payment, with semiannual interest payments and early redemption.

On May 24, 2012, the Company placed Series L bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 21 years of grace period for principal payment, with payment of biannual interest and early redemption.

On February 4, 2014, the Company placed a bond in the international market for MUS$500 with a 4.846% interest rate for placement. The bond's coupon rate is 4.75%, calculated in the basis of a 360-day year, at 10-year term with 10 years of grace period for principal payment, with payment of biannual interest and early redemption.

On September 29, 2016, the Company placed Series M bonds in the domestic market, calculated on the basis of a 360-day year, at a 30-year term with 26 years of grace period for principal payment, with payment of biannual interest and early redemption.

On January 25, 2017, the Company placed a bond in the international market for MUS$500 with a 5.151% interest rate for placement. The bond's coupon rate is 5.00%, calculated in the basis of a 360-day year, at 30-year term with 30 years of grace period for principal payment, with payment of biannual interest and early redemption.

The Series A and B bonds are have a State guarantee, in accordance with Law Decree 1.263 and Laws No. 18.196, 18.382 and 19.702, in Exempt Decree 117, issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 389 issued by the Ministry of Finance, both on April 20, 2001.

The Series C bonds are guaranteed by the State, in accordance with Law Decree 1.263 and Laws No. 18.196, 18.382 and 19.774, in Exempt Decree 274 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 363 issued by the Ministry of Finance, both on May 13, 2002.

The Series D and E bonds are guaranteed by the State, in accordance with Law Decree 1.263 and Laws No. 18.196 and 19.847, Exempt Decree 222 dated April 29, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 356 issued by the Ministry of Finance on May 7, 2003.

The Series F bonds are guaranteed by the State, in accordance with Law Decree 1.263 and Laws No. 18.196 and 19.847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 1,024, dated November 11, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series G bonds are guaranteed by the State, in accordance with Law Decree 1.263 and Laws No. 18.196 and 19.847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 592, dated May 11, 2005 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series H, I, J, K, L, M and International bonds are not guaranteed, notwithstanding the creditors' general pledge right set forth in Chilean law.

The Company is not subject to any financial or other restrictive covenants under the instruments governing its Series A to G bonds. For the Series H, I, J, K and L bonds, the Company is required during each calendar year to maintain a debt/equity ratio that is lower than 1.7, equity in excess of ThCh$700 million and an interest coverage ratio greater than 1.0. Those covenants are calculated and determined using the financial statements prepared as of December 31 of each calendar year and filed with the SVS. International bond is not subject to related restrictions or covenants.

Derivative transactions

Financial liabilities as of 03-31-2017

Tax ID Number	Name	Country	Tax ID Number	Name	Country	Currency	Nominal Rate	Amortization type	Current – Maturity – Up to 90 days ThCh$	Current – Maturity – 90 days to 1 year ThCh$	Total current 03-31-2017 ThCh$	Non-current – Maturity – 1 to 3 years ThCh$	Non-current – Maturity – 3 to 5 years ThCh$	Non-current – Maturity – Over 5 years ThCh$	Total non-current 03-31-2017 ThCh$
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.63%	Biannual	16,654	-	16,654	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.59%	Biannual	21,517	-	21,517	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.75%	Biannual	-	3,578	3,578	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.10%	Maturity	-	86,811	86,811	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.91%	Maturity	-	16,775	16,775	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.97%	Biannual	-	2,197	2,197	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	0.75%	Biannual	-	4,039	4,039	-	-	-	-
						Total			38,171	113,400	151,571	-	-	-	-

Financial liabilities as of 12-31-2016

Tax ID Number	Name	Country	Tax ID Number	Name	Country	Currency	Nominal rate	Amortization type	Current – Maturity – Up to 90 days ThCh$	Current – Maturity – 90 days to 1 year ThCh$	Total current 12-31-2016 ThCh$	Non-current – Maturity – 1 to 3 years ThCh$	Non-current – Maturity – 3 to 5 years ThCh$	Non-current – Maturity – Over 5 years ThCh$	Total non-current 12-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.63%	Biannual	-	6,216	6,216	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.59%	Biannual	-	10,527	10,527	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	2.75%	Biannual	-	19,999	19,999	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.10%	Maturity	-	312,015	312,015	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.91%	Maturity	-	60,292	60,292	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.97%	Biannual	-	12,198	12,198	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	0.75%	Biannual	78,813	-	78,813	-	-	-	-
						Total			78,813	421,247	500,060	-	-	-	-

13. Other non-financial liabilities, current and non-current

Other current and non-current non-financial liabilities are detailed below:

Current	03-31-2017 ThCh$	12-31-2016 ThCh$
Real estate taxes	4,338,440	3,347,456
Deferred income	1,080,755	1,088,076
Guarantees received	13,159,240	12,994,395
Total	**18,578,435**	**17,429,927**

Non-current	03-31-2017 ThCh$	12-31-2016 ThCh$
Deferred income (*)	3,303,837	3,347,215
Total	**3,303,837**	**3,347,215**

(*) Corresponds to long-term operational leases.

14. Balances and transactions with related parties

Trade and other receivables:

As of March 31, 2017 and December 31, 2016, the Company records no outstanding balances of receivables from related parties.

Trade and other payables:

Corresponds to capital contributions received from the Government of Chile for network expansion projects. As of March 31, 2017, contributions pending capitalization reached ThCh$101,296,200 (ThCh$41,296,200 in 2016).

Transactions:

During the first quarter of 2017, the Company received contributions from the Government of Chile of ThCh$60,000,000 and during the first quarter of 2016, the Company received contributions from the Government of Chile of ThCh$90,000,000.

As detailed in Note 12 to the financial statements, the Government of Chile is the guarantor of certain bank loans and bonds issued by the Company.

Key management personnel

The Company's key personnel are composed of those individuals having the authority and responsibility to plan, manage and control the entity's activities. The Company has determined that key management personnel are composed of the Directors, General Manager and Managers of the Company's different areas (senior executives).

The expense for compensation received by key management personnel is detailed as follows:

Directors' income are as follows:

Directors' income	Accumulated	
	03-31-2017 ThCh$	03-31-2016 ThCh$
Fixed remunerations	36,140	35,132
Variable remunerations	16,093	15,644
Total	**52,233**	**50,776**

Board of Directors' expenses

During the first quarter of 2017 and 2016, there were no air ticket expenses

Remunerations of the General Manager and Other Managers:

During the first quarter of 2017, the compensation paid to the General Manager amounted to ThCh$85,899 (ThCh$42,021 in 2016) and compensation paid to Other Managers amounted to ThCh$804,740 (ThCh$319,616 in 2016).

15. Trade and other payables

This caption comprises the following:

Concept	03-31-2017 ThCh$	12-31-2016 ThCh$
Debt for purchases or services received	52,790,040	67,155,258
Accounts payable - Transantiago	7,118,676	7,420,912
Withholdings	3,444,877	2,539,214
Other payables	509,788	1,332,807
Total	**63,863,381**	**78,448,191**

16. Segment information

The Company reports segmented information in accordance with what is established in IFRS 8 "Operating Segments." IFRS 8 stipulates that this Standard must be applied by entities with capital stock or debt securities of which are publicly traded or by entities that are in the process of issuing securities to be traded in public markets.

The Company is a joint-stock company that is subject to the rules of open stock corporations in Chile, and its corporate purpose is to carry out all activities related to providing transportation services on underground railways or other complementary electric modes of transportation and services associated with its ordinary course of business.

Its main income is derived from passenger transportation services. The processes associated with the services provided by the Company are based on a common technological and administrative infrastructure. Current activities focus on providing services in a domestic environment with common economic and political conditions.

The Company manages its operations and presents its financial information as one single operating segment: transportation of passengers in the city of Santiago, Chile, considering that all other areas of business are derived by this main business.

17. Employee benefits

Current

Concept	03-31-2017 ThCh$	12-31-2016 ThCh$
Accrued vacations	3,372,265	3,843,803
Employee benefit obligations	933,124	2,254,138
Productivity bonus	1,586,373	6,573,223
Total	**5,891,762**	**12,671,164**

Non-current

Concept	03-31-2017 ThCh$	12-31-2016 ThCh$
Provision for dismissal	14,636,184	14,452,258
Provision for resignations	60,226	61,482
Provision for mortality	786,179	796,476
Advance for severance indemnity payments	(1,804,361)	(1,791,101)
Total	**13,678,228**	**13,519,115**

Movements in severance indemnity payments for the year ended March 31, 2017 and December 31, 2016:

Concept	ThCh$
Liabilities as of 01-01-2017	13,519,115
Service interest	157,440
Benefits paid	(196,813)
Actuarial profit (loss)	198,486
Liabilities as of 03-31-2017	**13,678,228**

Concept	ThCh$
Liabilities as of 01-01-2016	13,663,705
Service interest	651,274
Benefits paid	(970,155)
Actuarial profit (loss)	174,291
Liabilities as of 12-31-2016	**13,519,115**

Sensitivity analysis

Reasonable possible changes in the relevant actuarial assumptions at the reporting date, provided that other assumptions remain constant, would have affected the defined benefit obligation by the following amounts:

2017

Concept	Increases	Base	Decrease	Increases ThCh$	Decrease ThCh$
Discount rate (change of 0.5)	4.970%	4.470%	3.970%	13,387,109	13,978,505
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	14,044,522	13,325,739
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	13,664,891	13,692,193
Mortality rate (change of 25%)	25.00%	CB14 & RV14	(25%)	13,649,799	13,707,226

2016

Concept	Increases	Base	Decrease	Increases ThCh$	Decrease ThCh$
Discount rate (change of 0.5)	5.160%	4.660%	4.160%	13,225,192	13,823,739
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,890,639	13,161,755
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	13,507,804	13,531,011
Mortality rate (change of 25%)	25.00%	CB14 & RV14	(25%)	13,490,981	13,547,829

Projection of the actuarial calculation for the following year:

The projected calculation for the following year amounts to ThCh$14,280,045.

Estimate of expected cash flows for the following year

The Company estimates that for the following year there will be expected payment flows for obligations on a monthly average of ThCh$77,798 as of March 31, 2017 (ThCh$86,975 as of March 31, 2016).

Actuarial revaluation of obligations:

The Company revalued its obligations as of March 31, 2017, determining a profit due to the update of financial parameters of ThCh$194,293 (loss of ThCh$132,964 as of March 31, 2016) and a loss due to experience of ThCh$392,779 (loss of ThCh$49,825 as of March 31, 2016).

Concept / profit (loss)	**03-31-2017 ThCh$**	**03-31-2016 ThCh$**
Revaluation of financial parameters	194,293	(132,964)
Revaluation due to experience	(392,779)	(49,825)
Total deviation for the period	(198,486)	(182,789)
Summary		
Due to hypotheses	194,293	(132,964)
Due to experience	(392,779)	(49,825)
Total deviation for the period	(198,486)	(182,789)

General considerations

The Company has benefits that are agreed upon with its active employees and frozen severance indemnity payments, which require actuarial valuation and it has collective agreements, which include benefits for the concept of termination, voluntary retirement and death of an employee.

In agreements with its unions, the Company froze the benefits accrued by employees on different dates.

Frozen indemnity

Frozen indemnity corresponds to the severance benefits established in the respective collective agreements of the Company. The benefit is based on the various reasons for termination of the employment contract, such as on employee's resignation and death.

The freezing dates established in the agreements are May 31, 2002, August 31, 2003 and November 30, 2003, depending on the union and the reason for the termination.

Legal indemnity:

The company does not record liabilities associated to legal severance pay since this qualifies under IAS 19 as a termination benefit and it is an uncertain obligation.

Actuarial assumptions:

Actuarial assumptions are long-term assumptions and should there be sufficient substantive evidence, they must be updated.

1. Mortality:

   The CB-H-2014 men and M-2014 women's mortality tables established by the Chilean Superintendence of Pensions and Superintendence of Securities and Insurance were used.

2. Workforce rotation:

   The rotation tables were prepared using information available to the Company. Constant ratios may be observed in the following table:

Reason	Rate %
Dismissal	1.26
Resignation	0.12
Other reasons	0.07

3. Discount rate:

   The real annual discount rates used for each year are as follows:

Year	Rate %
12-31-2015	1.72
12-31-2016	1.61
03-31-2017	1,43

4. Termination:

   The estimated maximum average termination ages are:

Concept	Age
Women	62 years
Men	68 years

18. Income tax

The Company had a negative first category (corporate) tax base of ThCh$921,885,909 as of March 31, 2017, ThCh$903,314,152 as of December 31, 2016 and ThCh$821,477,341 as of March 31, 2016, determined in accordance with current legal provisions, therefore no income tax provision has been recognized as of these dates.

Because the Company has consistently recorded tax losses since the 1996 taxable year, the Company considers that it is unlikely that there will be sufficient future taxable profits to allow it to recognize there deferred tax assets, therefore these have been recognized up to the amount of deferred tax liabilities (1).

Temporary difference	Tax assets		Tax liabilities	
	03-31-2017 ThCh$	12-31-2016 ThCh$	03-31-2017 ThCh$	12-31-2016 ThCh$
Allowance for doubtful accounts	294,085	268,079	-	-
Deferred income	1,096,148	1,108,823	-	-
Accrued vacation	843,066	960,951	-	-
Severance indemnity payments	1,689,541	1,637,838	-	-
Provisions for lawsuits	665,146	157,648	-	-
Provisions for maintenance	787,063	588,227	-	-
Provision for employee benefits	233,281	563,534	-	-
Provisions for spare parts	678,498	678,498	-	-
Irrecoverable value added-tax fiscal credit for extensions	-	-	30,170,313	29,990,371
Capitalized expenses	-	-	35,514,599	32,455,826
Property, plant and equipment	90,607,221	85,403,036	-	-
Tax loss	230,471,477	225,828,538	-	-
Other events	3,660,601	3,399,078	-	-
Subtotal	331,026,127	320,594,250	65,684,912	62,446,197
Net deferred tax assets	265,341,215	258,148,053	-	-
Reduction of deferred tax assets (1)	(265,341,215)	(258,148,053)	-	-
Deferred tax, net	-	-	-	-

19. Provisions, contingencies and guarantees

As of March 31, 2017, the Company is involved in legal proceedings (civil and labor), which include subsidiary lawsuits, which are not provisioned because of the application of IAS 37, due to their almost non-existent probability of unfavorable judgment.

The amount for claims and lawsuit is as follows:

Other short-term provisions	03-31-2017 ThCh$	12-31-2016 ThCh$
Provisions for lawsuits	2,660,583	630,590
Total	**2,660,583**	**630,590**

According to the current status of legal proceeding, management believes those provisions recorded in the consolidated financial statements properly cover the risks for the litigation described above, which are not expected to generate any additional liabilities.

Considering the risk's characteristics that these provisions cover, is impossible to determinate a reasonable payment schedule.

Movements of provisions are as follows:

Concept	Amount ThCh$
Balance as of 01-01-2016	2,168,773
Accrued provisions	641,598
Effective payments	(2,179,781)
Balance as of 12-31-2016	630,590
Accrued provisions	2,087,144
Effective payments	(57,151)
Closing balance as of 03-31-2017	2,660,583

Direct guarantees

The guarantees granted by the Company are in UF and US dollars, expressed in thousands of Chilean pesos as of March 31, 2017, are detailed below.

Type of guarantee	No. of guarantee	Issuing entity	Currency	Amount	Beneficiary	Issue date	Maturity date	Status	Net ThCh$
Note	292112	Banco Santander	UF	150	Constructora San Francisco	01-03-2014	12-31-2017	Effective	3,971
Note	1006397	Banco Santander	UF	1,128	Director General de Obras Publicas	11-07-2016	11-07-2017	Effective	29,860
Note	954439	Banco Santander	UF	10,000	Enel Distribución Chile S.A	09-30-2016	12-31-2017	Effective	264,719
Note	96584	Banco BBVA	US$	1,000,000	Enor Chile S.A.	06-10-2016	06-30-2017	Effective	663,970
Note	1462354	Banco Santander	US$	500,000	Enor Chile S.A.	03-20-2017	02-28-2018	Effective	331,985
Note	464061	Banco Santander	UF	24,941.40	Junaeb	07-12-2017	08-19-2019	Effective	660,247
Note	1462355	Banco Santander	UF	10,000	San Juan S.A.	03-20-2017	04-01-2018	Effective	264,719
Note	695590	Banco Santander	UF	1,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	26,472
Note	695591	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695592	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695593	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695594	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695595	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695596	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695597	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695598	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695599	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360
Note	695600	Banco Santander	UF	5,000	Subsecretaría de Transportes	08-03-2016	10-02-2017	Effective	132,360

As of the closing date of the financial statements, there are no balances pending payment, since they are Performance Guarantees.

20. Changes in equity

2016 capital increase

At an Extraordinary Shareholders' Meeting held on December 29, 2016, the shareholders of the Company agreed to:

✓ Increase the issued and fully-paid capital of the Company by capitalizing government contributions of ThCh$349,737,277, at a nominal value through the issuance of 11,459,281,684 Series A shares subscribed and fully-paid by the Government and CORFO, in proportion to their interests and social participation.

a. Paid-in capital

As of March 31, 2017 and December 31, 2016, the capital of the Company is represented by 55,457,594,247 and 19,163,677,063 Series A and B registered shares without par value, respectively, with 46,825,475,189 shares corresponding to CORFO and 27,795,796,121 to the Government.

Series A shares correspond to the initial capital and capital increases that are subscribed and paid by the Government and CORFO and cannot be disposed of. Series B shares correspond to capital increases that could allow the incorporation of other shareholders.

Shareholders are detailed as follows:

Shareholder	03-31-2017		12-31-2016	
	Number of shares and percentages			
	Subscribed and paid shares	Ownership %	Subscribed and paid shares	Ownership %
Corporación de Fomento de la Producción	46,825,475,189	62.75%	46,825,475,189	62.75%
Ministry of Finance	27,795,796,121	37.25%	27,795,796,121	37.25%
Total	**74,621,271,310**	**-**	**74,621,271,310**	**-**
Corporación de Fomento de la Producción				
Series A	34,722,003,883	-	34,722,003,883	-
Series B	12,103,471,306	-	12,103,471,306	-
Total	**46,825,475,189**	**-**	**46,825,475,189**	**-**
Ministry of Finance				
Series A	20,735,590,364	-	20,735,590,364	-
Series B	7,060,205,757	-	7,060,205,757	-
Total	**27,795,796,121**	**-**	**27,795,796,121**	**-**

b. Distribution of net income and dividends

The Company's dividend policy is in accordance with current legislation according to which at least 30% of net profits for the year must be distributed as cash dividends, unless otherwise resolved by the Shareholders' Meeting by the unanimous vote of the outstanding shares issued.

At the Ordinary Shareholders' Meeting held on April 24, 2017, the shareholders resolved not to distribute net income or dividends.

c. Non-controlling interests

Non-controlling interests correspond to the recognition by the Company of the share in the equity and net income of its subsidiary not directly or indirectly attributable to the Company. The detail for periods ended March 31, 2017 and 2016, respectively, is as follows:

Subsidiary	Percentages Non-controlling interests		Non-controlling interests equity		Share of profit or loss Income (expense)	
	2017 %	2016 %	2017 ThCh$	2016 ThCh$	2017 ThCh$	2016 ThCh$
Transub S.A.	33.33	33.33	(10,645)	(10,645)	-	-

d. Other reserves

Other reserves are composed of revaluation of paid-in capital for the year of transition to IFRS, revaluation surplus (first-time adoption) of land and adjustments originating from the change in IFRS accounting standard, as stated in Circular 456 issued by the SVS.

Other reserves	03-31-2017 ThCh$	12-31-2016 ThCh$
Price-level adjustment of paid-in capital	30,336,377	30,336,377
Revaluation surplus	3,042,584	3,042,584
Total	**33,378,961**	**33,378,961**

Additional and complementary information is presented in the consolidated statement of changes in equity.

21. Income and expenses

Revenue:

For the periods ended March 31, 2017 and 2016, revenue is detailed follows:

Revenue	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Revenues from passenger transportation services	59,587,779	55,587,432
Sales channel income	9,234,618	9,292,761
Lease of commercial stores, spaces and advertising	3,779,600	3,146,778
Lease in intermodal terminals	414,574	551,607
Other	1,724,521	1,636,703
Total	74,741,092	70,215,281

Other income, by function

For the periods ended March 31, 2017 and 2016, other income by function is detailed follows:

Other income, by function	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Income from fines and indemnities	89,986	75,788
Welfare income	178,470	109,856
Sale of proposals	3,900	7,727
Other income	49,915	60,360
Total	322,271	253,731

Expenses by nature:

Cost of sales, administrative expenses and other expenses by function for the periods ended March 31, 2017 and 2016, are detailed as follows:

Expenses by nature	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Personnel expenses	17,571,231	18,104,450
Maintenance and operating expenses	12,380,954	11,601,848
Purchase of energy	9,937,622	10,743,661
General expenses and other	14,557,057	12,428,739
Depreciation and amortization	18,342,273	18,059,078
Total	72,789,137	70,937,776

Personnel expenses:

For the periods ended March 31, 2017 and 2016, this caption is comprised of the following:

Personnel expenses	Accumulated 01-01-2017 03-31-2017 ThCh$	Accumulated 01-01-2016 03-31-2016 ThCh$
Salaries and wages	13,568,846	12,547,356
Other benefits	2,631,453	4,100,338
Expenses in social and collective benefits	679,936	852,539
Social security contribution	690,996	604,217
Total	17,571,231	18,104,450

Maintenance and operating expenses:

For the periods ended March 31, 2017 and 2016, this caption is comprised of the following:

Maintenance and operating expenses	Accumulated 01-01-2017 03-31-2017 ThCh$	Accumulated 01-01-2016 03-31-2016 ThCh$
Maintenance of rolling stock, stations and others	10,684,506	10,474,493
Spare parts and materials	1,344,905	783,377
Repair, leases and others	351,543	343,978
Total	12,380,954	11,601,848

Depreciation and amortization:

For the periods ended March 31, 2017 and 2016, this caption is comprised of the following:

Depreciation, amortization	Accumulated 01-01-2017 03-31-2017 ThCh$	Accumulated 01-01-2016 03-31-2016 ThCh$
Depreciation	18,262,401	17,932,841
Amortization	79,872	126,237
Total	18,342,273	18,059,078

General and other expenses:

For the periods ended March 31, 2017 and 2016, this caption is comprised of the following:

General expenses and other	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Service contracts	5,626,740	6,046,237
Real estate taxes	990,983	907,176
Corporate image expenses	196,816	157,423
Sales channel operator expenses	4,637,258	4,961,398
Insurance, materials and others	3,105,260	356,505
Total	14,557,057	12,428,739

Financial result and exchange differences:

The Company's financial result and exchange differences for the periods ended March 31, 2017 and 2016, are as follows:

Finance result	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Finance income		
Interest on cash and other cash equivalents	1,829,267	802,660
Finance income from swaps	559,478	641,306
Other finance income	68,023	51,644
Subtotal	2,456,768	1,495,610
Finance expenses		
Interest and expenses on bank loans	(1,622,071)	(2,598,907)
Interest and expenses on bonds	(11,572,296)	(10,432,987)
Other finance costs	(101,834)	(113,252)
Subtotal	(13,296,201)	(13,145,146)
Profit (loss) financial result	(10,839,433)	(11,649,536)
Foreign currency translation and index-adjusted differences	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Foreign currency translation difference		
Profit or (loss) on Foreign currency translation	5,515,317	38,506,652
Total foreign currency translation difference	5,515,317	38,506,652
Index-adjusted unit		
Profit (loss) on index-adjusted unit (bonds)	(4,723,371)	(6,532,503)
Total index-adjusted unit	(4,723,371)	(6,532,503)

Other profit (losses):

Other profit (losses) of the Company for the periods ended March 31, 2017 and 2016, is comprised of the following:

Other profit (loss)	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Net present value of swaps US$	1,458,988	1,799,790
Net present value of swaps UF	(2,375,300)	(6,180,010)
Net present value, value-added tax	(312,507)	1,020,515
Total	(1,228,819)	(3,359,705)

Other comprehensive income:

For the periods ended March 31, 2017 and 2016, this caption is comprised of the following:

Other comprehensive income (loss)	Accumulated	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$
Actuarial profit (loss) on defined benefit plans	(198,486)	(182,789)
Total	(198,486)	(182,789)

22. Third-party guarantees

Guarantees received as of March 31, 2017, are detailed as follows:

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	64,982,907	Service contract	Supplier
Alstom	12,569,911	Service contract	Supplier
Alstom Chile S.A.	163,641,357	Service contract	Supplier
Alstom Transport S.A.	112,596,995	Service contract	Supplier
Arrigoni Ingenieria y Construcción	7,508,196	Service contract	Supplier
Ascensores Otis Chile Ltda.	2,463,470	Work contract	Supplier
Besalco Construcciones S.A.	3,537,743	Service contract	Supplier
Besalco Dragados S.A.	4,375,412	Service contract	Supplier
Besalco S.A.	4,492,969	Service contract	Supplier
CAF Chile S.A.	745,127,480	Work contract	Supplier
Ingenieria Electrica e Inversiones	5,309,113	Work contract	Supplier
Colas Rail Establecimiento Permanente	13,304,204	Service contract	Supplier
Compañía Americana de Multiservicio Ltda.	3,713,567	Service contract	Supplier
Construciones Piques y Tuneles	6,642,641	Service contract	Supplier
Consorcio Acciona-Brotec	12,801,278	Supply contract	Supplier
Consorcio Ei-Ossa S.A.	10,612,711	Work contract	Supplier
Construcción y Auxiliar de Ferrocarriles	142,098,934	Work contract	Supplier
Construcciones Especializadas	2,284,448	Service contract	Supplier
Construcciones y Auxiliares	234,272,179	Service contract	Supplier
Dragados S.A. Agencia en Chile	7,782,061	Service contract	Supplier
ETF	25,721,282	Service contract	Supplier
ETF Agencia en Chile	86,803,369	Service contract	Supplier
Faiveley Transport Chile Ltda.	2,441,755	Supply contract	Supplier
Faiveley Transport Far East	5,221,691	Service contract	Supplier
Ferrovial Agroman Chile S.A.	34,853,078	Supply contract	Supplier
Idom Ingenieria y Consultoria	3,266,439	Service contract	Supplier
Inabensa S.A.	3,983,820	Service contract	Supplier
ISS Servicios Integrales Limitada	8,180,235	Service contract	Supplier
Obrascon Huarte Lain S. A. Agencia	3,065,257	Revenue contract	Supplier
Servicio de Aseo y Jardines Maclean	2,379,990	Service contract	Supplier
Sice Agencia Chile S.A.	50,168,504	Service contract	Supplier
Sociedad de Mantención e Instalaciones Técnicas	48,795,460	Service contract	Supplier
Soler y Palau S.A.	49,264,406	Supply contract	Supplier
Strukton International	4,109,462	Supply contract	Supplier
Thales Canada Inc.	32,156,140	Service contract	Supplier
Thales Communications & Security	2,861,715	Service contract	Supplier
Thyssenkrupp Elevadores S.A.	60,126,256	Service contract	Supplier
Other	66,394,129	Works and service contract	Supplier/client
TOTAL	**2,049,910,564**		

23. Risk management policies

The Company is exposed to several risks which are inherent to the activities that are carried out in the public passenger transportation services, in addition to risks of an economic and financial nature associated to changes in market conditions or fortuitous or force majeure cases, among others.

23.1 Description of the market in which the Company operates

The main market in which the Company participates is that of public transportation of passengers in the Metropolitan Region of Santiago and is composed of users seeking a quick and safe journey.

Secondary activities to the Company's main line of business include collection of transportation fees and sale of means of payment (Tarjeta Bip and tickets), leasing of advertising spaces, and leasing of business premises at the network stations, among others.

Rates

On February 10, 2007, the Company became part of the Integrated Public Passenger Transportation System of Santiago, or Transantiago, and its fare revenues was originally based on the effectively confirmed number of passengers transported and the technical tariff established in Exhibit 1 of the Tender Documents for the Use of the Thoroughfares of the City of Santiago.

On December 14, 2012 a new transportation agreement was signed by the Company with the Ministry of Transportation and Telecommunications of Chile to replace the aforementioned Exhibit 1, which established a flat-rate technical tariff of Ch$302.06 per confirmed transported passenger, taking December 2012 as a base, and which is updated monthly by the indexation polynomial, included in this new agreement, which takes into consideration the variation of the variables that compose the Company's long-term cost structure (CPI, US dollar, euro, price of power and electric energy). This allows for a natural match in case of cost variations, due to an increase in any of the variables that compose the polynomial.

The fare paid by the public is different than the one received by the Company per transported passenger. In March 2017, customers paid Ch$740 at peak hours, Ch$660 at valley hours and Ch$610 at low hours, while, on average the Company received during the same month a technical tariff of Ch$394.55 per passenger.

As from July 1, 2013 starts the new contract between the Ministry of Transportation and Telecommunication of Chile and Metro S.A. to provide additional issuance, after-sales, trading services and charging of the public passenger transport system of Santiago.

Demand

To date, the Company is the structuring pillar of the Integrated System of Public Passengers Transportation (Transantiago) and during the period from January to March 2017 reached a level of 2.36 million trips on a business day.

The risk related to the demand of Metro passengers is mainly associated with the level of economic activity in Chile, level of use and quality of the ground passenger transportation service (buses). In fact, the demand for passenger transportation is derived from the rest of the economic activities. During the period between January to March 2017, an increase of 4.0 million trips was observed, 2.7% compared to 2016, mainly due to an increase of 6.8% in passenger flow in March, due to an increase in business days and lower amount of holidays compared to the same period of 2016.

23.2 Financial risks

The main risks to which the Santiago Metro is exposed to and which arise from financial assets and liabilities are: market risk, liquidity risk and credit risk.

In loans with financial institutions, the nominal rate is similar to the effective rate since there are no additional transaction costs to be considered.

Market risk

The technical tariff received by the Company is updated monthly by the indexation polynomial which takes into consideration changes in the variables that compose the Company's long-term cost structure (CPI, US dollar, euro, price of power and electric energy). This allows for a natural hedge in case of cost variations due to an increase in certain variables that compose the polynomial.

To reduce the Company’s exposure to financial debt denominated in US dollars and to interest rate changes, the Company has a financial risks economic hedge policy. In the framework of this policy, the Company performed derivative transactions (cross currency swap ("CCS")) of MUS$68 as of March 31, 2017 (MUS$71 as of December 31, 2016), which do not meet the hedge accounting criteria.

In January 2017, the Company placed bonds in the international financial market for the second time for an amount of MUS$500 at a 30-year term with a rate of 5.151%, highlighting the high degree of participation from the foreign investors, which reached a supply of 8 times the placement amount.

Particularly, the Company is exposed to two market risks, which are: interest rate risk and foreign currency exchange risk.

Interest rate risk

Market risks include possible changes in the Libor rate, affecting foreign loans obtained by the Company at variable rates.

In order to mitigate the risks of interest rate fluctuation, the Company has entered into derivative transactions (cross currency swaps) and placed fixed rate bond in dollar and UF.

As of March 2017, the share of the debt at a variable rate records a significant change with respect to December 2016, as indicated in the following table:

Debt composition	03-31-2017 %	12-31-2016 %
Fixed rate	82.9	80.3
Variable rate	17.1	19.7
Total	100.0	100.0

In conducting a sensitivity analysis as of March 31, 2017, on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$544 (MUS$520 as of March 31, 2016), we note in the following table, the effect on profit or loss in a scenario where the Libor rate is increased by 100 basis points, would result in an annual increase in finance expenses of MUS$5.4 (MUS$5.2 as of December 31, 2016).

Sensitivity analysis	Equivalent in MUS$	Total %
Total debt (equivalent to MUS$)	**3,172**	**100%**
Debt at LIBOR rate	560	
IRS	52	
CCS	(68)	
Total variable rate debt	**544**	**17%**
Total fixed rate debt	**2,628**	**83%**

Variation in financial expenses	MCh$	Equivalent in MUS$
Impact on financial expenses of a variation of 100 basis points in LIBOR	3,612.1	5.4

Exchange rate risk and inflation

The Company has obligations with financial institutions and has issued bonds in foreign markets, agreed in foreign currencies, to finance the extensions in the Metro network. To minimize exchange currency risks, the Company has contracted cross currency swap (CCS) financial derivatives, which amount to MUS$68 as of March 31, 2017.

The Company is also confronted with inflationary risk, as it maintains a debt with bondholders related to bonds issued in the domestic market in UF.

The following table shows the composition of the Company's debt, expressed in millions of US dollars (considers current derivatives transactions):

Financial debt structure	03-31-2017		%	12-31-2016		%
	Original Currency	Eq. in MUS$		Original Currency	Eq. in MUS$	
Debt UF	MUF 38,833	1,548	49%	MUF 39,308	1,547	59%
Debt US$	MUS$1,624	1,624	51%	MUS$1,094	1,094	41%
Total financial debt		**3,172**	**100%**		**2,641**	**100%**

The structure of the financial debt as of March 31, 2017, is mainly denominated in UF 49% and in US dollars 51%.

This is in line with the operating flows of Metro, given the adjustment formula, which updates the Company's technical tariff in case of changes in the US dollar and the Euro, in addition to other variables, which produces a natural hedge in long-term operating cash flows.

When we analyze the sensitivity of the comprehensive income statement as of March 31, 2017, in case of a possible 10% depreciation/appreciation of the Chilean peso in respect to the US dollar, leaving all the rest of the parameters constant, we estimate that a loss or profit of ThCh$86,781,970.

Sensitivity analysis Effect on profit or loss as of March 2017	**10% depreciation ThCh$**	**10% appreciation ThCh$**
Impact on profit or loss of 10% variation in the Ch$/US$ exchange rate	(86,781,970)	86,781,970

Likewise, an estimation in the event of a possible appreciation of 3% of the value of UF, considering that all other parameters remain constant, would result in a loss of ThCh$28,623,771.

Sensitivity analysis Effect on profit or loss as of March 2017	**3% appreciation ThCh$**
Impact on profit or loss of 3% variation in UF	28,632,771

Liquidity risk

Income from tariffs associated with Metro passenger transportation, based on the new transport contract, are discounted daily from the funds collected by the Company's sales channel, generating the liquidity necessary to cover the Company's commitments. This income corresponds to 80% of total revenue.

Additionally, the Company has duly approved bank credit lines, which reduces liquidity risk (see Note 12).

The expiration of interest bearing debt, by terms, separated in principal and interest payable, is detailed as follows:

	Up to 1 year ThCh$	**1 to 3 years ThCh$**	**3 to 5 years ThCh$**	**Over 5 years ThCh$**	**Total ThCh$**
Capital	141,201,576	223,731,562	160,374,072	1,581,126,898	2,106,434,108
Interests	86,057,936	252,154,420	154,980,687	629,567,378	1,122,760,421
Total	**227,259,512**	**475,885,982**	**315,354,759**	**2,210,694,276**	**3,229,194,529**

Financial liability structure

The Company's financial debt classified by maturity is presented as follows.

Financial liabilities	03-31-2017				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	119,279,400	112,146,339	70,583,084	161,043,034	463,051,857
Bonds payable	40,945,266	111,512,358	89,790,988	1,417,601,446	1,659,850,058
Derivative transactions	151,571	-	-	-	151,571
Total	**160,376,237**	**223,658,697**	**160,374,072**	**1,578,644,480**	**2,123,053,486**

Financial liabilities	12-31-2016				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	120,608,843	146,399,884	65,435,194	114,315,120	446,759,041
Bonds payable	46,120,011	127,458,448	85,143,869	1,094,848,146	1,353,570,474
Derivative transactions	500,060	-	-	-	500,060
Total	**167,228,914**	**273,858,332**	**150,579,063**	**1,209,163,266**	**1,800,829,575**

In general, the Company's debt structure is composed mainly of long-term bonds and bank loans, focusing on ensuring financial stability and improving matching with the maturity terms of the Company's assets.

Carrying amounts and fair value of the debt in loans and bonds of the Company as of March 31, 2017 are detailed as follows.

	Carrying amount ThCh$	Market value ThCh$
Credits	463,051,857	496,047,364
Bonuses	1,659,850,058	1,879,933,866

Valuation technique: Discounted cash flows: The Level 2 valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.

The following methodology is used to calculate the fair value:

Credits: Discounted cash flows of each credit using the LIBOR + 180 days in US dollars at each quarter-end, where the fair value is the addition of the present value of each credit.

Local bonds: Discounted cash flows of each bond using the valuation rates provided by RiskAmerica, where each bond is discounted at its related rate.

International bond: For such calculation we use the rate reported by Bloomberg for transactions performed on the quarter-end.

Credit risk

The Company's credit risk arises from its exposure to its counterparties in a certain contract or financial instrument which may not fulfill its obligations. Thus, it considers both credit granted to customers and financial assets in portfolio.

Trade receivables

The risk of accounts receivable arising from commercial activities (passenger transportation) is limited, since 80% of the Company's revenue is received daily in cash, whereas the remaining 20% corresponds to income not related to the main business.

The maximum exposure to credit risk arises from commercial debtors.

Trade and other receivables	Balance as of	
	03-31-2017 ThCh$	12-31-2016 ThCh$
Trade receivables, gross	3,353,833	3,022,952
Impairment of trade receivables	1,176,340	1,072,316
Trade receivables, net	**2,177,493**	**1,950,636**
Sales channel accounts receivables, net	4,453,150	4,016,205
Other accounts receivable, net	1,600,320	1,875,142
Total trade and other receivables	**8,230,963**	**7,841,983**

Debtors relate mainly to commercial leases, advertising and invoices receivable with low delinquency.

Impairment of accounts receivable is determined using the legal reports issued by the Company´s legal department, considering the level of default of the account and the judicial collection and non-judicial collection measures taken.

Analysis of accounts receivable based on ageing is detailed as follows:

Aging of trade receivables, net	Balance as of	
	03-31-2017 ThCh$	12-31-2016 ThCh$
Less than 3 months	1,227,103	1,113,970
From 3 months to 1 year	351,171	250,811
Over 1 year	599,219	585,855
Total	**2,177,493**	**1,950,636**

Aging of sales channel receivables, net	Balance as of	
	03-31-2017 ThCh$	12-31-2016 ThCh$
Less than 3 months	4,299,758	3,241,213
From 3 months to 1 year	107,999	728,092
Over 1 year	45,393	46,900
Total	**4,453,150**	**4,016,205**

Aging of other receivables, net	Balance as of	
	03-31-2017 ThCh$	12-31-2016 ThCh$
Less than 3 months	358,074	648,811
From 3 months to 1 year	1,242,246	1,226,331
Total	**1,600,320**	**1,875,142**

Financial assets

The level of exposure of financial assets to risk is established in the Company's financial investment policy.

As of March 31, 2017 and December 31, 2016, this caption comprises the following:

Financial assets	03-31-2017			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	1,626,175	-	-	1,626,175
Term deposits	349,625,027	-	-	349,625,027
Reverse repurchase agreements	1,850,065	-	-	1,850,065
Subtotal	**353,101,267**	-	-	**353,101,267**
Other financial assets				
Financial investments	91,872,045	-	-	91,872,045
Derivative transactions	3,142,404	1,935,561	-	5,077,965
Financial lease	86,787	1,766,419	-	1,853,206
Promissory notes receivables	-	474,944	-	474,944
Other accounts receivable	-	6,883	-	6,883
Subtotal	**95,101,236**	**4,183,807**	-	**99,285,043**
Total	**448,202,503**	**4,183,807**	**-**	**452,386,310**

Financial assets	12-31-2016			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	5,250,747	-	-	5,250,747
Term deposits	107,962,318	-	-	107,962,318
Reverse repurchase agreements	5,085,888	-	-	5,085,888
Subtotal	**118,298,953**	-	-	**118,298,953**
Other financial assets				
Financial investments	60,997,382	-	-	60,997,382
Derivative transactions	4,425,482	2,265,313	-	6,690,795
Financial lease	46,087	1,822,470	-	1,868,557
Promissory notes receivables	-	451,794	-	451,794
Other accounts receivable	-	6,445	-	6,445
Subtotal	**65,468,951**	**4,546,022**	-	**70,014,973**
Total	**183,767,904**	**4,546,022**	-	**188,313,926**

The average period of maturity of financial investments as of March 31, 2017, is less than 90 days and they are invested in banks. None of them are a significant percentage with respect to others.

The above is due to the Company's financial investment policy, which focuses on reducing the risks through diversifying the portfolio, establishing maximum limits to be invested by each bank, together with considering minimum risk ratings by each issuer.

23.3 Capital risk management

Pursuant to capital management, the Company seeks to maintain an optimal capital structure reducing its cost and ensure its long-term financial stability, together with ensuring compliance with its financial obligations and covenants established in the debt contracts.

Through the Extraordinary Shareholders' Meeting the Company year after year capitalizes Government contributions and capital associated to the financing of its expansion projects.

The Company follows up on the capital structure through debt and equity ratios, which are detailed below:

Index	03-31-2017	12-31-2016
Leverage (times)	1.04	0.88
Equity (MCh$)	2,236,762	2,245,962

23.4 Commodities risk

The Company's commodities risk factors include the supply of electric energy it requires for its operation and the need for continuity of service, in case of possible supply interruptions. In this respect, the Company has a supply system that allows it to decrease exposure in case of supply interruption by having two points of direct connection to the Central Interconnected System (SIC), which supply Lines 1, 2 and 5, as well as two points for supplying Line 4.

In addition it should be noted that the electric energy supply systems are redundant and in the event either fails, there is always a back-up to ensure the Company maintains the energy supply for the operation of the network in a normal manner.

The operating control systems are designed with redundant criteria, i.e. they operate on *stand-by*, therefore in case of absence of one of the systems, the other begins operating immediately, maintaining the normal operation of the network.

In the case of Lines 1, 2 and 5, if there is an interruption in the SIC, the distribution company has defined replacement of the supply that feeds the civic neighborhood of Santiago as a first priority, which allows the Metro network to have energy almost immediately, since Metro is supplied by the same sources.

Note that, in addition to the current Energy and Power Contract with Enorchile S.A., which in January 2017 was extended until November 30, 2017, the Company entered into a new fixed-price Energy and Power Contract with Enel Distribución Chile S.A. (formerly Chilectra S.A.) in September 2015, which will be used to supply up to 40% of Metro’s total network. This contract is in effect from October 1, 2015, until December 31, 2023.

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24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended March 31, 2017 and 2016, are detailed as follows:

Project	Allocated to administrative expenses		Allocated to property, plant and equipment		Expenditures committed in the future	
	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$	01-01-2017 03-31-2017 ThCh$	01-01-2016 03-31-2016 ThCh$	2017 Amount ThCh$	2018 Amount ThCh$
Noise and vibrations	-	-	66,657	129,859	1,493,404	-
Waste treatment	1,141	17,719	42,223	41,434	320,732	58,770
Run-off water	10,985	31,620	-	-	124,788	136,087
Environmental management	-	-	238,761	271,229	596,994	-
Monitoring of polluting parameters	-	882	-	-	41,536	-
Total	**12,126**	**50,221**	**347,641**	**442,522**	**2,577,454**	**194,857**

The aforementioned projects are currently in progress as of March 31, 2017.

25. Sanctions

During 2017 and 2016, the Company has not been sanctioned by the SVS or any other supervising entity.

26. Subsequent events

Through letter No.220 dated April 24, 2017, the Company informed that at the meeting held on the same date, the 26th Extraordinary Shareholders' Meeting was held and the following was agreed:

- ✓ The Annual Report, Balance Sheet and Consolidated Financial Statements, and External Auditors' Report for 2016 were approved, including the notes to the Consolidated Financial Statements, as well as, the Board of Directors' expenses contained in the Annual Report.
- ✓ The Company agreed not to distribute profit or dividends.
- ✓ The Company established a dividends policy.
- ✓ Mr. Rodrigo Azócar Hidalgo, Mrs. Paulina Soriano Fuenzalida, Mr. Carlos Mladinic Alonso, Mr. Vicente Pardo Díaz, Mrs. Karen Poniachick Pollak, Mr. Claudio Soto Gamboa and Mr. Vladimir Glasinovic Peña, were elected as the Company's Directors.
- ✓ The Directors' remunerations were agreed.
- ✓ KPMG Auditores Consultores Limitada was ratified as external auditor for the year 2017.
- ✓ Empresas Feller Rate Clasificadora de Riesgo Ltda. and Clasificadora de Riesgo Humphreys Ltda. were appointed as Risk Rating Agencies of local bonds issues of Metro S.A. during one year, which can be renewed for two periods of one year.
- ✓ The e-newspaper La Nación was selected to send summonings for the Shareholders' meetings.

Through letter No.225 dated April 27, 2017, the Company informed that at the meeting held on April 24, 2017, the Company's Board of Directors agreed to appoint Mr. Rodrigo Azócar Hidalgo as the Company's President and Mrs. Paulina Soriano Fuenzalida as Vice-President.

Except for that indicated above, between April 1 and May 8, 2017, there have been no other subsequent events that would significantly affect the Company's financial position or profit or loss.

Julio E. Pérez Silva	Rubén Alvarado Vigar
General Accountant	General Manager

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

This document aims to present an analysis of the economic/financial position of the Company and its subsidiary as of March 31, 2017, analyzing the financial structure and its main trends, through comparative tables of the Consolidated Statements of Financial Position as of March 31, 2017 and December 31, 2016, and the Consolidated Statements of Comprehensive Income as of as of March 31, 2017 and 2016, expressed in millions of Chilean pesos.

STATEMENT OF FINANCIAL POSITION

As of March 31, 2017, Total Assets and Liabilities amounted to MCh$ 4,573,684, reflecting an increase of MCh$ 348,127, equivalent to 8.2% compared to December 2016.

In terms of total assets, they are clearly dominated by the fixed portion of the resources. Accordingly, as of March 31, 2017, Property, Plant & Equipment and Net Investment Properties represent 88.9% of total Assets. Additionally, Current Assets and the Other Non-current Assets represent 10.4% and 0.7% of total Assets, respectively.

Net Property, Plant & Equipment and Investment Properties - commercial premises and other properties granted under operating lease - increased by 2.1% or MCh$ 84,702 – as of March 31, 2017 compared to December 2016, as a result of the acquisition of assets which amounted to -MCh$ 103,040- associated with expansion projects of the Metro subway network, mainly on Lines 3 and 6, that include MCh$ 99,317 for Works In Progress, MCh$ 2,695 for railway rolling stock and MCh$ 1,028 for Machinery, equipment and Other. This was offset by depreciation expenses associated with the Company's assets of MCh$ 18,192, and to a lesser extent MCh$ 76 for disposals. In addition, Investment Property decreased by MCh$ 70.

Current assets as of March 2017 increased by 125.4% - MCh$ 264,213 - compared to December 2016, mainly due to an increase in Cash and cash Equivalent of MCh$ 234,802, resulting from an increase in the level of investments in term deposits lower than 90 days of MCh$ 241,663, despite a decrease in cash on hand of MCh$ 3,625 and resale agreements of MCh$ 3,236. To a lesser extent, Other current financial assets increased by MCh$ 29,632, resulting from an increase in the level of investments in term deposits exceeding 90 days. All these investments are mainly due to proceeds from the last issue and placement of Series 2 bonds in the international market for MUS$500 on January 25, 2017, and fiscal contributions received from the Chilean Government. Other increases were reflected in trade and other receivables for MCh$ 389 and current tax assets for MCh$ 139. This is offset by a decrease in Other non-financial assets of MCh$ 564 and Inventories of MCh$ 185. Amongst the main components of Current assets, there are items including Cash and cash equivalents of MCh$ 353,101, Other current financial assets of MCh$ 95,101,-Financial investments greater than three months- Inventories of MCh$ 12,055, Trade receivables of MCh$ 8,231, Other non-financial assets of MCh$ 4,892 and Current tax assets of MCh$ 1,516.

Non-current assets excluding Property, plant and equipment and Investment Properties decreased by 2.4% or MCh$ 788 and the movement was mainly due to decreases in Other financial assets of MCh$ 362, Other non-financial assets of MCh$ 700 and non-current receivables increased by MCh$ 43. This is offset by an increase in Intangible assets of MCh$ 317.

In terms of total Liabilities, the main variations were reflected in non-current liabilities which increased by MCh$ 382,366, current liabilities and equity decreased by MCh$ 25,039 and MCh$ 9,200, respectively. The movement in non-current liabilities was due to an increase in Other non-current financial liabilities resulting from a second placement of Series 2 bonds in the international market - MUS$ 500 or MCh$ 322,250, Trade payables due to related parties, non-current of MCh$ 60,000, due to new contributions received from the Chilean Government for expansion projects of the Metro subway network (Lines 3 and 6) and to a lesser extent due to an increase in Non-current provisions for employee benefits of MCh$ 159. This was offset by a decrease in Other non-financial liabilities of MCh$ 43. Equity decreased because of an increase of MCh$ 9,200 in accumulated losses, due to the loss recognized in the first quarter of 2017. Current liabilities increased because of decreases in Trade payables of MCh$ 14,584, Other current financial liabilities of MCh$ 6,853, due to new maturity dates of short-term installments of Interest-bearing loans and employee benefits, current of MCh$ 6,779. This was offset by an increase in Other current non-financial liabilities of MCh$ 1,148, because of the refund of guarantees received from third parties and other short-term provisions of MCh$ 2,029.

Non-current liabilities of MCh$ 2,085,552 are composed of 47.6% or MCh$ 992,624 in foreign currency obligations, 47.5% or MCh$ 991,632 in obligations in local currency readjustable and 4.9% or MCh$ 101,296 in local currency non-readjustable. Interest-bearing loans of MCh$ 343,772 and Public obligations of MCh$ 648,852 are included in obligations in foreign currency with banks and financial institutions. The readjustable local currency component is comprised of Public obligations (Bonds) of MCh$ 970,053, Non-current provisions for employee benefits of MCh$ 13,678, Other non-current non-financial liabilities of MCh$ 3,304 and Other financial liabilities of MCh$ 4,597. The local currency component of MCh$ 101,296 is comprised of Accounts payable to related companies for the contributions received by the Chilean Government for various ongoing projects.

In terms of liquidity ratios, net working capital is positive by MCh$ 223,526, however, during 2017, it increased by MCh$ 289,252 compared to December 2016. Current liquidity ranged from 0.76 to 1.89 times and the acid ratio ranged from 0.43 to 1.40 times. All these changes are due to increases in Current assets of MCh$ 264,213 and a decrease in Current liabilities of MCh$ 25,039.

In terms of indebtedness ratios, total debt-to-equity ratio ranged from 0.88 to 1.04 times; the current portion of short-term debt from 13.96% to 10.76% and the portion of long-term debt from 86.04% to 89.24%.

STATEMENT OF COMPREHENSIVE INCOME

As of March 31, 2017, the Company recorded a Gross profit (Revenue less Cost of sales) of MCh$ 12,759, a Loss from results other than Cost of sales of MCh$ 21,762, reaching an after tax loss for the year of MCh$ 9,003. A loss of MCh$ 198 for Other comprehensive income is added to the previous result, with a total comprehensive loss of MCh$ 9,201.

As of March 31, 2017, operating income amounted to MCh$ 74,741, which represents an increase of MCh$ 4,526 (6.4%) when compared to the same period last year. The main increases include: Revenue from passenger transportation services of MCh$ 4,001 due to higher average prices of the technical fare per passenger of Ch$ 16.52 compared to 2017, due to increases in variables included in the indexation polynomial, mainly U.S. dollars and inflation. Notwithstanding this, as of March 2017, an increase of 4.0 million trips or -2.7%- was observed compared to the same period of 2016, mainly due to an increase of 6.8% in passenger flow during March 2017, because of an increase in business days and a lower number of holidays compared to the same months of 2016. To a lesser extent, Rental income increased by MCh$ 495 and Other operating income increased by MCh$ 88, despite a decrease in Sales channel income of MCh$ 58.

Cost of sales of MCh$ 61,982 decreased by 3.8% or MCh$ 2,417 compared to March 2016, mainly due to a decrease in Personnel expenses of MCh$ 1,365, General expenses of MCh$ 934 and Energy expenses of MCh$ 806. This was offset by increases in Depreciation and amortization of MCh$ 283 and Operation and maintenance expenses of MCh$ 405.

Energy expenses decreased as a result of lower average prices compared to March 2016. Note that from September 2015, the Company signed a new electricity supply contract with Enel Distribución Chile S.A (former Chilectra S.A.), in addition to the current contract with Enorchile S.A. which is effective through March 31, 2017, where a fixed price is established, which will supply up to 40% of the total Metro energy supply. This contract is effective from October 1, 2015 through December 31, 2023.

General expenses included in cost of sales decreased, mainly due to lower costs related to the Sale channel management. Personnel expenses varied mainly due to lower employee benefit expenses.

Movement in operation and maintenance expenses is explained by increases in expenses in contractor services for rolling stock, stations, railways and other maintenance contracts mainly due to higher train load and an increase in average amounts for such services.

Results other than gross profit, showed a loss of MCh$ 21,762 due to the negative effect of Finance expenses of MCh$ 13,296, External credits, Bonds and derivative transaction interests, Management fees of MCh$ 10,488, Results from Inflation Adjusted Units MCh$ 4,723, Other losses of MCh$ 1,229, Net swap valuation, Other expenses by function of MCh$ 186 and Depreciation and amortization of MCh$ 134. This was offset by the positive effects of Foreign currency exchange differences of MCh$ 5,515, Finance income of MCh$ 2,457 (Financial investment revenue) and Other income by function of MCh$ 322. Complementing the aforementioned, the profit result of the foreign currency exchange differences, was due to an appreciation of 0.82% of the Chilean peso compared to the US dollar (from Ch$ 669.47 in December 2016 to Ch$ 663.97 in March 2017), which generates a greater profit for the year 2017, mainly as a result of liabilities being held in US dollars.

Compared to the same period last year, Results other than gross profit increased their losses by MCh$ 32,442, because of the negative effects of Foreign currency exchange differences and Results from inflation-adjusted units, which decreased their gains by MCh$ 31,182 and Finance expenses which increased by MCh$ 151, Management fees, which increased by MCh$ 4,150 and other expenses by function increased by MCh$ 120. This was offset by the positive effects of the decrease in expenses, other losses and swap valuations of MCh$ 2,131, Financial income of MCh$ 962 and other expenses by function of MCh$ 68.

VALUATION OF MAIN ASSETS

No information is available in relation to differences between the carrying amounts and economic and/or market values that are worth mentioning, except for those that may arise in property, plant and equipment, given the particular characteristics of the Company's assets, such as tunnels, stations and civil works.

STATEMENT OF CASH FLOWS

Net cash generated from operating activities.

As of March 31, 2017, total net cash generated from operating activities was MCh$ 13,030, which at the same date in prior year was also positive by MCh$ 13,361. Positive cash flows include: Collection from sales of assets and the rendering of services of MCh$ 70,543, representing an increase of MCh$ 3,462 when compared to March 2016, which represents the main source of the Company's revenue, which are the transport of passengers, sales channel and non-tariff related revenue (leases). To a lesser extent Other operating activities amounted to MCh$ 2,354 and primarily include interests and financial investments of less than 90 days and other operating charges.

The negative operating cash flows consist of payments of MCh$ 36,012 to suppliers for the provision of goods and services, MCh$ 22,099 for payment to or on behalf of employees and MCh$ 1,756 for Other payments for operating activities associated with the payment of performance bonds for contracts, taxes and other operating payments.

Operating cash flows are of the same nature as in the prior year, reflecting a decrease in positive net cash flow of MCh$ 330 due to higher negative cash flows of MCh$ 5,007, and higher positive cash flows of MCh$ 4,677.

Net cash generated from financing activities.

Net cash flows as of March 31, 2017 was positive and amounted to MCh$ 370,419, while on the same date last year it amounted to MCh$ 108,094. As of March 2017, cash was obtained from Loans from related entities of MCh$ 60,000, related to contributions received from the Chilean Government for investment in projects, mainly associated with Lines 3 and 6. In addition, proceeds from a long-term loan received amounted to MCh$ 345,190, which includes a new placement of Series 2 Bonds of US$ 500,000,000 in the international market on January 25, 2017, in addition to Other cash receipts of MCh$ 10,582 from cash inflows associated with Cross Currency Swap derivative transactions.

Cash outflows include the Payment of loans -External loans and Public obligations- of MCh$ 17,835, Interest paid of MCh$ 18,185 -External loans and Bonds to the public- and Other cash outflows of MCh$ 9,333 associated with payments of Cross Currency Swap derivative transactions.

Compared to the same period last year, net positive cash flows increased by MCh$262,325, as a result of higher cash inflows of MCh$ 301,265, which are offset by lower cash inflows of MCh$ 30,000 and higher cash outflows of MCh$ 8,940. Among the positive variations are the increase in proceeds from long-term loans of MCh$ 293,814, other cash receipts of MCh$ 7,236 and lower cash outflows of MCh$ 215 for the payment of loans. Among the negative variances are the decrease in proceeds from loans from related entities of MCh$ 30,000, higher cash outflows of MCh$ 1,424 for payment of interests and higher cash outflows of MCh$ 7,516.

Net cash generated from investment activities.

As of March 31, 2017, investing activities recorded negative net cash flows of MCh$ 151,816, while at the same date last year net investing activities were also negative of MCh$ 118,434. Positive cash flows include: Other receipts of equity or debt instruments from other entities of MCh$ 60,804 relating to term deposit investments for periods greater than 90 days. Negative cash flows include: Purchase of property, plant and equipment of MCh$ 113,534, mainly associated with Line 3 and 6 projects, the acquisition of intangible assets -software and transit easements- of MCh$ 4, Interest paid of MCh$ 8,511 (Financing Cost of International Bond and certain external loans), and Other payments related to the acquisition of debt instruments from other entities of MCh$ 90,571. Negative cash flows increased by MCh$ 33,382 compared to last year, due to higher cash outflows from debt securities from other entities (purchase greater than 90 days) of MCh$ 64,113, higher payments for the acquisition of property, plant and equipment of MCh$ 7,331 and higher interest paid of MCh$ 87. This was offset by an increase in cash inflows from debt securities from other entities (redemption) by MCh$ 38,043 and, to a lesser extent, by a decrease in the acquisition of intangible assets of MCh$ 106.

Increase (decrease) in cash and cash equivalents.

At the beginning of the year 2017, an opening balance of cash and cash equivalents (financial investments not exceeding 90 days) amounted to MCh$ 118,299. The closing balance of cash and cash equivalents as of March 31, 2017 amounted to MCh$ 353,101. Consequently, the net variation in cash and cash equivalents for the year was a positive variation of MCh$ 234,802.

In comparison with 2016, the opening balance of cash and cash equivalents amounted to MCh$ 152,906. The closing balance for cash and cash equivalents amounted to MCh$ 150,911; accordingly, the net change for the period was negative and amounted to MCh$ 1,995. The effects of the variation in exchange rates on cash and cash equivalents had a positive effect of MCh$ 3,169 as of March 31, 2017, as result of a decrease in the exchange rate, (0.8%) mainly US dollars. A positive effect of MCh$ 5,015 was recognized at the same date in the prior year.

MARKET RISK ANALYSIS

The Company faces various risks inherent to the activities performed in the public transportation of passengers, in addition to the risks associated with economic/financial changes in market conditions, accidental events or force majeure, among others.

Pricing structure.

The Company is part of the Integrated System of Public Passenger Transport of Santiago. Transantiago, and its tariff revenue is based on the number of transported passengers effectively validated and the technical fare established in Appendix No.1 based on the Tender Conditions for the use of Ways in Santiago.

On December 14, 2012, a new Transport agreement was entered into replacing the aforementioned Appendix No.1, where a flat fee of Ch$ 302.06 per validated transported passenger was established, using September 2012 as the basis. It is updated monthly by an indexation polynomial, which is included in such new agreement and results in an adjustment for fluctuations in variables associated with the structure of the Company’s long-term expenses (CPI, US dollars, Euros, price of power and electricity). This allows a natural hedge for changes in costs resulting from an increase in any of the variables included in such polynomial.

Passenger demand

The demand for passenger transport is driven by economic activities. During the period between January to March 2017, an increase of 4.0 million trips, a positive variation of 2.7% was observed, compared to 2016, mainly due to an increase of 6.8% in passenger flow in March, due to an increase in business days and lower amount of holidays compared to the same period of 2016.

Interest rate and exchange rate risk.

In order to reduce the exposure to changes in exchange and interest rates of financial debt, the Company has a Financial Risk Coverage Policy. Within the framework of this policy, the Company undertook derivative transactions which amounted to MUS$ 68 as of March 31, 2017, and in January 2017, it placed, for the second time, bonds in the international financial market for MUS$ 500 for 30 year term and at a rate of 5.151%, highlighting the high degree of participation of foreign investors, which reached an over supply of 8 times the placement amount. These actions helped reduce the level of exposure to changes in the aforementioned variables.

In addition, it is worth noting that the indexation polynomial, through which the technical rate of Metro S.A. is updated, includes the US dollar and Euro variables, among others, which is a “natural hedge” in the long-term cash flow.

Liquidity risk and financial liabilities structure

Income from tariffs associated with Metro passenger transportation, based on the new transport contract, are discounted daily from the funds collected by the Company's sales channel, generating the liquidity necessary to cover the Company's commitments. This income corresponds to 80% of total revenue.

In general, the Company's debt structure is composed mainly of long-term bonds and bank loans, focusing on ensuring financial stability and improving matching with the maturity terms of the Company's assets.

Credit risk

Credit risk of accounts receivable from commercial activity (passenger transportation) is limited as 80% of the revenue received by the Company is in cash, received on a daily basis, while the remaining 20% corresponds to revenue not related to the main business.

Debtors relate mainly to commercial leases, advertising and invoices receivable with low delinquency. In addition, there are no customers who owe significant amounts relative to the total of accounts receivable.

Credit risk of financial assets (cash and short-term investments), is limited as the Company's Financial Investments Policy aims to reduce risks by means of portfolio diversification, setting maximum investment limits for each bank, as well as considering minimal risk classifications by issuers.

Electricity Supply Risk

One of the main risk factors is the supply of electrical energy required to operate the Metro and the need for service continuity, to avoid interruptions in supply. In this regard, the Company has a feeding system that allows it to reduce exposure to outages, having a direct connection to two points of the Central Interconnected System (SIC), which feeds Lines 1, 2 and 5, as well as two points for the feeding of Line 4.

Additionally, please note the following:

- ✓ The electricity feeding systems are duplicated and in the event of failure of one of them there is always a backup that keeps the power supply for the regular operation of the network.
- ✓ The operating control systems are designed with redundant criteria, i.e. they operate on *stand-by*, therefore in case of absence of one of the systems, the other begins operating immediately, maintaining the normal operation of the network.
- ✓ For Lines 1, 2 and 5, in the event of a crash of the Central Interconnected System, the distributing company has defined as a first priority the replenishment of the supply that feeds the center of Santiago, which allows the Metro network to have energy simultaneously, since Metro is supplied by the same feeder.

Note that, in addition to the current Energy and Power Contract with Enorchile S.A., which during January 2017 was extended until November 30, 2017, the Company signed a fixed-price Energy and Power Contract with Enel Distribución Chile S.A (former Chilectra S.A) in September 2015, which will be used to supply up to 40% of Metro’s total network. This contract is in effect from October 1, 2015, until December 31, 2023.

1.- COMPARATIVE TABLE OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CONCEPT		March 2017 MCh$	December 2016 MCh$	VARIANCES MCh$	VARIANCES %
Assets :					
Current assets		474,896	210,683	264,213	125.4
Property, plant and equipment and investment property		4,067,326	3,982,624	84,702	2.1
Non-current assets		31,462	32,250	(788)	(2.4)
Total assets		4,573,684	4,225,557	348,127	8.2
Liabilities / Total debt :					
Current liabilities		251,370	276,409	(25,039)	(9.1)
Non-current liabilities		2,085,552	1,703,186	382,366	22.5
Total liabilities / total debt		2,336,922	1,979,595	357,327	18.1
Net Equity:					
Share capital		2,742,569	2,742,569	0	0.0
Other reserves		33,379	33,379	0	0.0
Retained earnings (losses)		(539,175)	(529,975)	(9,200)	(1.7)
Non-controlling interests		(11)	(11)	0	0.0
Total net equity		2,236,762	2,245,962	(9,200)	(0.4)
Net equity and liabilities, total		4,573,684	4,225,557	348,127	8.2
Liquidity and indebtedness indicators:					
Liquidity ratios:					
Net working capital					
(Current assets (-) Current liabilities)	MCh$	223,526	(65,726)	289,252	440.1
Current liquidity					
(Current assets / Current liabilities)	Times	1.89	0.76		148.7
Acid test					
(Cash and cash equivalents / Current liabilities)	Times	1.40	0.43		225.6
Indebtedness ratios:					
Indebtedness ratio					
(Total debt / Equity)	Times	1.04	0.88		18.2
	%	104.48	88.14		18.5
Short-term debt ratio:					
(Current liabilities / Total debt)	%	10.76	13.96		(22.9)
Long-term debt ratio:					
(Non-current liabilities / Total debt)	%	89.24	86.04		3.7

2.- COMPARATIVE TABLE OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

CONCEPT		March 2017 MCh$	March 2016 MCh$	VARIANCES MCh$	VARIANCES %
Total passenger flow (million of trips)		151.23	147.25	4.0	2.7
Total passenger flow, paid (million of trips)		151.12	147.67	3.5	2.3
Revenue					
Passenger transport service revenue		59,588	55,587	4,001	7.2
Sales channel revenue		9,235	9,293	(58)	(0.6)
Revenue from operating leases		4,193	3,698	495	13.4
Other income		1,725	1,637	88	5.4
Total revenue		74,741	70,215	4,526	6.4
Cost of sales					
Personnel		(12,684)	(14,049)	1,365	9.7
Maintenance and operating expenses		(11,737)	(11,332)	(405)	(3.6)
Electricity		(9,938)	(10,744)	806	7.5
General		(9,414)	(10,348)	934	9.0
Depreciation and amortization		(18,209)	(17,926)	(283)	(1.6)
Total cost of sales		(61,982)	(64,399)	2,417	3.8
Gross profit		12,759	5,816	6,943	119.4
Other income, by function		322	254	68	26.8
Administrative expenses		(10,488)	(6,338)	(4,150)	(65.5)
Administrative depreciation and amortization		(134)	(134)	0	0.0
Other expenses, by function		(186)	(66)	(120)	(181.8)
Other profit (loss)		(1,229)	(3,360)	2,131	63.4
Finance income		2,457	1,495	962	64.3
Finance expenses		(13,296)	(13,145)	(151)	(1.1)
Foreign currency exchange differences		5,515	38,507	(32,992)	(85.7)
Income (expense) from inflation-adjusted units		(4,723)	(6,533)	1,810	27.7
Profit or loss other than gross profit		(21,762)	10,680	(32,442)	(303.8)
Profit (loss) before tax		(9,003)	16,496	(25,499)	(154.6)
Income tax expense					
Profit (loss)		(9,003)	16,496	(25,499)	(154.6)
Other comprehensive income (loss)					
Actuarial gains (losses) for defined benefit plans		(198)	(183)	(15)	(8.2)
Total comprehensive income		(9,201)	16,313	(25,514)	(156.4)
Indebtedness ratios					
Finance expense hedge:					
(Profit or loss before taxes and interests/ Finance expenses)	%	0.00	224.32		(100.0)
Profit or loss ratios:					
R.A.I.I.D.A.I.E - EBITDA					
(Earnings before taxes, interest, depreciation, amortization and extraordinary items)		22,450	47,546	(25,096)	(52.8)
Operating profit (*)					
(Gross profit less Administrative expenses, depreciation and amortization)		2,137	(656)	2,793	425.8
EBITDA (operating profit plus depreciation and amortization) (*)		20,480	17,404	3,076	17.7
EBITDA margin. (EBITDA / Revenue) (*)	%	27.40	24.79		10.5
(*) Per contracts entered into.					
Profitability ratios:					
Operating profitability (Operating profit / Property, plant and equipment)	%	0.05	(0.02)		350.0
Equity profitability (Profit (loss) / Average equity)	%	(0.40)	0.85		(147.1)
Asset profitability (Profit (loss)/Average assets)	%	(0.20)	0.43		(146.5)
Operating assets return (Operating profit/Average operating assets) (**)	%	0.05	(0.02)		350.0
Profit (loss) per share (Profit (Loss)/No. of shares)	$	(0.12)	0.26		(146.2)
2017 - 74,621,271,310 shares					
2016 - 63,161,989,626 shares					

(**) Operating assets relate to Property, plant and equipment and investment properties