ANALYSIS OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

This document aims to present an analysis of the economic/financial position of the Company and its subsidiary as of March 31, 2018, analyzing the financial structure and its main trends, through comparative tables of the Interim Consolidated Statements of Financial Position as of March 31, 2018 and December 31, 2017, and the Interim Consolidated Statements of Comprehensive Income as of March 31, 2018 and 2017, expressed in millions of Chilean pesos.

STATEMENT OF FINANCIAL POSITION

As of March 31, 2018, Total Assets and Liabilities-Equity amounted to MCh$ 4,852,272, reflecting an increase of MCh$ 38,513, equivalent to 0.8% compared to December 2017.

In terms of total assets, they are clearly dominated by the fixed portion of the resources. Accordingly, as of March 31, 2018, Property, Plant & Equipment and Net Investment Properties represent 92.8% of total Assets. Additionally, Current Assets and the Other Non-current Assets represent 6.2% and 1% of total Assets, respectively.

Net Properties, plant and equipment, and Investment properties (commercial premises and other assets delivered under operating leases) as of March 2018 increased by 1.3% - MCh$ 55,593 - with respect to December 2017, as a result of purchases of assets of MCh$ 77,661 associated with expansion projects of the Metro network, mainly Lines 3, 6 and extension of Line 2, which includes works in progress of MCh$ 74,737, rolling stock of MCh$ 1,909, land of MCh$ 902, electrical equipment of MCh$ 29 and machinery and equipment of MCh$ 84. The above is offset by depreciation expenses of MCh$ 21,790 of the Company's assets and to a lesser extent by derecognitions of MCh$ 89 and transfers of MCh$ 115. On the other hand, investment properties decreased by MCh$ 74.

Current Assets as of March 2018 decreased by 7.5% or MCh$ 24,526 - with respect to December 2017, and the variation was mainly due to the of MCh$ 97,933 decrease in Other Current Financial Assets, because of lower investments in time deposits over 90 days of MCh$ 95,912 and interest receivable from derivative transactions of MCh$ 2,056. To a lesser extent, other current non-financial assets decreased by MCh$ 1,256 and Current tax assets decreased by MCh$ 63. The above is offset by increases in cash and cash equivalents of MCh$ 72,141, because of higher investments in time deposits under 90 days. To a lesser extent, trade accounts receivable and other accounts receivable increased by MCh$ 1,027 and inventories increased in MCh$ 1,558. The increase in financial investments is mainly from contributions received from the Chilean Treasury during the first quarter of 2018. The components of current Assets include the following: cash and cash equivalents of MCh$ 224,381, other current financial assets of MCh$ 50,535, inventories of MCh$ 12,280, trade accounts receivable of MCh$ 9,771, other non-financial assets of MCh$ 4,495 and current tax assets of MCh$ 1,227.

Non-current assets (not considering property, plant and equipment or investment property) increased by MCh$ 7,446 - 18.5% - because of increases in other non-financial assets by MCh$ 8,154, due to new land allocations for Line 3 and extension of Line 2. This is offset by a decrease in other non-current financial assets of MCh$ 394, fees receivable of MCh$ 237 and intangible assets other than goodwill of MCh$ 77.

The main variation in total liabilities was in non-current liabilities that increased by MCh$ 61,727, while current liabilities and equity decreased in MCh$ 13,948 and MCh$ 9,266, respectively. The variation in Non-current liabilities is due to the increase in Accounts payable to related companies by MCh$ 63,516 because of new contributions received from the Chilean Treasury for expanding the network - Lines 3 and extensions of Lines 2 and 3. To a lesser extent, Non-current accounts payable increased by MCh$ 49. These increases are offset by a decrease in Other non-current financial liabilities of MCh$ 1,473, employee benefits of MCh$ 325 and other current non-financial liabilities of MCh$ 40. The variation in Equity is due to the increase in accumulated losses by MCh$ 9,267 because of the loss in the first quarter of 2018. Current liabilities varied as a result of the decrease in other financial liabilities in MCh$ 7,302, due to the payment of short-term installments and Interest-bearing loans and bonds, current employee benefits of MCh$ 6,343, because of the payment of benefits, trade and other payables of MCh$ 1,326 and other short-term provisions of MCh$445. The above is offset by an increase in other current non-financial liabilities of MCh$ 1,468.

Non-current liabilities - MCh$ 2,015,226 - consist of 47.8% - MCh$ 963,512 - in foreign currency liabilities, 49.0% of MCh$ 988,198 in indexed local currency liabilities and 3.2 % of MCh$ 63,516- in non-indexed local currency liabilities. Foreign currency liabilities include those with banks and financial institutions (interest-bearing loans) of MCh$ 373,361 and bonds payable of MCh$ 590,151; meanwhile, the indexed local currency component is formed by bonds payable of MCh$ 955,078, non-current employee benefits of MCh$ 12,866, other non-current non-financial liabilities of MCh$3,124, derivatives of MCh$ 16,742 and accounts payable of MCh$ 388. The non-indexed lock al currency component is formed by contributions received from the Chilean Treasury for the Metro network expansion projects.

In terms of liquidity ratios, net working capital is positive MCh$ 56,986, which decrease by MCh$10,578 compared to December 2017. Current liquidity ranged from 1.26 to 1.23 times and the acid ratio ranged from 0.59 to 0.91 times. All these changes are due to decreases in Current assets of MCh$ 24,526 and a decrease in Current liabilities of MCh$ 13,948.

In terms of indebtedness ratios, total debt-to-equity ratio ranged from 0.85 to 0.87 times; the current portion of short-term debt from 11.73% to 10.87% and the portion of long-term debt from 88.27% to 89.13%.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

As of March 31, 2018, the Company recorded a gross profit of MCh$ 13,057 gross profit (revenue less cost of sales), and a loss from results other than cost of sales of MCh$ 22,194, reaching an after tax loss for the year of MCh$ 9,137. A MCh$ 129 loss that corresponds to other comprehensive income is added to the above result; therefore the total loss for the year first quarter was MCh$ 9,266.

As of March 31, 2018, operating revenue amounted to of MCh$ 87,101 and compared to the same period of the previous year it increased by MCh$ 12,360, equivalent to 16.5%. Main increases include passenger transportation services of MCh$ 9,872, explained by an increase in the average rate - Ch$ 42.7 - during 2018, because of the tariff increase due to the commissioning of Line 6 on November 2, 2017 and increases in variables that make up the indexation polynomial, mainly inflation. Notwithstanding the foregoing, up to March 2018 there is an increase of 7.8 million trips - 5.18% - with respect to the same date of 2017, mainly explained by the increase in traffic due to the commissioning of Line 6. To a lesser extent, sales channel revenues increased by MCh$ 2,477 and leasing revenues increased by MCh$ 21, despite a MCh$ 10 decrease in other operating revenue.

The (MCh$ 74,044) for cost of sales rose by 19.5% (MCh$ 12,062) compared to March 2017. This increase is composed as follows: an increase of MCh$3,599 in depreciation and amortization, an increase of MCh$ 4,633 in operation and maintenance, an increase of MCh$ 3,817 in personnel and an increase of MCh$ 1,152 in overhead. The above was offset by a decrease of MCh$ 1,139 in energy expense.

The variation in depreciation expenses is explained by the commissioning of Line 6 assets.

The variation in operating and maintenance expenses is explained by increases in spare parts and supply expenses, contractor services for elevators and escalators, stations, rails and other maintenance contracts, mainly because of an increased in train loads, their higher average value and the commissioning of Line 6.

The decrease in energy expenses is due to a compensation received in January 2018 of power prices included during the period between April 2016 and March 2017. Despite this decrease, there was higher consumption due to the commissioning of Line 6 and higher average prices with respect to March 2017. There are currently three companies that supply electric energy: El Pelicano, San Juan and Enel. The first two generate photovoltaic and aeolic energy respectively, and their contracts were signed on May 19, 2016 for a 15-year term and supply 60% of the Metro's energy through Non-conventional Renewable Energy. The third company, ENEL, is a distribution company with which a contract was signed in September 2015 for 40% of hourly energy and ends in December 2023.

Other results other than gross profit, showed a MCh$ 22,194 loss, explained by the negative effects of financial expenses of MCh$ 15,601 - interest in external loans, bonds and derivatives - administrative expenses of MCh$ 8,382, results from adjustment units of MCh$ 5,891, other losses of MCh$ 9,988 - net present value swap- other expenses by function of MCh$ 250 and depreciation and amortization of MCh$ 134. The above is offset by the positive effects of exchange differences of MCh$ 15,652, financial revenue of MCh$ 1,801, revenue from financial investments and other, profit by function of MCh$ 599. Supplementing the above, profit from exchange differences was due to a 1.85% revaluation of the Chilean peso against the dollar (614.75 December 2017 to 603.39 March 2018), which increases profits in 2017 results, mainly from US dollar-denominated liabilities.

Compared to the same period of the previous year, the other results other than gross profit increase by MCh$ 432 in losses. This is due to the positive effects of exchange differences that increase earnings by MCh$ 10,137, administrative expenses that decrease by MCh$ 2,106 and other income by function that increased by MCh$ 277. The above is offset by the negative effects (increases in expenses) of other losses of MCh$ 8,759, financial costs of MCh$ 2,305, results from indexation units that increase losses by MCh$ 1,168, other expenses by function of MCh$ 64 and financial revenue that decreases in MCh$ 656.

VALUATION OF MAIN ASSETS

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

INTERIM STATEMENT OF CASH FLOWS

Cash flows from operating activities.

As of March 31, 2018, the total net cash flow provided by operating activities was positive MCh$28,341, while at the same date of the previous year it was also positive MCh$ 13,030. Positive cash flows include collections from sales of goods and services of MCh$ 83,532, which increased in MCh$ 12,990 compared to March 2017, an item which is the Company's main operating revenue, transporting passengers, sales channel and non-tariff revenue (leases) and, to a lesser extent, other charges for operating activities amount to MCh$ 4,638, which principally includes interest on financial investments under 90 days and other operating charges.

The negative operational flows are constituted by payments to suppliers for the supply of goods and services MCh$ 33,246, payments to and on behalf of employees of MCh$ 25,248 and other payments for operating activities of MCh$ 1,335, payments of contract guarantees, tax payments and other operating payments.

Compared to the same period of the previous year, operating cash flows are of the same nature, reflecting an increase in net cash flow of MCh$ 15,310, due to higher positive cash flows of MCh$ 18,459 and higher negative flows of MCh$ 3,149.

Cash flow from financing activities.

The net cash flow as of March 31, 2018 was positive and amounted to MCh$ 48,219, while at the same date of the previous year it was also positive of MCh$ 370,419. As of March 2018, there was cash inflows from Loans from related entities of MCh$ 63,516 from contributions received from the Chilean Treasury for expansion and improvement projects of the Metro network and to service debt, long-term loans of MCh$ 17,626 and Other cash receipts of MCh$ 4,865 from derivative Cross Currency Swaps.

Moreover, cash outflows include the Payment of loans or External loans and bonds of MCh$ 11,733, Interest paid of MCh$ 25,447 or External loans and Bonds, and Other cash outflows of MCh$ 608.

Compared to the same period of the previous year, positive net cash flows fell by MCh$ 322,200, due to a drop of MCh$ 340,544 in cash inflows which was offset by an increase of MCh$ 18,344 in cash revenues. The drop in cash inflows is composed as follows: a decrease of MCh$ 327,565 in long-term borrowings, a decrease of MCh$ 5,717 in other cash receipts and a decrease of MCh$ 7,262 in payment of interest. On the other hand, the increase of MCh$ 18,344 in cash revenues is composed as follows: an increase of MCh$ 3,516 in loans from related entities, a decrease of MCh$ 6,103 in payment of loans and a decrease of MCh$ 8,725 in other cash outflows.

Net cash generated from investment activities.

As of March 31, 2018, investing activities recorded negative net cash flows of MCh$ 3,550, while at the same date last year net investing activities were also negative of MCh$ 151,816. Positive cash flows include: Other receipts of equity or debt instruments from other entities in MCh$ 129,973 relating to the redemption of term deposit investments for periods greater than 90 days. Negative cash flows include: Purchase of property, plant and equipment of MCh$ 85,889, mainly associated with Line 3 projects and the extension of Line 2 and 3 and interest paid for MCh$ 11,387 (Financing Cost of International Bond and external loans), and Other payments related to the acquisition of debt instruments from other entities for MCh$ 36,247.

Compared to the same period of the previous year, negative net cash flows fell by MCh$ 148,265, which is composed as follows: an increase of MCh$ 69,169 in cash inflows from debt securities from other entities (redemption of investments greater than 90 days), a decrease of MCh$ 27,644 in cash outflows to acquire Property, plant and equipment, a decrease of MCh$ 54,324 in payments for purchase of debt instruments from other entities (investments greater than 90 days) and a decrease of MCh$ 4 in purchases of intangible assets. The above was offset by an increase of MCh$ 2,876 in payment of interest.

Increase (decrease) in cash and cash equivalents.

At the beginning of the year 2018, an opening balance of cash and cash equivalents (financial investments not exceeding 90 days) amounted to MCh$ 152,240. The closing balance of cash and cash equivalents as of march 31, 2018 amounted to MCh$ 224,381. Consequently, the net variation in cash and cash equivalents for the year was a favorable variation of MCh$ 72,141.

In comparison with 2017, the opening balance of cash and cash equivalents amounted to MCh$ 118,299. The closing balance for cash and cash equivalent amounted to MCh$ 353,101; accordingly, the net change for the period was positive to MCh$ 234,802. The effects of the variation in exchange rates on cash and cash equivalents had a negative effect of MCh$ 868 as of March 31, 2018 as result of a decrease in the exchange rate, (1.85%) mainly U.S. dollars. A positive effect of MCh$ 3,169 was recognized at the same date in the prior year.

MARKET RISK ANALYSIS

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

Pricing structure.

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

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

Passenger demand

The demand for passenger transport is driven by economic activities. During the period between January to March 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).

Interest rate and currency exchange rate risk.

In order to reduce the exposure to changes in exchange and interest rates of financial debt, the Company has a Financial Risk Coverage Policy. Within the framework of this policy, the Company undertook Cross Currency Swap (CCS) derivative transactions which amounted to MUS$ 40 from January through March 2018, amounting to MUS$ 300 as of March 31, 2018 (MUS$ 260 as of December 31, 2017), additionally in January 2017 Metro S.A. placed, for the second time, bonds in the international financial market for MUS$ 500 to 30 years at a rate of 5.151%, highlighting the high degree of participation of investors foreigners, which reached an over-demand of 8 times the amount of the placement. These actions allowed reducing the level of exposure of the aforementioned variables.

Along with the above, it is necessary to point out that the indexing polynomial through which the technical tariff of Metro S.A. is updated. it includes the dollar and euro variables, in addition to other variables, which constitutes a "natural hedge" in the long-term cash flow.

Liquidity risk and financial liabilities structure

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

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

Credit risk

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

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

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

Electricity Supply Risk

One of the main risk factors is the supply of electrical energy required to operate the Metro and the need for service continuity, to avoid possible interruptions in supply. In this regard, the Company has a feeding system that allows it to reduce exposure to outages, having a direct connection to two points of the National Electrical Coordinator, which feeds Lines 1, 2, 5 and 6, as well as two points for the feeding of Line 4. Additionally, please note the following:

- ✓ The electricity feeding systems are duplicated and in the event of failure of one of them there is always a backup that keeps the power supply for the regular operation of the network.

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

- ✓ For Lines 1, 2, 5 and 6, in the event of a crash in the National Electrical Coordinator, the distributing company has defined as a first priority the replenishment of the supply that feeds the center of Santiago, which allows the Metro network to have energy simultaneously, since Metro is supplied by the same feeder.

Currently, electricity supply is provided by three Companies: San Juan, Total Sunpower El Pelicano and Enel. The first two, correspond to wind-power generation plants and a photovoltaic-power plant, respectively, the contracts of which were entered into on May 19, 2016, consider a term of 15 years and supply 60% of the of the energy needed by Metro. The last company (Enel) is a Power distribution Company, with which the Company entered into a contract in September 2015 for 40% of the time-variant electricity, which expires in 2023.

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

CONCEPT		Marzo 2018 MCh$	December 2017 MCh$	VARIANCES MCh$	VARIANCES %
Assets :					
Current assets		302.689	327,215	(24.526)	(7,5)
Property, plant and equipment and investment property		4.501.974	4,446,381	55.593	1,3
Non-current assets		47.609	40,163	7.446	18,5
Total assets		4.852.272	4,813,759	38.513	0.8
Liabilities / Total debt :					
Current liabilities		245.703	259,651	(13.948)	(5.4)
Non-current liabilities		2.015.226	1,953,499	61.727	3.2
Total liabilities / total debt		2.260.929	2,213,150	47,779	2.2
Net Equity:					
Share capital		3.082.362	3,082,362	-	-
Other reserves		33.379	33,379	-	-
Retained earnings (losses)		(524.387)	(515,121)	(9,266)	(1.8)
Non-controlling interests		(11)	(11)	-	-
Total net equity		2.591.343	2,600,609	(9,266)	(0.4)
Net equity and liabilities, total		4.852.272	4,813,759	38,513	0.8
Liquidity and indebtedness indicators :					
Liquidity index :					
Net working capital (Current assets (-) Current liabilities)	MCh$	56,986	67,564	(10,578)	(15.7)
Current liquidity (Current assets / Current liabilities)	times	1.23	1.26		(2.4)
Acid test (Cash and cash equivalents / Current liabilities)	times	0.91	0.59		54.2
Indebtedness ratio :					
Indebtedness ratio: (Total debt / Equity)	times	0.87	0.85		2.4
%		87.25	85.10		2.5
Short-term debt ratio: (Current liabilities / Total debt)	%	10.87	11.73		(7.3)
Long-term debt ratio: (Non-current liabilities / Total debt)	%	89.13	88.27		1.0

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

CONCEPT		March 2018 MCh$	March 2017 MCh$	VARIANCES MCh$	VARIANCES %
Total passenger flow (million of trips)		159.07	151.23	7.8	5.18
Total passenger flow, paid (million of trips)		158.23	151.12	7.1	4.71
Revenue					
Passenger transport service revenue		69,460	59,588	9,872	16.6
Sales channel revenue		11,712	9,235	2,477	26.8
Revenue from operating leases		4,214	4,193	21	0.5
Other income		1,715	1,725	(10)	(0.6)
Total revenue		87,101	74,741	12,360	16.5
Cost of sales					
Personnel		(16,501)	(12,684)	(3,817)	(30.1)
Maintenance and operating expenses		(16,370)	(11,737)	(4,633)	(39.5)
Electricity		(8,799)	(9,938)	1,139	11.5
General		(10,566)	(9,414)	(1,152)	(12.2)
Depreciation and amortization		(21,808)	(18,209)	(3,599)	(19.8)
Total cost of sales		(74,044)	(61,982)	(12,062)	(19,5)
Gross profit		13,057	12,759	298	2.3
Other income, by function		599	322	277	86.0
Administrative expenses		(8,382)	(10,488)	2,106	20.1
Administrative depreciation and amortization		(134)	(134)	0	0.0
Other expenses by function		(250)	(186)	(64)	(34.4)
Other profit (loss)		(9,988)	(1,229)	(8,759)	(712.7)
Finance income		1,801	2,457	(656)	(26.7)
Finance expenses		(15,601)	(13,296)	(2,305)	(17.3)
Foreign currency translation differences		15,652	5,515	10,137	183.8
Income (expense) from inflation-adjusted units		(5,891)	(4,723)	(1,168)	(24.7)
Profit or loss other than gross profit		(22,194)	(21,762)	(432)	(2.0)
Profit (loss) before tax		(9,137)	(9,003)	(134)	(1.5)
Income tax expense					
Profit (loss)		(9,137)	(9,003)	(134)	(1.5)
Other comprehensive income (loss)					
Actuarial gains (losses) for defined benefit plans Total		(129)	(198)	69	34.8
comprehensive income		(9,266)	(9,201)	(65)	(0.7)
Indebtedness ratio:					
Finance expense hedge:					
(Profit or loss before taxes and interests/Finance expenses)	%	36.02	30.90		16.6
Profit or loss ratios:					
R.A.I.I.D.A.I.E - EBITDA					
(Earnings before taxes, interest, depreciation , amortization and extraordinary items)		27,561	22,450	5,111	22.8
Operating profit (*)					
(Gross profit less Administrative expenses, depreciation and amortization) E.B.I.T.D.A.		4,541	2,137	2,404	112.5
(Operating profit plus Depreciation and amortization) (*)		26,483	20,480	6,003	29.3
Ebitda margin. (Ebitda / Revenue) (*)	%	30.40	27,40		11.0
(*) Per contracts entered into					
Profitability ratio:					
Operating profitability (Operating profit / Property, plantand equipment)	%	0.10	0,05		100.0
Equity profitability (Profit (loss) /Average equity)	%	(0.35)	(0.40)		12.5
Asset profitability (Profit (loss)/Average asset)	%	(0.19)	(0.20)		5.0
Operating assets return (Operating profit/Average operatingassets) (**)	%	0.10	0.05		100.0
Profit (loss) per share (Profit (Loss)/No. of shares)	Ch$	(0.11)	(0.12)		8.3
2017 - 85.906.062.209 shares					
2016 - 74.621.271.310 shares					

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