Empresa de Transporte de Pasajeros Metro S.A. and Subsidiary Interim Consolidated Financial Statements

For the periods ended as of March 31, 2018 and December 31, 2017

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended as of March 31, 2018 and December 31, 2017

Contents:

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
ThUF	:	Figures expressed in thousands of Unidades de Fomento (inflation-adjusted units)
Ch$	:	Figures expressed in Chilean pesos

Interim Consolidated Financial Statements

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Interim Consolidated Statements of Financial
For the periods ended as of March 31, 2018 and December 31, 2017
(In thousands of Chilean pesos)

ASSETS	NOTE	03/31/2018	12/31/2017
CURRENT ASSETS			
Cash and cash equivalents	4	224,381,167	152,240,118
Other current financial assets	10	50,534,352	148,467,777
Other current non-financial assets	11	4,495,138	5,751,473
Trade and other receivables, current	5	9,771,287	8,743,345
Inventories	6	12,280,158	10,722,316
Current tax assets		1,226,722	1,289,653
Total current assets		302,688,824	327,214,682
NON-CURRENT ASSETS			
Other non-current financial assets	10	2,867,903	3,261,731
Other non-financial assets, non-current	11	37,496,437	29,341,665
Rights receivable		1,386,915	1,624,094
Intangible assets other than goodwill	7	5,858,585	5,935,639
Property, plant and equipment	8	4,479,110,104	4,423,443,320
Investment property	9	22,863,582	22,937,637
Total non-current assets		4,549,583,526	4,486,544,086
TOTAL ASSETS		4,852,272,350	4,813,758,768

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

Interim Consolidated Statements of Financial, continued
For the periods ended as of March 31, 2018 and December 31, 2017
(In thousands of Chilean pesos)

LIABILITIES AND EQUITY	NOTE	03/31/2018	12/31/2017
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	12	71,429,841	78,731,519
Trade and other payables	15	146,300,226	147,625,775
Other short-term provisions	19	1,299,574	1,744,461
Provisions for employee benefits, current	17	6,681,360	13,024,473
Other current non-financial assets	13	19,992,763	18,524,477
Total current liabilities		245,703,764	259,650,705
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	12	1,935,343,325	1,936,815,964
Non-current trade payables	15	375,631	326,515
Trade payables due to related parties, non-current	14	63,515,684	-
Provisions for employee benefits, non-current	17	12,866,540	13,191,367
Other non-financial liabilities	13	3,124,753	3,165,020
Total non-current liabilities		2,015,225,933	1,953,498,866
Total liabilities		2,260,929,697	2,213,149,571
EQUITY			
Share capital	20	3,082,361,491	3,082,361,491
Retained earnings (accumulated deficit)	20	(524,387,154)	(515,120,610)
Other reserves	20	33,378,961	33,378,961
Equity attributable to the shareholders of the Parent		2,591,353,298	2,600,619,842
Non-controlling interests	20	(10,645)	(10,645)
Total equity		2,591,342,653	2,600,609,197
Total equity and liabilities		4,852,272,350	4,813,758,768

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, 2018 and 2017
(In thousands of Chilean pesos)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	NOTE	ACCUMULATED	
		01/01/2018 03/31/2018	01/01/2017 03/31/2017
PROFIT (LOSS)			
Revenue	21	87,101,335	74,741,092
Cost of sales	21	(74,044,083)	(61,981,364)
Gross profit		13,057,252	12,759,728
Other income, by function	21	599,547	322,271
Administrative expenses	21	(8,515,810)	(10,621,511)
Other expenses, by function	21	(250,141)	(186,262)
Other income (expenses)	21	(9,988,319)	(1,228,819)
Finance income	21	1,800,934	2,456,768
Finance costs	21	(15,601,099)	(13,296,201)
Foreign currency translation differences	21	15,651,743	5,515,317
Profit (loss) from inflation-adjusted units	21	(5,891,486)	(4,723,371)
Profit (loss) before tax		(9,137,379)	(9,002,080)
Expenses for profit taxes		-	-
Profit (loss) from continuing operations		(9,137,379)	(9,002,080)
Profit (loss) from discontinuing operations		-	-
Profit (loss)		(9,137,379)	(9,002,080)
PROFIT (LOSS) ATTRIBUTABLE TO:			
Owners of the Parent		(9,137,379)	(9,002,080)
Profit (loss)		(9,137,379)	(9,002,080)
STATEMENT OF COMPREHENSIVE INCOME			
Profit (loss)		(9,137,379)	(9,002,080)
Other comprehensive income	21	(129,165)	(198,486)
Total comprehensive income		(9,266,544)	(9,200,566)
Comprehensive income attributable to:			
Owners of the Parent		(9,266,544)	(9,200,566)
Non-controlling interests		-	-
Total comprehensive income		(9,266,544)	(9,200,566)

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, 2018 and 2017
(In thousands of Chilean pesos)

Concept	Share capital	Other reserves				Retained earnings (accumulated deficit)	Equity attributable to the shareholders 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 01-01-2018	3,082,361,491	30,336,377	3,042,584	-	33,378,961	(515,120,610)	2,600,619,842	(10,645)	2,600,609,197
Profit (loss)	-	-	-	-	-	(9,137,379)	(9,137,379)	-	(9,137,379)
Other comprehensive income	-	-	-	(129,165)	(129,165)	-	(129,165)	-	(129,165)
Comprehensive income	-	-	-	(129,165)	(129,165)	(9,137,379)	(9,266,544)	-	(9,266,544)
Increase (decrease) on transfers and other changes	-	-	-	129,165	129,165	(129,165)	-	-	-
Closing balance as of 03-31-2018	3,082,361,491	30,336,377	3,042,584	-	33,378,961	(524,387,154)	2,591,353,298	(10,645)	2,591,342,653
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

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, 2018 and 2017
(In thousands of Chilean pesos)

Consolidated Statements of Cash Flows (Direct Method)	01/01/2018 03/31/2018	01/01/2017 03/31/2017
Cash flows from (used in) operating activities		
Cash receipts from sale of goods and rendering of services	83,531,901	70,542,328
Other cash receipts from operating activities	4,638,106	2,354,242
Cash payments to suppliers for goods and services	(33,246,402)	(36,011,342)
Payments to and on behalf of employees	(25,247,827)	(22,099,054)
Other payments for operating activities	(1,335,201)	(1,755,851)
Net cash flows generated from operating activities	28,340,577	13,030,323
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	(85,889,432)	(113,533,828)
Acquisition of intangible assets	-	(4,081)
Other receipts to acquire equity or debt securities belonging to other entities	129,973,382	60,804,354
Other payments to acquire equity or debt securities of other entities	(36,246,618)	(90,571,035)
Interest paid	(11,387,567)	(8,510,995)
Net cash used in investing activities	(3,550,235)	(151,815,585)
Cash flows from (used in) financing activities		
Proceeds from loans from related parties - Contributions from the Government of Chile	63,515,684	60,000,000
Proceeds from long-term borrowings	17,625,874	345,190,389
Other cash receipts	4,864,997	10,581,617
Repayment of borrowings	(11,732,651)	(17,835,310)
Interest paid	(25,447,316)	(18,184,734)
Other cash inflows (outflows)	(607,716)	(9,333,275)
Net cash from financing activities	48,218,872	370,418,687
Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rate	73,009,214	231,633,425
Effect of movements in exchange rates on cash and cash equivalents	(868,165)	3,168,889
Net decrease in cash and cash equivalents	72,141,049	234,802,314
Cash and cash equivalents at the beginning of period	152,240,118	118,298,953
Cash and cash equivalents at the end of period	224,381,167	353,101,267

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

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 Financial Market Commission (CMF).

The Company purpose is to carry out all the activities of the passenger transport service in metropolitan railways or other complementary electrical modes, and the execution of surface transportation services by buses or vehicles of any technology, as well as those annexed to said service.

These interim 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 interim 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, 2018, and have been applied on a consistent basis to all accounting periods presented in the interim consolidated financial statements.

2.1. Basis of preparation

The interim consolidated financial statements comprise the statements of financial position as of March 31, 2018 and December 31, 2017, 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, 2018 and 2017, which have been prepared in accordance with specific instructions and standards issued by the Financial Market Commission (CMF). 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 interim Consolidated Financial Statements were approved by the Board of Directors on May 28, 2018, authorizing their publication by Management.

These interim 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 these interim consolidated financial statements, in accordance with IFRS, 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 interim Consolidated Statement of Financial Position and in income (loss) attributable to non-controlling interest in the interim Consolidated Statements of Comprehensive Income.

Empresa de Transporte Suburbano de Pasajeros 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 the Financial Market Commission Memo No,1819 of November 14, 2006.

Tax ID No,	Company's name	Ownership percentage					
		03/31/2018			12/31/2017		
		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 interim 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 interim 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 (inflation-adjusted units, or UF), are presented at the following exchange and conversion rates and closing values, respectively:

Date	US$	EUR	UF
03/31/2018	603.39	741.90	26,966.89
12/31/2017	614.75	739.15	26,798.14
03/31/2017	663.97	709.37	26,471.94
12/31/2016	639.47	705.60	26,347.98

US$ = US dollar
EUR = Euro
UF = Unidad de Fomento (index-adjusted unit)

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 to final operating property, plant and equipment, 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 interim 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 estate (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 stores	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 interim 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 interim 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 interim 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 CMF 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 Financial Market Commission (CMF) authorized the Company to apply IPSAS 21 to assess the impairment of its assets.

The application of this standard allows the interim Consolidated Financial Statements of the Company present its economic and financial reality.

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 accordance with IFRS 9, in the following valuation categories: at amortized cost, at fair value through profit or loss, fair value in other comprehensive income (equity). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1. Financial assets at amortized cost

A financial asset must be measured at amortized cost, if the following two conditions are met:

(a) The financial asset is held within a business model whose purpose is to hold the financial assets to obtain contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In accordance with IFRS 7 Financial Instruments: Disclosures, we consider that the carrying value of the assets, valued at amortized cost, are a reasonable approximation of fair value, therefore, as indicated in IFRS 7, it is not necessary to make disclosures regarding the fair value of each.

2.9.2. Financial assets at fair value through other comprehensive income.

A financial asset should be measured at fair through other comprehensive income, if the following two conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.9.3. Financial assets at fair value through profit or loss

A financial asset should be measured at fair value through profit or loss, unless measured at amortized cost or at fair value through other comprehensive income.

When a derivative financial instrument is not designated as a hedging instrument, all changes in fair value are recognized immediately in profit or loss.

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 accounts receivable and other accounts receivable

Trade accounts receivable are recognized initially at fair value and subsequently at amortized costs by the effective interest rate method, less the provision for impairment. The provision is established for expected credit losses during the life of the asset, at each balance sheet date, applying the simplified approach for trade accounts receivable.

The Company is using the expected loss model, which contains historical collection information for each tranche/stratification of its accounts receivable for the last three years (using a stratified provision matrix by maturity or default per days) and additionally includes the expected losses projected by the statistical calculation of "forward looking", which takes into account the most relevant macroeconomic factors that affect their uncollectibility, projecting according the probability of each scenario.

Trade receivables are netted through the provision for uncollectible accounts and the amount of loss is recognized with charge to the Consolidated Interim State 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 (bonds) 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 interim 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 affect the Company as of January 1, 2017, as it is a public limited company with no connection to final taxpayers, is the first category tax (IDPC) for the profits it obtains from operating its business.

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 interim Consolidated 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 interim 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 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).

New standards, amendments to standards and interpretations exist that are mandatory for the first time for periods beginning on or after January 1, 2018

New IFRS	**Mandatory for**
IFRS 9: Financial instruments	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 15: Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
New Interpretations	
IFRIC 22: Foreign Currency Transactions and Advance Consideration.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
Amendments to IFRS	
IAS 40: Transfers of Investment Property (Amendments to IAS 40, Investment Property).	Annual periods beginning on or after January 1, 2018.
IFRS 2: Share-based payment: Clarifying accounting for certain types of share-based payment transactions.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 15: Revenue from Contracts with Customers: Amendment clarifying requirements and providing additional transition relief for entities implementing the new standard.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
2014-2016 Annual Improvements Cycle to IFRSs, Amendments to IFRS 12.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.

These standards are effectively applied.

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

New IFRS	**Mandatory for**
IFRS 16: Leases	Annual periods beginning on or after January 1, 2019, Early adoption is permitted for entities that apply IFRS 15 on or before that date.
IFRS 17: Insurance Contracts	Annual periods beginning on or after January 1, 2021, Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.
New Interpretations	
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019, Early adoption is permitted.
Amendments to IFRS	
IAS 28: Long-term Interests in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2019, Early adoption is permitted.
IFRS 9: Prepayment features with negative compensation	Annual periods beginning on or after January 1, 2019, 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 16:

Becomes effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted but not before an entity applies IFRS 15.

The Company has no plans to early adopt this standard, and in 2018, will continue to assess the possible effect of IFRS 16 on its financial statements.

Other standards and amendments reported:

The Company is assessing the effects other standards and amendments reported may generate. Early adoption is not planned.

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 to be 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).

On the basis of the previous methodologies, inputs and definitions the Company has determined the following market levels for the financial instruments portfolio that it holds as of March 31, 2018 and December 31, 2017:

Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss	03/31/2018		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross Currency Swap	-	1,998,636	-
Financial liabilities			
Cross Currency Swap	-	17,776,879	-

Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss	12/31/2017		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross Currency Swap	-	4,426,356	-
Financial liabilities			
Cross Currency Swap	-	677,478	-

4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

Concept	Currency	03/31/2018 ThCh$	12/31/2017 ThCh$
Cash			
Cash	Ch$	49,963	70,125
	US$	6,451	4,881
Cash in banks	Ch$	2,890,241	2,593,912
	US$	9,898	5,840
Total cash		**2,956,553**	**2,674,758**
Term deposits	Ch$	155,823,248	105,402,589
	US$	62,348,998	42,202,795
Total term deposits		**218,172,246**	**147,605,384**
Repurchase agreements	Ch$	1,500,230	1,664,266
	US$	1,752,138	295,710
Total reverse repurchase agreements		**3,252,368**	**1,959,976**
Total cash and cash equivalents		**224,381,167**	**152,240,118**
Subtotal by currency	Ch$	160,263,682	109,730,892
	US$	64,117,485	42,509,226

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 the years 2018 and 2017 is as follows:

Term deposits

Type of investment	Currency of origin	Capital in currency of origin in ThCh$ - ThUS$	Annual rate average	Average maturity dates	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 03/31/2018 ThCh$
Term deposits	Ch$	155,581,812	2.80%	24	155,581,812	241,436	155,823,248
	US$	103,080.40	1.94%	25	62,197,685	151,313	62.348,998
Total					**217,779,497**	**392,749**	**218,172,246**

Type of investment	Currency of origin	Capital in currency of origin in ThCh$ - ThUF$	Annual rate average	Average maturity dates	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 12/31/2017 ThCh$
Term deposits	Ch$	105,243,800	3.01%	14	105,243,800	158,789	105,402,589
	US$	68,530,84	2.07%	37	42,129,336	73,459	42,202,795
Total					**147,373,136**	**232,248**	**147,605,384**

Repurchase agreements

Code	Date Beginning	Date End	Counterparty	Currency of origin	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 03/31/2018 ThCh$
CRV	03/29/2018	04/02/2018	BCI CORREDOR DE BOLSA S.A.	Ch$	1,500,000	2.76	1,500,460	NON –ADJ- P NOTE	1,500,230
CRV	03/29/2018	04/03/2018	BANCO DE CHILE	US$	1,757,372	2.00	1,752,430	PDBC	1,752,138
Total					**3,257,372**		**3,252,890**		**3,252,368**

Code	Date Beginning	Date End	Counterparty	Currency of origin	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 12/31/2017 ThCh$
CRV	12/29/2017	01/02/2018	BCI CORREDOR DE BOLSA S.A.	Ch$	1,500,000	2.88	1,500,480	NON-ADJ P NOTE	1,500,240
CRV	12/29/2017	01/05/2018	BCI CORREDOR DE BOLSA S.A.	Ch$	164,000	2.88	164,091	NON-ADJ P NOTE	164,026
CRV	12/28/2017	01/02/2018	BCI CORREDOR DE BOLSA S.A.	US$	296,575	0.60	295,719	NON-ADJ P NOTE	295,710
Total					**1,960,575**		**1,960,290**		**1,959,976**

5. Trade and other receivables, current

As of March 31, 2018 and December 31, 2017, this caption is composed of the following:

Trade and other receivables, gross	03/31/2018 ThCh$	12/31/2017 ThCh$
Trade and other receivables, gross	**10,615,208**	**9,496,113**
Trade receivables, gross	2,347,808	2,930,697
Sales channel accounts receivable, gross	6,405,879	4,566,117
Other accounts receivable, gross	1,861,521	1,999,299

Trade and other receivables, net	03/31/2018 ThCh$	12/31/2017 ThCh$
Trade and other receivable, net	**9,771,287**	**8,743,345**
Trade receivables, net	1,503,887	2,177,929
Sales channel accounts receivable, net	6,405,879	4,566,117
Other accounts receivable, net	1,861,521	1,999,299

As of March 31, 2018 and December 31, 2017, the analysis of net trade and other accounts receivable by maturity and expiration date are detailed below:

Trade Receivables, Net	03/31/2018 ThCh$	12/31/2017 ThCh$
Maturity up to 3 months	1,240,674	1,880,655
Maturity from 3 months to 1 year	65,866	87,918
Maturity of more than 1 year	197,347	209,356
Total	**1,503,887**	**2,177,929**

Sales Channel Accounts Receivable, Net	03/31/2018 ThCh$	12/31/2017 ThCh$
Maturity up to 3 months	6,336,468	4,115,793
Maturity from 3 months to 1 year	63,123	444,012
Maturity of more than 1 year	6,288	6,312
Total	**6,405,879**	**4,566,117**

Other Accounts Receivable, Net	03/31/2018 ThCh$	12/31/2017 ThCh$
Maturity up to 3 months	505,409	554,765
Maturity from 3 months to 1 year	1,356,112	1,444,534
Total	**1,861,521**	**1,999,299**

Movements as of March 31, 2018 in the allowance for impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2017	**752,768**
Increase for the period	137,751
Decrease for the period	(46,598)
Write-offs for the period	-
Balance as of March 31, 2018	**843,921**

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:

Classes of inventories	03/31/2018 ThCh$	12/31/2017 ThCh$
Inventories and stock	1,548,757	1,489,610
Spare parts and maintenance accessories	10,361,443	9,218,243
Imports in transit and others	369,958	14,463
Total	**12,280,158**	**10,722,316**

As of March 31, 2018 and 2017, inventory consumption was charged to the Statement of Comprehensive Income in the cost of sales line item, in the amount of ThCh$1,995,259 and ThCh$1,318,985, respectively.

As of March 2018, the write-offs of inventories are ThCh $ 67, at the same period of the previous year there was no write-off. Based on the analysis made by the Technical Management for spare parts stocks, maintenance accessories and supplies presented in this group, no objective evidence of impairment was found for this asset class.

During the year, the Company records no inventory items subject to pledge or guarantee.

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 interim 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 2018 and 2017, are as follows:

Concept	03/31/2018			12/31/2017		
	Gross intangible ThCh$	Accumulated amortization ThCh$	Net intangible ThCh$	Gross intangible ThCh$	Accumulated amortization ThCh$	Net intangible ThCh$
Licenses and software	5,785,711	(4,163,204)	1,622,507	5,785,711	(4,086,150)	1,699,561
Easements	4,236,078	-	4,236,078	4,236,078	-	4,236,078
Total	**10,021,789**	**(4,163,204)**	**5,858,585**	**10,021,789**	**(4,086,150)**	**5,935,639**

b) Movements of intangible assets other than goodwill for the period ended as of March 31, 2018, are as follows:

Movements	Licenses and software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance as of 01/01/2018	1,699,561	4,236,078	5,935,639
Additions	-	-	-
Transfers	-	-	-
Amortization	(77,054)	-	(77,054)
Closing balance as of 03/31/2018	1,622,507	4,236,078	5,858,585
Average remaining useful life	1 año	Indefinite	

c) Movements of intangible assets other than goodwill for the year ended as of December 31, 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	12,077	341,629	353,706
Transfers	66,816	-	66,816
Amortization	(316,370)	-	(316,370)
Closing balance as of 12/31/2017	1,699,561	4,236,078	5,935,639
Average remaining useful life	1 año	Indefinite	

8. Property, plant and equipment

a) Property, plant and equipment items are composed of the following:

Property, plant and equipment	03/31/2018 ThCh$	12/31/2017 ThCh$
Classes of property and equipment, net		
Property, plant and equipment, net	**4,479,110,104**	**4,423,443,320**
Work in progress, net	1,231,696,208	1,157,111,593
Land, net	121,564,629	120,662,471
Civil works, net	1,919,661,612	1,925,737,534
Buildings, net	112,964,077	113,577,576
Rolling stock, net	772,726,952	779,374,981
Electrical equipment, net	280,287,976	286,157,192
Machinery and equipment, net	24,036,696	24,535,587
Other, net	16,171,954	16,286,386
Classes of property and equipment, gross		
Property, plant and equipment, gross	**5,115,239,806**	**5,038,127,127**
Work in progress, gross	1,231,696,208	1,157,111,593
Land, gross	121,564,629	120,662,471
Civil works, gross	2,086,147,489	2,086,147,489
Buildings, gross	130,695,602	130,695,602
Rolling stock, gross	1,018,505,738	1,016,912,471
Electrical equipment, gross	467,894,790	467,866,502
Machinery and equipment, gross	42,563,396	42,444,613
Other, gross	16,171,954	16,286,386
Classes of accumulated depreciation and impairment of property and equipment		
Accumulated depreciation and impairment of property and equipment	**636,129,702**	**614,683,807**
Accumulated depreciation of civil works	166,485,877	160,409,955
Accumulated depreciation of buildings	17,731,525	17,118,026
Accumulated depreciation of rolling stock	245,778,786	237,537,490
Accumulated depreciation of electrical equipment	187,606,814	181,709,310
Accumulated depreciation of machinery and equipment	18,526,700	17,909,026

b) The detail of movements in property, plant and equipment for 2018 and 2017, is as follows:

	2018 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, 2018	1,157,111,593	120,662,471	1,925,737,534	113,577,576	779,374,981	286,157,192	24,535,587	16,286,386	4,423,443,320
movements	Additions	74,737,040	902,158	-	-	1,909,014	28,582	83,795	-	77.660.589
	Transfers	(152,425)	-	-	-	-	110,614	41,811	(114,432)	(114.432)
	Derecognition or sales	-	-	-	-	(16,993)	(70,853)	(1,323)	-	(89.169)
	Depreciation expense	-	-	(6,075,922)	(613,499)	(8,540,050)	(5,937,559)	(623,174)	-	(21.790.204)
	Total movements	74,584,615	902,158	(6,075,922)	(613,499)	(6,648,029)	(5,869,216)	(498,891)	(114,432)	55.666.784
	Closing Balance as of March 31, 2018	1,231,696,208	121,564,629	1,919,661,612	112,964,077	772,726,952	280,287,976	24,036,696	16,171,954	4,479,110,104

	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	526,512,061	923,162	-	178,411	11,716,730	120,242	664,855	1,204,599	541,320,060
	Transfers	(796,727,297)	-	555,021,015	39,232,006	111,760,186	85,023,980	1,149,718	-	(4,540,392)
	Derecognition or sales	-	(79,879)	-	-	(87,136)	(343,206)	(15,479)	-	(525,700)
	Depreciation expense	-	-	(19,611,948)	(2,127,223)	(31,687,204)	(20,619,914)	(2,472,904)	-	(76,519,193)
	Total movements	(270,215,236)	843,283	535,409,067	37,283,194	91,702,576	64,181,102	(673,810)	1,204,599	459,734,775
	Closing Balance as of December 31, 2017	1,157,111,593	120,662,471	1,925,737,534	113,577,576	779,374,981	286,157,192	24,535,587	16,286,386	4,423,443,320

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, 2018, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately ThCh $ 467,877, composed of investment type in: ThCh $ 178,260 Civil Works, ThCh $ 113,567 Systems and Equipment and ThCh $ 176,050 Rolling Stock, with term in the year 2023.

As of December 31, 2017, the estimated balance for executing the authorized projects that are part of the Company's expansion plan amounts to approximately ThCh $ 520,999, composed of investment type in: ThCh $ 201,984 Civil Works, ThCh $ 125,036 Systems and Equipment and ThCh $ 193,979 Rolling Stock, with term in the year 2023.

f) Spare parts and accessories

As of March 31, 2018, spare parts and accessories and maintenance materials amounted to ThCh$18,691,726 (ThCh$18,825,549 in 2017). 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 2018 and 2017.

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$24,841,656 as of March 31, 2018 (ThCh$24,842,191 in 2017).

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 2018, costs of capitalized interests of property, plant and equipment amounted to ThCh$6,944,660 (ThCh$36,440,739 in 2017).

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 is measured using the cost model.

The total investment property amounts to ThCh $ 22,863,582 as of March 31, 2018 (ThCh $ 22,937,637 in 2017)

Investment property	Commercial stores	Land	Buildings	Total
Opening balance as of January 1, 2018	13,982,989	607,816	8,346,832	22,937,637
Increases and decreases	-	-	-	-
Depreciation for the year	(50,395)	-	(23,660)	(74,055)
Closing balance as of March 31, 2018	**13,932,594**	**607,816**	**8,323,172**	**22,863,582**

Investment property	Commercial stores	Land	Buildings	Total
Opening balance as of January 1, 2017	9,687,916	607,816	8,619,882	18,915,614
Increases and decreases	4,473,575	-	(178,410)	4,295,165
Depreciation for the year	(178,502)	-	(94,640)	(273,142)
Closing balance as of December 31, 2017	**13,982,989**	**607,816**	**8,346,832**	**22,937,637**

As established by IAS 40, an estimate of fair value must be disclosed for investment properties valued at the Cost Model. For this purpose, we have determined their calculation using internal valuations, based on discounted future projected cash flows. It is estimated that at March 31, 2018 this fair value amounts to ThCh $ 128,060,017 (ThCh $ 132,027,484 as of March 31, 2017).

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	03/31/2018 ThCh$	03/31/2017 ThCh$
Commercial stores	92,404,489	96,216,509
Land	27,113,851	29,102,442
Buildings	8,541,677	6,708,533
Total	**128,060,017**	**132,027,484**

Income and expenses from investment property as of March 2018 and 2017 is as follows:

Income and expenses from investment property	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Commercial stores	1,719,743	1,608,644
Land	489,986	473,045
Buildings	184,390	157,847
Total rental income	**2,394,119**	**2,239,536**
Commercial stores (taxations)	(34,898)	(34,544)
Land (taxations)	(10,397)	(10,368)
Buildings (taxations)	(25,917)	(27,230)
Commercial stores (depreciation)	(50,395)	(45,472)
Buildings (depreciation)	(21,868)	(25,103)
Total expenses due to leases	**(143,475)**	**(142,717)**

The Company has no evidence of impairment of investment property and not does it have maintain pledges, mortgages or other guarantees.

Lease contracts generally establish the obligation to maintain and repair properties, therefore expenses are attributed to the tenants, except for expenses for the 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 5.07% as of March 2018 (4.58% as of March 2017), are the following:

Concept	03/31/2018 ThCh$	03/31/2017 ThCh$
Commercial stores		
Up to 1 year	3,682,708	3,403,555
From 1 up to 5 years	21,217,857	20,087,122
Over 5 years	72,325,995	96,294,677
Land		
Up to 1 year	1,049,271	1,010,304
From 1 up to 5 years	6,045,356	6,079,865
Over 5 years	20,607,002	29,145,968
Buildings		
Up to 1 year	425,868	302,071
From 1 up to 5 years	2,453,630	1,386,524
Over 5 years	8,363,769	6,646,789
Total	**136,171,456**	**164,356,875**

10. Other financial assets, current and non-current

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

Concept	03/31/2018		12/31/2017	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments over 3 months	49,125,791	-	145,038,270	-
Derivative transactions	1,326,577	672,059	3,382,956	1,043,400
Financial lease agreements	81,984	1,596,892	46,551	1,626,957
Promissory notes receivables	-	591,451	-	583,469
Other accounts receivable	-	7,501	-	7,905
Total	**50,534,352**	**2,867,903**	**148,467,777**	**3,261,731**

Financial investments, over 3 months

Term deposits

Type ofinvestment	Currency of origin	Capital in currency of origin in ThCh$ - ThUS$	Annual rate average	Average maturity days	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 03/31/2018 ThCh$
Term deposits	Ch$	5,228,254	3.05%	85	5,228,254	18.220	5.246.474
	US$	72,564.92	2.37%	69	43,784,949	94.368	43.879.317
Total					**49.013.203**	**112,588**	**49,125,791**

Type ofinvestment	Currency of origin	Capital in currency of origin in ThCh$ - ThUS$	Annual rate average	Average maturity days	Capital in domestic currency ThCh$	Accrued interests in domestic currency ThCh$	Carrying amount 12/31/2017 ThCh$
Term deposits	Ch$	53,550,000	2.89%	10	53,550,000	402,096	53,952,096
	US$	147,724.94	1.95%	53	90,813,907	272,267	91,086,174
Total					**144,363,907**	**674,363**	**145,038,270**

Derivative transactions

Financial assets as of 03/31/2018

									Current			Non-current	
									Maturity		Total current 03/31/2018	Maturity	Total non-current 03/31/2018
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal rate	Amortization type	Up to 90 days	90 days to 1 year		1 to 3 years	
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-4	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-5	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	4.75000%	Maturity	-	131,363	131,363	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	-	175,151	175,151	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	-	87,575	87,575	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	-	12,947	12,947	672,059	672,059
						Total			**-**	**1,326,577**	**1,326,577**	**672,059**	**672,059**

Financial assets as of 12/31/2017

									Current			Non-current	
									Maturity		Total current 12/31/2017	Maturity	Total non-current 12/31/2017
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal rate	Amortization type	Up to 90 days	90 days to 1 year		1 to 3 years	
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
61,219,000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	236,851	-	236,851	-	-
61,219,000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-4	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-5	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	4.75000%	Maturity	355,274	-	355,274	-	-
61,219,000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	303,913	-	303,913	1,043,400	1,043,400
						Total			**3,382,956**	**-**	**3,382,956**	**1,043,400**	**1,043,400**

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	03/31/2018			12/31/2017		
	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$
Up to 1 year	190,863	108,879	81,984	194,456	147,905	46,551
From 1 to 5 years	954,316	647,472	306,844	972,283	659,662	312,621
Over 5 years	1,908,631	618,583	1,290,048	1,944,565	630,229	1,314,336
Total	**3,053,810**	**1,374,934**	**1,678,876**	**3,111,304**	**1,437,796**	**1,673,508**

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	03/31/2018 ThCh$	12/31/2017 ThCh$
Prepaid expenses	79,469	127,218
Advances to suppliers and personnel	3,363,737	4,676,758
Other non financial receivables	1,051,932	947,497
Total	**4,495,138**	**5,751,473**

Other non-current non-financial assets	03/31/2018 ThCh$	12/31/2017 ThCh$
Funds allocated to pay for expropriations of new lines	28,544,608	20,094,640
Value-added tax fiscal credit	6,614,805	6,987,984
Investment land under lease contracts	970,365	964,375
Advances for severance indemnities and other loans	1,366,659	1,294,666
Total	**37,496,437**	**29,341,665**

12. Other financial liabilities, current and non-current

This caption comprises the following:

Concept	03/31/2018		12/31/2017	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	23,318,492	373,360,525	21,039,962	364,352,490
Bonds payable	47,076,350	1,545,228,757	55,250,607	1,565,945,325
Derivative transactions	1,034,999	16,741,880	2,440,950	6,505,986
Other	-	12,163	-	12,163
Total	**71,429,841**	**1,935,343,325**	**78,731,519**	**1,936,815,964**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2018 AND DECEMBER 31, 2017

Biannual and equivalent interest-bearing loans as of 03/31/2018

								Current			Non-current			
								Maturity		Total current	Maturity			Total non-current
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days to 1 year ThCh$	03-31-2018 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	03-31-2018 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.25%	6,281,770	12,981,213	19,262,983	75,515,865	42,049,612	99,818,898	217,384,375
61,219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US$	0.68%	756,268	1,824,231	2,580,499	7,674,494	5,116,330	7,216,945	20,007,769
61,219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	23,009	36,560	59,569	175,060	84,551	6,359	265,970
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US$	2.87%	1,415,441	-	1,415,441	45,234,137	36,187,310	54,280,964	135,702,411
						Total		**8,476,488**	**14,842,004**	**23,318,492**	**128,599,556**	**83,437,803**	**161,323,166**	**373,360,525**

Biannual and equivalent interest-bearing loans as of 12/31/2017

								Current			Non-current			
								Maturity		Total current	Maturity			Total non-current
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days to 1 year ThCh$	12-31-2017 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2017 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.04%	1,816,334	16,089,167	17,905,501	72,298,705	39,612,643	92,971,846	204,883,194
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US$	0.68%	573,216	2,051,326	2,624,542	7,818,982	5,212,654	7,908,045	20,939,681
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	7,797	50,781	58,578	174,411	91,593	6,336	272,340
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US$	2.86%	-	451,341	451,341	46,085,758	36,868,607	55,302,910	138,257,275
						Total		**2,397,347**	**18,642,615**	**21,039,962**	**126,377,856**	**81,785,497**	**156,189,137**	**364,352,490**

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, 2018 it has been fully used, leaving a principal balance of US$37,398,588.03 (US$38,301,763.03 in 2017).

- ✓ 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, 2018 it has been fully used, leaving a principal balance of €437,152.42 (€447,104.14 in 2017).

- ✓ 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, 2018 it has been fully used, leaving a principal balance of US$45,479,344.19 (US$45,479,344.19 in 2017).

- ✓ Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas S.A., of US$550,000,000,00 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, 2018, the amount of US$342,535,177.49 has been used (US$313,152,871.72 in 2017).

This agreement establishes, for each calendar year, that a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$ 700 million be maintained. These restrictions must be calculated and determined with the Consolidated Financial Statements prepared at December 31 of each calendar year and submitted to the CMF.

- ✓ 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 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, 2018 and December 31, 2017, have been used US$224,900,000.00.

  This agreement establishes, for each calendar year, that a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$ 700 million be maintained. These restrictions must be calculated and determined with the Consolidated Financial Statements prepared at December 31 of each calendar year and submitted to the CMF.

Obligations with the public - bonds payable

The Company's domestic and foreign liabilities as of 03/31/2018

											Current			Non-current			
											Maturity		Total current 03-31-2018	Maturity			Total non-current 03-31-2018
Series	Tax ID No, Debtor	Entity	Country Debtor	Tax ID No, Bank	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization type	Up to 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
											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	2,831,523	3,855,110	6,686,633	16,989,141	26,191,592	36,437,352	79,618,085
B	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	2,458,465	1,415,762	3,874,227	8,494,570	10,618,213	22,681,112	41,793,895
C	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	2,696,689	2,806,947	5,503,636	16,180,134	15,505,962	51,828,931	83,515,027
D	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	1,797,793	2,848,137	4,645,930	15,281,238	10,786,756	63,967,452	90,035,446
E	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	2,625,745	1,258,455	3,884,200	9,438,412	7,550,729	49,472,758	66,461,899
F	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	853,952	1,372,431	2,226,383	6,404,637	5,123,709	33,427,921	44,956,267
G	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	1,258,457	1,395,364	2,653,821	11,326,094	7,550,729	54,404,148	73,280,971
H	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	2,696,689	2,817,800	5,514,489	8,049,174	-	-	8,049,174
I	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	-	4,247,258	4,247,258	20,960,607	13,973,738	37,893,936	72,828,281
J	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	1,773,532	-	1,773,532	14,382,327	14,382,327	78,722,870	107,487,524
K	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	-	231,562	231,562	-	-	136,475,843	136,475,843
L	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Maturity	587,056	-	587,056	-	-	40,129,383	40,129,383
M	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	2.9%	2.5%	Biannual	-	213,087	213,087	-	-	110,445,752	110,445,752
	61,219,000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	4.8%	4.9%	Maturity	-	2,268,998	2,268,998	-	-	298,623,198	298,623,198
	61,219,000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	5.0%	5.2%	Maturity	-	2,765,538	2,765,538	-	-	291,528,012	291,528,012
							Total				**19,579,901**	**27,496,449**	**47,076,350**	**127,506,334**	**111,683,755**	**1,306,038,668**	**1,545,228,757**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2018 AND DECEMBER 31, 2017

The Company's domestic and foreign liabilities as of 12/31/2017

											Current			Non-current			
											Maturity		Total current 12-31-2017	Maturity			Total non-current 12-31-2017
Series	Tax ID No, Debtor	Entity	Country Debtor	Tax ID No, Bank	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization type	Up to 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
											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	5,107,213	2,813,805	7,921,018	16,882,828	21,103,535	43,851,506	81,837,869
B	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	1,406,902	1,821,373	3,228,275	8,441,414	8,089,689	24,973,010	41,504,113
C	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	4,021,657	1,786,543	5,808,200	16,078,884	10,719,256	58,876,881	85,675,021
D	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	4,111,062	1,786,543	5,897,605	14,292,342	10,719,256	66,314,597	91,326,195
E	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	1,250,580	1,710,152	2,960,732	9,379,350	7,503,479	49,230,348	66,113,177
F	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	1,995,222	848,608	2,843,830	5,940,255	5,091,647	34,534,349	45,566,251
G	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	1,250,582	2,168,302	3,418,884	7,503,481	7,503,479	59,242,297	74,249,257
H	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	2,995,267	2,679,814	5,675,081	10,671,300	-	-	10,671,300
I	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	1,636,205	-	1,636,205	20,829,442	13,886,295	41,112,678	75,828,415
J	61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	-	569,809	569,809	14,292,327	14,292,327	78,223,095	106,807,749
K	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	-	1,524,496	1,524,496	-	-	135,558,452	135,558,452
L	61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Maturity	-	200,139	200,139	-	-	39,874,481	39,874,481
M	61,219,000-3	Metro S.A.	Chile	97,080,000-K	Banco Bice	Chile	UF	2.9%	2.5%	Biannual	-	944,747	944,747	-	-	109,806,046	109,806,046
	61,219,000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	4.8%	4.9%	Maturity	5,961,794	-	5,961,794	-	-	304,137,990	304,137,990
	61,219,000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	5.0%	5.2%	Maturity	6,659,792	-	6,659,792	-	-	296,989,009	296,989,009
							Total				**36,396,276**	**18,854,331**	**55,250,607**	**124,311,623**	**98,908,963**	**1,342,724,739**	**1,565,945,325**

(*) RTB: Bondholders' Representative,

On July 31, 2001, December 5, 2001, August 9, 2002, September 3, 2003, June 23, 2004 and September 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 September 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 allowing 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 allowing 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 allowing 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 allowing 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 allowing early redemption.

The Series A and B bonds are guaranteed by the State, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2018 AND DECEMBER 31, 2017

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 consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF. International bonds are not subject to related restrictions or covenants.

Derivative transactions

Financial liabilities as of 03/31/2018

									Current			Non-current	
									Maturity		Total current	Maturity	Total non-current
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal Rate	Amortization type	Up to 90 days ThCh$	90 days to 1 year ThCh$	03/31/2018 ThCh$	Over 5 years ThCh$	03/31/2018 ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.66%	Maturity	-	109,213	109,213	2,271,504	2,271,504
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	Maturity	-	106,512	106,512	2,041,903	2,041,903
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	-	101,136	101,136	1,343,628	1,343,628
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.41%	Maturity	-	99,090	99,090	1,379,538	1,379,538
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.44%	Maturity	-	101,634	101,634	1,771,418	1,771,418
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	-	102,664	102,664	1,641,705	1,641,705
61.219.000-4	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.45%	Maturity	-	101,123	101,123	1,622,577	1,622,577
61.219.000-5	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	Maturity	-	102,448	102,448	1,672,748	1,672,748
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.50%	Maturity	-	131,064	131,064	1,451,935	1,451,935
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.73%	Maturity	-	74,098	74,098	1,544,924	1,544,924
61,219,000-3	Metro S.A.	Chile	59,046,320-5	BNP Paribas	France	US$	1.95%	Biannual	-	6,017	6,017	-	-
						Total			**-**	**1,034,999**	**1,034,999**	**16,741,880**	**16,741,880**

Financial liabilities as of 12/31/2017

									Current			Non-current	
									Maturity		Total current	Maturity	Total non-current
Tax ID No,	Entity	Country	Tax ID No,	Entity	Country	Currency	Nominal rate	Amortization type	Up to 90 days ThCh$	90 days to 1 year ThCh$	12/31/2017 ThCh$	Over 5 years ThCh$	12/31/2017 ThCh$
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.73%	Maturity	195,465	-	195,465	873,687	873,687
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.66%	Maturity	288,096	-	288,096	1,261,851	1,261,851
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	Maturity	280,972	-	280,972	1,030,215	1,030,215
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.51%	Maturity	266,790	-	266,790	330,611	330,611
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.41%	Maturity	261,394	-	261,394	362,609	362,609
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.44%	Maturity	268,103	-	268,103	754,421	754,421
61,219,000-4	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.51%	Maturity	270,820	-	270,820	627,941	627,941
61,219,000-5	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.45%	Maturity	266,756	-	266,756	606,388	606,388
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	Maturity	270,251	-	270,251	658,263	658,263
61,219,000-3	Metro S.A.	Chile	59,046,320-5	BNP Paribas	France	US$	1.00%	Biannual	72,303	-	72,303	-	-
						Total			**2,440,950**	**-**	**2,440,950**	**6,505,986**	**6,505,986**

Reconciliation of financial liabilities derived from financing activities.

Concept	Balance as of 12/31/2017	Cash flows from financing activities		Changes that have no effect on the cash flow from financing activities			Balance as of 03/31/2018
		From	Used	Exchange rate differences	Changes in Fair Value	Other	
Interest-bearing loans	385,392,452	17,625,874	(1,398,956)	(6,957,954)	-	2,017,601	396,679,017
Bonds payable	1,621,195,932	-	(32,296,197)	(5,017,780)	-	8,423,152	1,592,305,107
Derivative transactions	8,946,936	-	(3,484,814)	-	12,314,757	-	17,776,879
Total	**2,015,535,320**	**17,625,874**	**(37,179,967)**	**(11,975,734)**	**12,314,757**	**10,440,753**	**2,006,761,003**

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

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

Current	03/31/2018 ThCh$	12/31/2017 ThCh$
Real estate taxes	5,203,721	4,215,006
Deferred income	1,094,395	738,578
Guarantees received	13,694,647	13,570,893
Total	**19,992,763**	**18,524,477**

Non-current	03-31-2018 ThCh$	12-31-2017 ThCh$
Deferred income (*)	3,124,753	3,165,020
Total	**3,124,753**	**3,165,020**

(*) Corresponds to long-term operational leases.

14. Balances and transactions with related parties

Trade and other receivables:

As of March 31, 2018 and December 31, 2017, 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, 2018, the Company records no contributions pending capitalization of ThCh$63,515,684 (for 2017 did not exist pending capitalization).

Transactions:

During the first quarter of 2018, the company received contributions from the Chilean Treasury for ThCh$63,515,684 and during the first quarter of 2017 ThCh$60,000,000.

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

Key management personnel

The key personnel of Metro S.A. are those persons with authority and responsibility for planning, directing and controlling the entity's activities. The Company has determined that the key management personnel are the Directors, General Manager and Managers of the Company's different areas (principal executives).

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

Directors' income are as follows:

Directors' income	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Fixed remunerations	36,576	36,140
Variable remunerations	16,874	16,093
Total	**53,450**	**52,233**

Board of Directors' expenses

During the first quarter of 2018, airplane ticket expenses amounted to ThCh$534 (there was no expenditure in 2017).

During the first quarter of 2018, per Diem travel allowance expenses was ThCh$910 (there was no expenditure in 2017).

Remunerations of the General Manager and Other Managers:

During the first quarter 2018, the compensation paid to the General Manager amounted to ThCh$92,750 (ThCh$85,899 as of March 2017) and compensation paid to Other Managers amounted to ThCh$994,543 (ThCh$804,740 as of March 2017).

15. Trade and other payables

This caption comprises the following:

Current liabilities	**03/31/2018 ThCh$**	**12/31/2017 ThCh$**
Debt for purchases or services received	65,541,244	61,377,509
Accounts payable - Transantiago	9,545,022	8,125,730
Withholdings	3,949,165	2,725,041
Supplier of property, plant and equipment	62,257,025	69,855,119
Megaproject contract retentions	4,093,982	4,674,308
Other payables	913,788	868,068
Total	**146,300,226**	**147,625,775**

Non-current liabilities	**03/31/2018 ThCh$**	**12/31/2017 ThCh$**
Megaproject contract retentions	375,631	326,515
Total	**375,631**	**326,515**

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 that must be subject to the rules of open stock corporations in Chile, and its purpose is to carry out all activities of the passenger transport service in metropolitan railways or other complementary electrical modes, and surface transport services by bus or vehicles of any technology, as well as those annexed to said line of business, being able to constitute or participate in companies and carry out any act or operation related to the corporate purpose and its main income corresponds to the transportation of passengers.

The processes associated with the provision of services are based on a common technological and administrative infrastructure, the current activities are framed in the provision of services in a national environment, have a common environment in terms of 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	03/31/2018 ThCh$	12/31/2017 ThCh$
Accrued vacations	3,778,056	3,918,370
Employee benefit obligations	1,350,142	2,424,557
Production bonus obligations	1,553,162	6,681,546
Total	**6,681,360**	**13,024,473**

Non-current

Concept	03/31/2018 ThCh$	12/31/2017 ThCh$
Provision for dismissal	13,814,120	14,114,928
Provision for resignations	50,473	52,559
Provision for mortality	720,563	747,758
Advance for severance indemnity payments	(1,718,616)	(1,723,878)
Total	**12,866,540**	**13,191,367**

Movements in severance indemnity payments for the year ended March 31, 2018 and December 31, 2017, are detailed as follows:

Concept	ThCh$
Liabilities as of 01.01.2018	13,191,367
Service interest	169,928
Benefits paid	(623,920)
Actuarial profit (loss)	129,165
Liabilities as of 03.31.2018	**12,866,540**

Concept	ThCh$
Liabilities as of 01.01.2017	13,519,115
Service interest	629,761
Benefits paid	(704,286)
Actuarial profit (loss)	(253,223)
Liabilities as of 12.31.2017	**13,191,367**

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:

2018

Concept	Increases	Base	Decrease	Increases ThCh$	Decrease ThCh$
Discount rate (change of 0,5)	4.560%	5.060%	5.560%	12,623,489	13,118,001
Increase in salary (change of 0,5)	4.530%	4.030%	3.530%	13,165,663	12,578,030
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	12,858,610	12,874,852
Mortality rate (change of 25%)	25.00%	CB14 y RV14	-25.00%	12,856,119	12,877,119

2017

Concept	Increases	Base	Decrease	Increases ThCh$	Decrease ThCh$
Discount rate (change of 0,5)	4.650%	5.150%	5.650%	12,939,886	13,451,546
Increase in salary (change of 0,5)	4.530%	4.030%	3.530%	13,502,083	12,981,718
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	13,184,282	13,198,835
Mortality rate (change of 25%)	25.00%	CB14 & RV14	-25.00%	13,181,135	13,201,757

Projection of the actuarial calculation for the following year:

The projected calculation for the following year amounts to ThCh$13,463,199.

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$94,283 as of March 31, 2018 (ThCh$77,798 as of March 31, 2017).

Opening for actuarial revaluation of obligations:

The Company revalued its obligations as of March 31, 2018, determining a profit due to the update of financial parameters of ThCh$1,005,982 (profit of ThCh$194,293 as of March 31, 2017) and a loss due to experience of ThCh$1,135,947 (loss of ThCh$392,779 as of March 31, 2017).

Concept / profit (loss)	03/31/2018 ThCh$	03/31/2017 ThCh$
Revaluation of financial parameters	1,005,982	194,293
Revaluation due to experience	(1,135,947)	(392,779)
Total deviation for the period	(129,965)	(198,486)

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 RV-M-2014 women's mortality tables established by the Chilean Superintendence of Pensions and Financial Market Commission 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	0.07

3. Discount rate:

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

Year	Rate %
12-31-2016	1.61
12-31-2017	2.09
03-31-2018	2.00

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$957,790,933 as of March 2018, ThCh$935,063,104 as of December 2017 and ThCh$921,885,909 as of March 2017 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 reverse the deferred tax assets, therefore these have been recognized up to the amount of deferred tax liabilities (1).

Temporary difference	Tax assets		Tax liabilities	
	03/31/2018 ThCh$	12/31/2017 ThCh$	03/31/2018 ThCh$	12/31/2017 ThCh$
Provision for impairment of receivables	210,980	188,192	-	-
Deferred revenue	1,054,787	975,899	-	-
Accrued vacations	944,514	979,593	-	-
Severance indemnity payments	1,587,137	1,601,702	-	-
Provisions for law suits	324,893	436,115	-	-
Provisions for maintenance	894,853	780,509	-	-
Provision for employee benefits	337,536	606,139	-	-
Provisions for spare parts	678,498	678,498	-	-
Irrecoverable value added-tax fiscal credit for extensions	-	-	30,774,109	30,560,188
Capitalized expenses	-	-	47,153,351	44,435,439
Property, plant and equipment	107,130,173	101,218,958	-	-
Tax loss	239,447,733	233,765,776	-	-
Other	3,827,469	3,601,562	-	-
Subtotal	356,438,573	344,832,943	77,927,460	74,995,627
Net deferred tax assets	278,511,113	269,837,316	-	-
Reduction of deferred tax assets (1)	(278,511,113)	(269,837,316)	-	-
Deferred tax, net	-	-	-	-

19. Provisions, contingencies and guarantees

As of March 31, 2018 and December 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 of the provision for lawsuit is as follows:

Other short-term provisions	03/31/2018 ThCh$	12/31/2017 ThCh$
Provisions for lawsuits	1,299,574	1,744,461
Total	**1,299,574**	**1,744,461**

According to the current status of legal proceeding, Management believes those provisions recorded in the interim Consolidated Financial Statements properly cover the risks associated with the litigation, 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 01/01/2017	630,590
Accrued provisions	4,138,030
Effective payments	(3,024,159)
Balance as of 12/31/2017	1,744,461
Accrued provisions	246,773
Effective payments	(691,660)
Balance as of 03/31/2018	1,299,574

Direct guarantees

The guarantees granted by the Company are in UF and U,S, dollars, expressed in thousands of Chilean pesos as of March 31, 2018, are according to the following detail.

Type of guarantee	No, of guarantee	Issuing entity	Currency	Amount	Beneficiary	Issue date	Maturity date	Status	Amount ThCh$
Note	354796-2	Banco de Chile	UF	10.000	San Juan S.A.	08/01/2017	04/02/2018	Valid	269,669
Note	123830	BBVA	UF	1.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	26,967
Note	123831	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123832	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123833	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123834	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123835	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123836	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123837	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123838	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123839	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	123840	BBVA	UF	5.000	Subsecretaría de Transportes	08/09/2017	10/02/2018	Valid	134,834
Note	141234	BBVA	UF	22.500	Total Sunpower El Pelicano SPA	10/18/2017	11/17/2018	Valid	606,755
Note	127926	Itau Corpbanca	UF	10.000	Enel Distribución Chile S.A.	12/18/2017	11/19/2018	Valid	269,669
Note	1006397	Banco Santander	UF	1.128	Director General de Obras Públicas	11/07/2016	12/31/2018	Valid	30,419
Note	292112	Banco Santander	UF	150	Constructora San Francisco S.A.	01/03/2014	12/31/2018	Valid	4,045
Note	2824299	Banco Santander	US$	100.000	Enorchile S.A.	02/22/2018	03/31/2019	Valid	60,339
Note	142987	BBVA	UF	10.000	San Juan S.A.	02/05/2018	04/01/2019	Valid	269,669
Note	133014	Itau Corpbanca	UF	8.314	Junaeb	02/08/2018	07/01/2019	Valid	224,197

As of the closing date of the interim Consolidated Financial Statements, there are no balances pending payment, since they are Performance Guarantees.

20. Changes in equity

2017 Capital increase

At the Extraordinary Shareholders' Meeting held on December 28, 2017, the shareholders of the Company agreed to:

- ✓ Increase the issued and fully-paid capital of the Company by capitalizing government contributions of ThCh$231,642,246 at a nominal value, intended for financing Lines 6 and 3 and investing in improvements for Metro Network and debt service, through the issuance of 7,667,734,043 Series A shares subscribed and fully-paid by Government and CORFO at pro rata of their interests and ownership percentage.

At September 26, 2017, CORFO paid the fiscal contributions signed on June 22, 2017.

At an Extraordinary Shareholders' Meeting held on June 22, 2017, the shareholders of the Company agreed to:

- ✓ Increase the issued and fully-paid capital of the Company by capitalizing government contributions of ThCh$108,150,000 at a nominal value, intended for financing Lines 2 and 3 extensions and projects to strengthen the Metro Transportation System, through the issuance of 3,617,056,856 Series A shares that will be subscribed and fully-paid by CORFO no later than December 31, 2017.

a. Capital

As of March 31, 2018 and December 31, 2017, the capital of the Company is represented by 66,742,385,146 and 19,163,677,063 Series A and B nominative shares with no par value, respectively, with 55,385,920,183 shares corresponding to CORFO and 30,520,142,026 to the Chilean 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	**03/31/2018**		**12/31/2017**	
	Number of shares and percentages			
	Subscribed and paid shares	**Ownership %**	**Subscribed and paid shares**	**Ownership %**
Corporación de Fomento de la Producción	55,385,920,183	64.47%	55,385,920,183	64.47%
Ministry of Finance	30,520,142,026	35.53%	30,520,142,026	35.53%
Total	**85,906,062,209**	**-**	**85,906,062,209**	**-**
Corporación de Fomento de la Producción				
Series A	43,282,448,877	-	43,282,448,877	-
Series B	12,103,471,306	-	12,103,471,306	-
Total	**55,385,920,183**	**-**	**55,385,920,183**	**-**
Ministry of Finance				
Series A	23,459,936,269	-	23,459,936,269	-
Series B	7,060,205,757	-	7,060,205,757	-
Total	**30,520,142,026**	**-**	**30,520,142,026**	**-**

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 23, 2018, 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 as of March 31, 2018 and 2017, respectively, is as follows:

Subsidiary	Percentages Non-controlling interests		Non-controlling interests equity		Share of profit or loss income (expense)	
	2018 %	2017 %	2018 ThCh$	2017 ThCh$	2018 ThCh$	2017 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 Financial Market Commission:

Other reserves	**03/31/2018 ThCh$**	**12/31/2017 ThCh$**
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 interim consolidated statement of changes in equity.

21. Income and expenses

Revenue:

For the periods ended as of March 31, 2018 and 2017, revenue is detailed as follows:

Revenue	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Revenues from passenger transportation services	69,460,432	59,587,779
Sales channel income	11,711,893	9,234,618
Lease of commercial stores, spaces and advertising	3,773,178	3,779,600
Lease in intermodal terminals	441,005	414,574
Other	1,714,827	1,724,521
Total	**87,101,335**	**74,741,092**

Other income, by function

For the periods ended as of March 31, 2018 and 2017, other income by function is detailed as follows:

Other income, by function	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Income from fines and indemnities	254,667	89,986
Welfare income	128,871	178,470
Sale of proposals	8,488	3,900
Other income	207,521	49,915
Total	**599,547**	**322,271**

Expenses by nature:

Cost of sales, administrative expenses and other expenses by function for the periods ended as of March 31, 2018 and 2017, is detailed as follows:

Expenses by nature	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Personnel expenses	21,759,941	17,571,231
Maintenance and operating expenses	16,965,805	12,380,954
Purchase of energy	8,799,486	9,937,622
General expenses and other	13,343,489	14,557,057
Depreciation and amortization	21,941,313	18,342,273
Total	**82,810,034**	**72,789,137**

Personnel expenses:

For the periods ended as of March 31, 2018 and 2017, personnel expenses is detailed as follows:

Personnel expenses	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Salaries and wages	15,505,266	13,568,846
Other benefits	4,156,208	2,631,453
Expenses in social and collective benefits	1,237,010	679,936
Social security contribution	861,457	690,996
Total	**21,759,941**	**17,571,231**

Maintenance and operating expenses:

For the periods ended as of March 31, 2018 and 2017, maintenance and operating expenses is detailed as follows:

Maintenance and operating expenses	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Maintenance of rolling stock, stations and others	14,304,614	10,684,506
Spare parts and materials	2,323,068	1,344,905
Repair, leases and others	338,123	351,543
Total	**16,965,805**	**12,380,954**

General and other expenses:

For the periods ended as of March 31, 2018 and 2017, general and other expenses is detailed as follows:

General expenses and other	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Service contracts	5,769,173	5,626,740
Real estate taxes	1,003,850	990,983
Corporate image expenses	325,671	196,816
Sales channel operator expenses	5,397,635	4,637,258
Insurance, materials and others	847,160	3,105,260
Total	**13,343,489**	**14,557,057**

Depreciation and amortization:

For the periods ended as of March 31, 2018 and 2017, depreciation and amortization is detailed as follows:

Depreciation, amortization	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Depreciation	21,864,259	18,262,401
Amortization	77,054	79,872
Total	**21,941,313**	**18,342,273**

Financial result and exchange differences:

The Company's financial result and exchange differences for the periods ended March 31, 2018 and 2017, is detailed as follows:

Finance income and finance costs	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Finance income		
Interest on cash and other cash equivalents	1,749,565	1,829,267
Finance income from swaps	-	559,478
Other finance income	51,369	68,023
Subtotal	**1,800,934**	**2,456,768**
Finance expenses		
Interest and expenses on bank loans	(1,487,746)	(1,622,071)
Interest and expenses on bonds	(13,412,444)	(11,572,296)
Other finance costs	(700,909)	(101,834)
Subtotal	(15,601,099)	(13,296,201)
Profit (loss) financial result	**(13,800,165)**	**(10,839,433)**

Foreign currency translation and index-adjusted differences	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Foreign currency translation difference		
Profit (loss) on Foreign currency translation difference	15,651,743	5,515,317
Total foreign currency translation difference	**15,651,743**	**5,515,317**
Index-adjusted unit		
Profit (loss) on index-adjusted unit (bonds)	(5,891,486)	(4,723,371)
Total index-adjusted unit	**(5,891,486)**	**(4,723,371)**

Other profit (losses):

Other profit (losses) of the Company for the periods ended as of March 31, 2018 and 2017, is detailed as follows:

Other income (expenses)	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Net present value of swaps US$	2,437,277	1,458,988
Net present value of swaps UF	(12,314,757)	(2,375,300)
Net present value, value-added tax	(110,839)	(312,507)
Total	**(9,988,319)**	**(1,228,819)**

Other comprehensive income:

For the periods ended as of March 31, 2018 and 2017, other comprehensive income is detailed as follows:

Other comprehensive income	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$
Actuarial profit (loss) on defined benefit plans	(129,165)	(198,486)
Total	**(129,165)**	**(198,486)**

22. Third-party guarantees

Guarantees received as of March 31, 2018, are detailed as follows:

Provider	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	54,183,808	Service contract	Supplier
Alstom	11,577,445	Service contract	Supplier
Alstom Chile S.A.	167,474,229	Service contract	Supplier
Alstom Transport S.A.	52,414,863	Service contract	Supplier
Arrigoni Ingenieria y Construcción	5,674,327	Service contract	Supplier
Besalco Dragados Grupos 5 y 6	50,141,567	Service contract	Supplier
Bitelco Diebold Chile Ltda.	3,202,692	Service contract	Supplier
CAF Chile S.A.	689,104,694	Service contract	Supplier
Colas Rail Establecimiento Permanente	16,058,413	Work contract	Supplier
Compañía Americana de Multiservicio	4,016,031	Service contract	Supplier
Construciones Piques y Tuneles	47,355,687	Service contract	Supplier
Consorcio Acciona -Brotec -Icafal S.A.	13,040,626	Service contract	Supplier
Consorcio Copisa Chile SPA	3,651,585	Supply contract	Supplier
Consorcio EI-OSSA S.A.	4,598,863	Work contract	Supplier
Construcción y Auxiliar de Ferrocarriles	55,259,028	Work contract	Supplier
Constructora Jorge Orellana Lavanderos	9,195,485	Work contract	Supplier
Construcciones Especializadas	7,817,412	Work contract	Supplier
ETF	21,465,124	Service contract	Supplier
ETF Agencia en Chile	82,900,956	Service contract	Supplier
Faiveley Transport Far East	6,053,477	Service contract	Supplier
Ferrostal Chile S.A.	7,571,622	Service contract	Supplier
Ferrovial Agroman Chile S.A.	47,901,264	Service contract	Supplier
Hidronor Chile S.A.	6,114,542	Supply contract	Supplier
Inabensa S.A.	3,620,340	Service contract	Supplier
ISS Servicios Integrales Limitada	8,745,944	Service contract	Supplier
Poch y Asociados	2,725,333	Service contract	Supplier
Servicio de Aseo y Jardines Maclean	4,590,065	Service contract	Supplier
Servicio de Energia Teknica	3,788,843	Service contract	Supplier
SGS Chile Ltda.	3,076,554	Service contract	Supplier
Sice Agencia Chile S.A.	57,122,203	Revenue contract	Supplier
Sociedad de Mantención e Instalaciones Técnicas	63,141,955	Service contract	Supplier
Soler y Palau S.A.	47,583,080	Service contract	Supplier
Strukton Arrigoni SPA	28,230,183	Supply contract	Supplier
Strukton International	2,818,618	Work contract	Supplier
Thales Canada Inc.	29,867,073	Supply contract	Supplier
Thyssenkrupp Elevadores S.A.	47,934,655	Service contract	Supplier
Valoriza Facilities S.A.	2,888,186	Service contract	Supplier
Otros	77,379,104	Service contract	Supplier
TOTAL	**1,750,285,876**		

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 September 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 2018, customers paid Ch$760 at peak hours, Ch$680 at valley hours and Ch$630 at low hours, while, on average the Company received a technical tariff of Ch$430.24 per passenger.

Beginning on July 1, 2013, the supplementary contract for issuance and post-sale of means of access and provision of the network for sales and charge of the means of access to the Santiago public transportation system entered into the Ministry of Transportation and Telecommunication of Chile and Metro S.A. became effective.

Demand

To date, the Company is the structuring pillar of the Integrated System of Public Passengers Transportation (Transantiago) and during the first quarter 2018 reached a level of 2.173 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 2018, an increase of 7.8 million trips was observed, 5.2% compared to 2017, mainly because of an increase in passenger flow due to the start of operations of Line 6 (November 2017).

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 cross currency swap ("CCS") transactions, reaching a balance of MUS$300 as of March 31, 2018 (MUS$260 as of December 31, 2017), which do not meet the hedge accounting criteria.

In January 2017, Metro S.A, places bond for MUS$ 500, for the second time, on the international market for a 30-year term at a rate of 5.151%, highlighting the high degree of participation of foreign investors, which reached an over-demand of eight times the amount of the placement.

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 fluctuations in interest rates, the Company has contracted derivative transactions (Cross Currency Swap) with an underlying bond at a fixed rate in dollars.

As of March 2018, the share of the debt at a variable rate records a significant change with respect to December 2017, as indicated in the following table:

Debt composition	03/31/2018 %	12/31/2017 %
Fixed rate	81.5	81.9
Variable rate	18.5	18.1
Total	**100.0**	**100.0**

In conducting a sensitivity analysis as of March 31, 2018 on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$604 (MUS$582 as of December 31, 2017), 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$6.0 (MUS$5.8 as of December 31, 2017).

Sensitivity analysis	Equivalent in MUS$	Total %
Total debt (equivalent to MUS$)	**3,267**	**100%**
Debt at LIBOR rate	567	
IRS	37	
Total variable rate debt	604	18%
CCS (fixed rate)	(300)	
Total fixed rate debt	2,663	82%

Variation in financial expenses	MCh$	Equivalent in MUS$
Impact on financial expenses of a variation of 100 basis points in LIBOR	3,646.3	6.0

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$300 as of March 31, 2018.

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	03/31/2018				12/31/2017			
	Original Currency		Eq. in MUS$	%	Original Currency		Eq. in MUS$	%
Debt UF	ThUF$:	43,263	1,933	59%	ThUF$:	42,770	1,864	58%
Debt US$	MUS$	1,334	1,334	41%	MUS$	1,353	1,353	42%
Total financial debt			**3,267**	**100%**			**3,217**	**100%**

As of March 31, 2018, the structure of the financial debt is divided into UF (59%) and US dollars (41%).

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 interim Consolidated Statement of Comprehensive Income as of March 31, 2018, 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$80,492,226.

Sensitivity analysis Effect on profit or loss as of March 2018	10% depreciation ThCh$	10% appreciation ThCh$
Impact of 10% variation in the Ch$/US$ exchange rate	(80,492,226)	80,492,226

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$35,000,057.

Sensitivity analysis Effect on profit or loss as of March 2018	3% appreciation ThCh$
Impact of 3% variation in UF	(35,000,057)

Liquidity risk

Income from tariffs associated with Metro S.A. 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	51,569,401	295,025,141	312,348,973	1,312,555,649	1,971,499,164
Interests	82,144,205	209,931,241	334,452,111	374,431,390	1,000,958,947
Total	**133,713,606**	**504,956,382**	**646,801,084**	**1,686,987,039**	**2,972,458,111**

Financial liability structure

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

Financial liabilities	03/31/2018				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	23,318,492	128,599,556	83,437,803	161,323,166	396,679,017
Bonds payable	47,076,350	127,506,334	111,683,755	1,306,038,668	1,592,305,107
Derivative transactions	1,034,999	-	-	16,741,880	17,776,879
Total	**71,429,841**	**256,105,890**	**195,121,558**	**1,484,103,714**	**2,006,761,003**

Financial liabilities	12/31/2017				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	21,039,962	126,377,856	81,785,497	156,189,137	385,392,452
Bonds payable	55,250,607	124,311,623	98,908,963	1,342,724,739	1,621,195,932
Derivative transactions	2,440,950	-	-	6,505,986	8,946,936
Total	**78,731,519**	**250,689,479**	**180,694,460**	**1,505,419,862**	**2,015,535,320**

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, 2018 are detailed as follows.

	Carrying amount ThCh$	Fair Value ThCh$
Credits	396,679,017	427,424,844
Bonuses	1,592,305,107	1,787,942,709

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 the Company uses 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.

Accounts receivable

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	03/31/2018 ThCh$	12/31/2017 ThCh$
Trade receivables, gross	2,347,808	2,930,697
Impairment of trade receivables	(843,921)	(752,768)
Trade receivables, net	**1,503,887**	**2,177,929**
Sales channel accounts receivables, net	6,405,879	4,566,117
Other accounts receivable, net	1,861,521	1,999,299
Total	**9,771,287**	**8,743,345**

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 Affairs Management, considering the level of default of the account and the judicial collection and non-judicial collection measures taken.

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

Aging of trade receivables, net	03/31/2018 ThCh$	12/31/2017 ThCh$
Less than 3 months	1,240,674	1,880,655
From 3 months to 1 year	65,866	87,918
Over 1 year	197,347	209,356
Total	**1,503,887**	**2,177,929**

Aging of sales channel accounts receivable, net	03/31/2018 ThCh$	12/31/2017 ThCh$
Less than 3 months	6,336,468	4,115,793
From 3 months to 1 year	63,123	444,012
Over 1 year	6,288	6,312
Total	**6,405,879**	**4,566,117**

Aging of other receivables, net	03/31/2018 ThCh$	12/31/2017 ThCh$
Less than 3 months	505,409	554,765
From 3 months to 1 year	1,356,112	1,444,534
Total	**1,861,521**	**1,999,299**

Financial assets

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

As of March 31, 2018 and December 31, 2017, this caption comprises the following:

Financial assets	03/31/2018		
	Up to 1 year ThCh$	1 to 5 years ThCh$	Total ThCh$
Cash and cash equivalents			
Cash	2,956,553	-	2,956,553
Term deposits	218,172,246	-	218,172,246
Reverse repurchase agreements	3,252,368	-	3,252,368
Subtotal	**224,381,167**	-	**224,381,167**
Other financial assets			
Financial investments	49,125,791	-	49,125,791
Derivative transactions	1,326,577	672,059	1,998,636
Financial lease agreements	81,984	1,596,892	1,678,876
Promissory notes receivables	-	591,451	591,451
Other accounts receivable	-	7,501	7,501
Subtotal	**50,534,352**	**2,867,903**	**53,402,255**
Total	**274,915,519**	**2,867,903**	**277,783,422**

Financial assets	12/31/2017		
	Up to 1 year ThCh$	1 to 5 years ThCh$	Total ThCh$
Cash and cash equivalents			
Cash	2,674,758	-	2,674,758
Term deposits	147,605,384	-	147,605,384
Reverse repurchase agreements	1,959,976	-	1,959,976
Subtotal	**152,240,118**	-	**152,240,118**

Other financial assets			
Financial investments	145,038,270	-	145,038,270
Derivative transactions	3,382,956	1,043,400	4,426,356
Financial lease agreements	46,551	1,626,957	1,673,508
Promissory notes receivables	-	583,469	583,469
Other accounts receivable	-	7,905	7,905
Subtotal	**148,467,777**	**3,261,731**	**151,729,508**
Total	**300,707,895**	**3,261,731**	**303,969,626**

The average period of maturity of financial investments as of March 31, 2018 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.

Every year the Company, through the Extraordinary Shareholders' Meeting, capitalizes Government contributions 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	03/31/2018	12/31/2017
Leverage (times)	0.87	0.85
Equity (MCh$)	2,591,343	2,600,609

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 National Electrical Coordinator, which supply Lines 1, 2, 5 and 6, 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, 5 and 6, if there is an interruption in the National Electrical Coordinator, 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.

Currently, the power supply is provided by three companies; San Juan, El Pelicano and Enel, The first two companies relate to wind and photovoltaic power generation, respectively, the contracts of which were entered into on May 19, 2016, for 15 years and both supply 60% of Metro's energy through Non-Conventional Renewable Energies (NCRE), Likewise, Enel is a distributor entity with which the Company entered into a contract on September 2015 for 40% of power supply until December 2023.

On December 29, El Pelicano was sold solely changing its controller (Sunpower), generating no operating risks for Metro's electrical supply.

24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended March 31, 2018 and 2017, are detailed as follows:

Project	Allocated to administrative expenses		Allocated to property, plant and equipment		Expenditures committed in the future
	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$	01/01/2018 03/31/2018 ThCh$	01/01/2017 03/31/2017 ThCh$	2018 Amount ThCh$
Noise and vibrations	216	-	66,035	66,657	3,782,040
Waste treatment	14,594	1,141	-	42,223	389,522
Run-off water	46,581	10,985	-	-	114,217
Environmental management	-	-	128,417	238,761	4,857,834
Monitoring of polluting parameters	-	-	-	-	7,500
Total	**61,391**	**12,126**	**194,452**	**347,641**	**9,151,113**

The aforementioned projects are currently in progress as of March 31, 2018.

25. Sanctions

During first quarter of 2018 and 2017, the Company and its Directors have not been sanctioned by Chilean Financial Market Commission or any other supervising entity.

26. Subsequent events

During the period between April 1 and May 28, 2018, the following subsequent events have occurred, which do not affect the Company's financial situation and results.

1) By letter No. 189 of April 03, it is informed that in a meeting held on March 27, the Board of Directors agreed to call an Ordinary Shareholders' Meeting, to be held on April 23 at 11:00, in the Company's offices.

2) By letter No. 208 of April 23, it is informed that the 27th Ordinary Shareholders' Meeting was held, which adopted the following agreements:

    a) The Annual Report, Balance Sheet and Consolidated Financial Statements and External Auditors Report for fiscal year 2017 were approved, including the notes to the Consolidated Financial Statements, as well as the Board of Directors' expenses contained in the Annual Report.

    b) It was agreed not to distribute profits or distribute dividends.

    c) The dividends policy was set.

d) Louis de Grange Concha, Nicole Marie Keller Flaten, Germán Daniel Concha Zavala, Karen Paulina Poniachik Pollak, Arturo Carlos Gana de Landa, Juan Carlos Herrera Maldonado and Luz Elena Granier Bulnes were named directors of the Company.

e) The Directors' remuneration was determined.

f) Deloitte Consultores y Auditores Limitada was appointed the external auditors for the 2018 fiscal year.

g) The newspaper La Nacion was designated for notifications to Shareholders' Meetings.

3) By letter N ° 209 of April 23, it is informed that by agreement of the Board of Directors adopted in ordinary meeting held on April 23, the Board of Directors approved the designation of the Director Louis de Grange Concha as Chairman of the Company and the Director Nicole Keller Flaten as Vice-chairman of the Company.

Julio E, Pérez Silva
General Accountant

Rubén Alvarado Vigar
General Manager