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

Interim Consolidated Financial Statements
for the periods ended March 31, 2016, 2015 and
December 31, 2015

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

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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

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

Interim Consolidated Financial Statements

for the periods ended March 31, 2016, 2015 and December 31, 2015

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the periods ended

March 31, 2016, 2015 and December 31, 2015

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Interim Consolidated Classified Statements of Financial Position

for the periods ended March 31, 2016 and December 31, 2015

(in thousands of Chilean pesos)

ASSETS	NOTE	3-31-2016	12-31-2015
CURRENT ASSETS			
Cash and cash equivalents	4	150,911,388	152,905,969
Other current financial assets	10	26,857,519	25,434,334
Other current non-financial assets	11	2,970,864	4,215,891
Trade and other receivables, current	5	10,245,477	9,517,191
Inventories	6	12,347,203	12,163,510
Current tax assets		1,106,402	941,476
Total current assets		204,438,853	205,178,371
NON-CURRENT ASSETS			
Other non-current financial assets	10	12,131,815	16,968,475
Other non-current non-financial assets	11	22,160,637	28,095,756
Trade receivables, non-current		747,097	782,202
Intangible assets other than goodw ill	7	5,941,735	5,964,885
Property, plant and equipment	8	3,604,249,683	3,510,066,347
Investment property	9	15,524,850	14,362,284
Total non-current assets		3,660,755,817	3,576,239,949
TOTAL ASSETS		3,865,194,670	3,781,418,320

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

Interim Consolidated Classified Statements of Financial Position

for the periods ended March 31, 2016 and December 31, 2015

(in thousands of Chilean pesos)

LIABILITIES AND EQUITY	NOTE	3-31-2016	12-31-2015
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	12	112,330,190	124,609,083
Trade and other payables	15	69,914,110	72,117,665
Other short-term provisions	19	1,887,278	2,168,773
Provisions for employee benefits, current	17	5,794,511	10,493,525
Other current non-financial liabilities	13	38,364,638	37,453,584
Total current liabilities		228,290,727	246,842,630
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	12	1,536,727,402	1,540,921,873
Accounts payable due to related entities, non-current	14	139,737,277	49,737,277
Provisions for employee benefits, non-current	17	13,905,929	13,663,705
Other non current non-financial liabilities	13	3,452,090	3,484,945
Total non-current liabilities		1,693,822,698	1,607,807,800
Total liabilities		1,922,113,425	1,854,650,430
EQUITY			
Share capital	20	2,392,831,968	2,392,831,968
Retained earnings (accumulated deficit)	20	(483,119,039)	(499,432,394)
Other reserves	20	33,378,961	33,378,961
Equity attributable to owners of the Parent		1,943,091,890	1,926,778,535
Non-controlling interests	20	(10,645)	(10,645)
Total equity		1,943,081,245	1,926,767,890
Total liabilities and equity		3,865,194,670	3,781,418,320

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

Interim Consolidated Classified Statements of Financial Position

for the periods ended March 31, 2016 and 2015

(in thousands of Chilean pesos)

STATEMENT OF INCOME	NOTE	ACCUMULATED	
		1-1-2016	1-1-2015
PROFIT (LOSS)		3-31-2016	3-31-2015
Revenue	21	70,215,281	65,847,215
Cost of sales	21	(64,399,047)	(68,320,674)
Gross profit		5,816,234	(2,473,459)
Other income, by function	21	253,731	1,255,692
Administrative expenses	21	(6,472,395)	(4,629,398)
Other expenses, by function	21	(66,334)	(39,746)
Other profit (loss)	21	(3,359,705)	1,645,327
Finance income	21	1,495,610	2,298,215
Finance costs	21	(13,145,146)	(12,386,558)
Foreign currency translation difference	21	38,506,652	(15,286,190)
Profit (loss) on index-adjusted units	21	(6,532,503)	(365,669)
Profit (loss) before tax		16,496,144	(29,981,786)
Profit (loss) from continuing operations		16,496,144	(29,981,786)
Profit (loss)		16,496,144	(29,981,786)
PROFIT (LOSS) ATTRIBUTABLE TO:			
Owners of the Parent		16,496,144	(29,981,786)
Non-controlling interests			
Profit (loss)		16,496,144	(29,981,786)
STATEMENT OF COMPREHENSIVE INCOME			
Profit (loss)		16,496,144	(29,981,786)
Other comprehensive income	21	(182,789)	(233,578)
Total comprehensive income		16,313,355	(30,215,364)
Comprehensive income attributable to:			
Owners of the Parent		16,313,355	(30,215,364)
Non-controlling interests		-	-
Total comprehensive income		16,313,355	(30,215,364)

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

Interim Consolidated Classified Statements of Financial Position

for the periods ended March 31, 2016 and 2015

(in thousands of Chilean pesos)

Concept	Share capital	Other reserves				Retained earnings (accumulated deficit)	Equity attributable to owners of the Parent	Non-controlling interests	Total net equity
		Other miscellaneous reserves	Revaluation surplus	Reserve for gain (loss) on defined benefit plans	Total other reserves				
Opening balance as of January 1, 2016	2,392,831,968	30,336,377	3,042,584	-	33,378,961	(499,432,394)	1,926,778,535	(10,645)	1,926,767,890
Profit (loss)	-	-	-	-	-	16,496,144	16,496,144	-	16,496,144
Other comprehensive income	-	-	-	(182,789)	(182,789)	-	(182,789)	-	(182,789)
Comprehensive income	-	-	-	-	-	-	16,313,355	-	16,313,355
Increase (decrease) on transfers and other changes	-	-	-	182,789	182,789	(182,789)	-	-	-
Closing balance as of March 31, 2016	2,392,831,968	30,336,377	3,042,584	-	33,378,961	(483,119,039)	1,943,091,890	(10,645)	1,943,081,245

Concept	Share capital	Other miscellaneous reserves	Revaluation surplus	Reserve for gain (loss) on defined benefit plans	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to owners of the Parent	Non-controlling interests	Total net equity
Opening balance as of January 1, 2015	2,207,691,640	30,336,377	3,042,584	-	33,378,961	(344,193,583)	1,896,877,018	(10,645)	1,896,866,373
Profit (loss)	-	-	-	-	-	(29,981,786)	(29,981,786)	-	(29,981,786)
Other comprehensive income	-	-	-	(233,578)	(233,578)		(233,578)	-	(233,578)
Comprehensive income	-	-	-	-	-	-	(30,215,364)	-	(30,215,364)
Increase (decrease) on transfers and other changes	-	-	-	233,578	233,578	(233,578)	-	-	-
Closing balance as of March 31, 2015	2,207,691,640	30,336,377	3,042,584	-	33,378,961	(374,408,947)	1,866,661,654	(10,645)	1,866,651,009

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

Interim Consolidated Classified Statements of Financial Position

for the periods ended March 31, 2016 and 2015

(in thousands of Chilean pesos)

Statement of Cash Flow - Direct Method	1-1-2016 3-31-2016	1-1-2015 3-31-2015
Statement of cash flows		
Cash flows from (used in) operating activities		
Receipts from sales of goods and the rendering of services	67,080,060	60,045,207
Other receipts from operating activities	1,139,184	4,149,756
Payment to suppliers for goods and services	(34,040,350)	(33,721,052)
Payments to and on behalf of employees	(19,650,877)	(19,980,418)
Other payments for operating activities	(1,167,202)	(1,280,535)
Net cash flows generated from operating activities	**13,360,815**	**9,212,958**
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	(106,203,275)	(86,471,842)
Acquisition of intangible assets	(109,822)	(210,653)
Other receipts (payments) made for the sale of other entities' equity or debt securities	(3,696,496)	37,152,154
Interest paid	(8,424,481)	(7,445,269)
Net cash flows used in investing activities	**(118,434,074)**	**(56,975,610)**
Cash flows from (used in) financing activities		
Loans from related entities	90,000,000	40,303,000
Proceeds from long-term borrowings	51,376,389	-
Loan payments	(8,258,596)	(7,671,983)
Interest paid	(16,760,366)	(16,312,209)
Other cash inflows (outflows)	(8,264,089)	(4,347,807)
Net cash flows from financing activities	108,093,338	11,971,001
Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rate	3,020,079	(35,791,651)
Effects of changes in exchange rate on cash and cash equivalents	(5,014,660)	2,052,749
Net increase (decrease) in cash and cash equivalents	(1,994,581)	(33,738,902)
Cash and cash equivalents at the beginning of period	152,905,969	222,297,210
Cash and cash equivalents at the end of period	**150,911,388**	**188,558,308**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2016, 2015 AND DECEMBER 31, 2015

(In thousands of Chilean pesos)

1. General information

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

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

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

The purpose of the Company is to carry out all activities related to providing passenger transportation services on subways or other complementary electric modes of transportation and all associated services.

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

2. Summary of significant accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements, as required by IAS 1, have been designed in accordance with International Financial Reporting Standards (hereinafter "IFRS") in effect as of March 31, 2016 and have been applied on a consistent basis to all the periods presented in the financial statements.

2.1. Basis of preparation

The consolidated financial statements comprise the statements of financial position as of March 31, 2016 and December 31, 2015, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods ended March 31, 2016 and 2015, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (hereinafter the "IASB") and specific instructions issued by the SVS. Through Ordinary Official Letter No. 6158 dated March 5, 2012, the Company was authorized by the SVS to exceptionally apply Public Sector International Public Sector Accounting Standard (hereinafter "IPSAS") 21, instead of IAS 36. Note 2.8 provides more details regarding this exception.

In addition, on October 17, 2014 the SVS issued Circular No. 856, which established an exception, mandatory and for one time only, to the preparation and presentation framework for financial reporting which such regulatory agency has defined as International Financial Reporting Standards. Such Circular provides instructions for entities to: "account for differences in deferred tax assets and liabilities arising as a direct effect of the increase in the corporate income tax rate introduced by Law No. 20,780 against equity for the respective years."

2.1. Basis of preparation, continued

These Consolidated Financial Statements were approved by the Board on May 09, 2016, authorizing their publication by management.

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

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

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

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

2.2. Basis of consolidation

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

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

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

RUT	Nombre Sociedad	Ownership interest		
		3-31-2016 - 12-31-2015		
		Direct	Indirect	Total
96.850.680-3	Transub S.A.	66.66	-	66.66

Participation in this subsidiary is not subject to joint control.

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

2.3. Foreign currency transactions

2.3.1. Functional and presentation currency

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

2.3.2. Transactions and balances in foreign currency and adjustment units

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

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

2.3.3. Foreign currency translations

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

Date	US$	EUR	UF
3-31-2016	669.80	762.26	25,812.05
12-31-2015	710.16	774.61	25,629.09
3-31-2015	626.58	672.73	24,622.78
12-31-2014	606.75	738.05	24,627.10

US$ = US dollar

EUR = Euro

UF = Unidades de Fomento (index-adjusted units)

2.4. Property, plant and equipment

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

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

2.4. Property, plant and equipment, continued

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 travelled.

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 comprehensive income statement.

2.4. Property, plant and equipment, continued

At least once a year the Company evaluates the existence of possible impairment of property, plant and equipment, in accordance with Public Sector IAS 21, as described in Note 2.8. The effects of the impairment analysis are recognized directly in profit or loss.

2.5. Investment property

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

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

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

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

Investment property	**Useful life**
Commercial premises	57 years on average
Other buildings	88 years on average

2.6. Intangible assets other than goodwill

2.6.1. Easements

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

2.6.2. Software

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

Expenses related to internal development that do not qualify for capitalization, or to information program maintenance, are recognized as an expense as they are incurred.

2.7. Finance income and finance costs

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

Finance costs, both interest and expenses on bank loans, obligations with the public, bonds and other finance expenses are recognized in the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest rate 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 statement of comprehensive income.

2.8. Losses due to impairment of non-financial assets

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

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

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

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

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

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

2.9. Financial assets

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

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

2.9.1. Financial assets at fair value through profit or loss

They are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of selling it in the short-term. Derivatives are also classified as acquired for trading unless they have been designated as hedges. Assets in this category are classified as current assets.

2.9.2. Loans and accounts receivable

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

2.9.3. Financial assets held-to-maturity

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

2.9.4. Financial assets available-for-sale

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

2.9.5. Recognition and measurement of financial assets

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

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

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

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

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

2.9.5. Recognition and measurement of financial assets, continued

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

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

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

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

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

2.10. Inventories

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.

Inventory of in-house products are valued at their cost or net realizable value, whichever is lower.

The net realizable value is the estimated selling price in the normal course of business, less applicable cost of sales.

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

2.11. Trade and other receivables

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

Trade receivables are reduced through the allowance for doubtful accounts and the amount of losses is recognized with a charge to profit or loss.

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. Loans and other financial liabilities

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

In accordance with Law No. 20.899 issued on February 8, 2016, the tax system applicable to the Company starting from January 1, 2017 is the Partially-integrated system.

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. Metro S.A. applies a rate of 27%.

Deferred tax assets are reviewed at each date of the statement of financial position and are reduced to the extent that it is not probable that the related tax credits 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 payment provisions

The Company has created provisions for its obligations to pay severance indemnity payments to all workers 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 can be estimated reliably.

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

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

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

2.20. Revenue and expenses recognition

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

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

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

c) Income from sale of assets is recognized when the good has been delivered to the client and there is no pending obligation to be fulfilled that might affect its acceptance.

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

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

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

2.21. Lease agreements

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

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

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

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

2.22. New IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC).
The following standards and interpretations have been issued, but its effective date is not yet mandatory

New IFRSs	**Mandatory application date**
IFRS 9, Financial Instruments	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
IFRS 15, Revenue from Contracts with Customers	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
IFRS 16, Leases	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
Amendments to IFRSs	
IFRS 10: Consolidated Financial Statements , IFRS 12: Disclosure of Interests in Other Entities, and IAS 28: Investments in Associates and Joint Ventures. Investment Entities: Applying the Consolidation Exception.	Effective date deferred indefinitely.
IAS 12: Income taxes. Clarification for the recognition of deferred tax assets related to unrealized losses associated with debt securities measured at fair value.	Effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.
IAS 7: Statement of Cash Flows. Disclosure on changes in liabilities arising from financing activities.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. Entities are not required to present comparative information for prior periods.

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

3. Management estimates and accounting criteria

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

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

3.1. Severance indemnity payments

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

The Company determines the discount rate at the end of each year considering the market conditions as of the valuation date. This interest rate is used to determine the present value of estimated future cash outflows foreseen 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 in the opinion of the Company's management and legal counsel a favorable outcome for the Company will be obtained or when the outcome is uncertain, no provisions have been made in this respect. On the contrary, 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

3.4. Measurements and/or valuations at fair value, continued

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) el 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 market approach.

3.4. Measurements and/or valuations at fair value, continued

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 for assets or liabilities is for a concrete asset or liability (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 following elements, for example:

a. the condition and location of the asset or liability; and

b. restrictions, should there be any, for recognition of the asset or payment of the liability.

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, 2016:

Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss	3-31-2016		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross currency swap	-	9,951,096	-
Financial liabilities			
Cross currency swap	-	296,649	-

Financial assets and financial liabilities at fair value classified by hierarchy through profit or loss	12-31-2015		
	Level 1 ThCh$	Level 2 ThCh$	Level 3 ThCh$
Financial assets			
Cross currency swap	-	15,293,184	-
Financial liabilities			
Cross currency swap	-	503,593	-

4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

Concept	Currency	Balance as of 3-31-2016 ThCh$	Balance as of 31-12-2015 ThCh$
Cash			
On hand	Ch$	50,920	114,338
	US$	3,236	3,431
	EUR	602	612
In banks	Ch$	2,290,558	1,950,018
	US$	29,434	34,859
Total disponible		**2,374,750**	**2,103,258**
Term deposits	Ch$	73,482,653	81,598,860
	US$	68,153,378	67,703,701
Total term deposits		**141,636,031**	**149,302,561**
Reverse repurchase agreements	Ch$	6,900,607	1,500,150
Total reverse repurchase agreements		**6,900,607**	**1,500,150**
Total cash and cash equivalents		**150,911,388**	**152,905,969**
Subtotal by currency	Ch$	82,724,738	85,163,366
	US$	68,186,048	67,741,991
	EUR	602	612

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 2016 and 2015 is as follows:

Term deposits

Type of investment	Currency	Capital in currency of origin ThCh$ - ThUS$	Average annual rate	Average maturity days	Capital in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amounts at 3-31-2016 ThCh$
Term deposits	Ch$	73,398,432	3.76%	20	73,398,432	84,221	73,482,653
Term deposits	US$	101,721.13	0.48%	40	68,132,815	20,563	68,153,378
Total					**141,531,247**	**104,784**	**141,636,031**

Type of investment	Currency	Capital in currency of origin ThCh$ - ThUS$	Average annual rate	Average maturity days	Capital in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amounts at 12-31-2015 ThCh$
Term deposits	Ch$	81,535,147	4.04%	15	81,535,147	63,713	81,598,860
Term deposits	US$	95,304.51	0.36%	22	67,681,452	22,249	67,703,701
Total					**149,216,599**	**85,962**	**149,302,561**

Repurchase agreements

Code	Date		Counterparty	Currency of origin	Subscription value ThCh$	Annual rate %	Final value ThCh$	Instrument identification	Carrying 3-31-2016 ThCh$
	Beginning	End							
CRV	3-29-2016	4-1-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	1,460,000	3.48	1,460,423	PAGARE NR/BONO	1,460,283
CRV	3-31-2016	4-1-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	1,000,000	3.48	1,000,097	PAGARE NR	1,000,000
CRV	3-30-2016	4-1-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	500,000	3.48	500,097	PAGARE NR	500,048
CRV	3-31-2016	4-4-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	403,672	3.48	403,828	PAGARE NR	403,672
CRV	3-29-2016	4-4-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	1,000,000	3.48	1,000,580	PAGARE NR/BONO	1,000,193
CRV	3-31-2016	4-5-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	676,328	3.48	676,655	PAGARE NR	676,328
CRV	3-31-2016	4-5-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	1,000,000	3.48	1,000,483	PAGARE NR	1,000,000
CRV	3-30-2016	4-5-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	860,000	3.48	860,499	PAGARE NR	860,083
Total					**6,900,000**		**6,902,662**		**6,900,607**

Code	Date		Counterparty	Currency of origin	Subscription value ThCh$	Annual rate %	Final value ThCh$	Instrument identification	Carrying 12-31-2015 ThCh$
	Beginning	End							
CRV	12-30-2015	1-4-2016	BCI CORREDOR DE BOLSA S.A.	Ch$	1,500,000	3.6	1,500,750	PAGARE NR	1,500,150
Total					**1,500,000**		**1,500,750**		**1,500,150**

5. Trade and other receivables, current

As of March 31, 2016 and December 31, 2015, this caption comprises the following:

Trade and other receivables, gross	Balance at	
	3-31-2016 Current ThCh$	12-31-2015 Current ThCh$
Trade and other receivables, gross	**11,314,192**	**10,603,765**
Trade receivables, gross	4,821,106	4,960,472
Sales channel accounts receivable, gross	4,747,980	3,789,025
Other accounts receivable, gross	1,745,106	1,854,268

Trade and other receivables, net	Balance at	
	3-31-2016 Current ThCh$	12-31-2015 Current ThCh$
Trade and other receivables, net	**10,245,477**	**9,517,191**
Trade receivables, net	3,752,391	3,873,898
Sales channel accounts receivable, net	4,747,980	3,789,025
Other accounts receivable, net	1,745,106	1,854,268

Clients individually have no significant balances in relation to the Company's total sales.

As of March 31, 2016 and December 31, 2015, the analysis of net trade and other accounts receivable by maturity and expiration date are detailed below:

Trade receivables, net	Balance at	
	3-31-2016 Current ThCh$	12-31-2015 Current ThCh$
Maturity up to 3 months	2,289,476	2,744,932
Maturity from 3 months to 1 year	820,916	701,029
Maturity of more than 1 year	641,999	427,937
Total	**3,752,391**	**3,873,898**

Sales channel accounts receivable, net	Balance at	
	3-31-2016 Current ThCh$	12-31-2015 Current ThCh$
Maturity up to 3 months	4,569,527	3,553,919
Maturity from 3 months to 1 year	68,389	126,708
Maturity of more than 1 year	110,064	108,398
Total	**4,747,980**	**3,789,025**

Other accounts receivable, net	Balance at	
	3-31-2016 Current ThCh$	12-31-2015 Current ThCh$
Maturity up to 3 months	488,259	479,597
Maturity from 3 months to 1 year	1,256,847	1,374,671
Total	**1,745,106**	**1,854,268**

Movements in the allowance for impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2015	**1,086,574**
Increase (decrease) for the year	(17,859)
Balance as of March 31, 2016	**1,068,715**

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

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

6. Inventories

This caption comprises the following:

Inventory types	3-31-2016 ThCh$	12-31-2015 ThCh$
Inventories and stock	2,015,293	1,835,973
Spare parts and maintenance accessories	10,085,322	10,162,352
Imports in transit and others	246,588	165,185
Total	**12,347,203**	**12,163,510**

As of March 31, 2016 and 2015, inventory consumption was charged to the Statement of Comprehensive Income in the cost of sales line item, in the amount of ThCh$2,018,069 and ThCh$3,747,156, respectively.

As of March 31, 2016, there were no inventories written-off compared to the same period of prior year inventories written-off amounted to ThCh$22,651. Based on the analysis performed by management there is no objective evidence of impairment of spare parts, maintenance accessories and supplies inventory.

There are no inventory items pledged or subject to any lien during the periods.

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, in accordance with what is described in Note 2.8.

The items within the 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 as of December 31, 2016 and 2015, are as follows:

Concept	3-31-2016			12-31-2015		
	Gross intangible ThCh$	Accumulated amortization ThCh$	Net intangible ThCh$	Gross intangible ThCh$	Accumulated amortization ThCh$	net intangible ThCh$
Licenses and software	5,578,686	(3,505,325)	2,073,361	5,578,686	(3,379,087)	2,199,599
Easements	3,868,374	-	3,868,374	3,765,286	-	3,765,286
Totales	**9,447,060**	**(3,505,325)**	**5,941,735**	**9,343,972**	**(3,379,087)**	**5,964,885**

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

Movements	Licenses and Software ThCh$	Easements ThCh$	Totales intangible assets, net ThCh$
Opening balance as of 1-1-2016	2,199,599	3,765,286	5,964,885
Additions	-	103,088	103,088
Amortization	(126,238)	-	(126,238)
Closing balance as of 3-31-2016	2,073,361	3,868,374	5,941,735
Average remaining useful life	1 year	Perpetual	

c) Movements of intangible assets other than goodwill for 2015 are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Totales intangible assets, net ThCh$
Opening balance as of 1-1-2015	2,122,006	2,821,756	4,943,762
Additions	621,535	943,530	1,565,065
Amortization	(543,942)	-	(543,942)
Closing balance as of 12-31-2015	2,199,599	3,765,286	5,964,885
Average remaining useful life	2 years	Perpetual	

8. Property, plant and equipment

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

Property, plant and equipment, by type	3-31-2016 ThCh$	12-31-2015 ThCh$
Classes of property, plant and equipment, net		
Property, plant and equipment, net	**3,604,249,683**	**3,510,066,347**
Work in progress, net	1,032,584,467	930,401,620
Land, net	118,707,425	113,219,655
Civil works, net	1,402,615,135	1,405,884,367
Buildings, net	73,730,643	74,223,097
Rolling stock, net	701,265,102	705,045,477
Electrical equipment, net	233,339,352	238,339,446
Machinery and equipment, net	25,216,987	25,749,890
Other, net	16,790,572	17,202,795
Classes of property, plant and equipment, gross		
Property, plant and equipment, gross	**4,092,214,941**	**3,980,811,396**
Work in progress, gross	1,032,584,467	930,401,620
Land, gross	118,707,425	113,219,655
Civil works, gross	1,529,916,925	1,528,604,270
Buildings, gross	87,140,153	87,140,153
Rolling stock, gross	888,803,169	886,055,041
Electrical equipment, gross	379,294,175	379,242,565
Machinery and equipment, gross	38,978,055	38,945,297
Other, gross	16,790,572	17,202,795
Classes of accumulated depreciation and impairment of property, plant and equipment		
Accumulated depreciation and impairment of property, plant and equipment	**487,965,258**	**470,745,049**
Accumulated depreciation of civil works	127,301,790	122,719,903
Accumulated depreciation of buildings	13,409,510	12,917,056
Accumulated depreciation of rolling stock	187,538,067	181,009,564
Accumulated depreciation of electrical equipment	145,954,823	140,903,119
Accumulated depreciation of machinery and equipment	13,761,068	13,195,407

b) The detail of movements in property, plant and equipment for the periods 2015 and 2014, is as follows:

2016 movements		Work in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
Opening balance as of January 1, 2016		930,401,620	113,219,655	1,405,884,367	74,223,097	705,045,477	238,339,446	25,749,890	17,202,795	3,510,066,347
Movements	Additions	104,814,331	5,487,770	-	-	3,410,079	-	29,297	(412,223)	113,329,254
	Transfers	(2,631,484)	-	1,312,655	-	-	51,610	40,763	-	(1,226,456)
	Derecognition or sales	-	-	-	-	(45,855)	-	(4,655)	-	(50,510)
	Depreciation expense	-	-	(4,581,887)	(492,454)	(7,144,599)	(5,051,704)	(598,308)	-	(17,868,952)
	Total movements	102,182,847	5,487,770	(3,269,232)	(492,454)	(3,780,375)	(5,000,094)	(532,903)	(412,223)	94,183,336
Closing balance as of March 31, 2016		1,032,584,467	118,707,425	1,402,615,135	73,730,643	701,265,102	233,339,352	25,216,987	16,790,572	3,604,249,683

2015 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, 2015		499,973,601	102,758,816	1,423,522,329	73,400,991	708,194,331	255,131,761	16,135,279	21,675,763	3,100,792,871
Movements	Additions	468,988,285	10,484,215	259,950	474,478	9,547,040	62,631	675,626	(4,472,968)	486,019,257
	Transfers	(38,560,266)	-	380,828	2,290,009	18,810,649	3,808,433	11,278,093	-	(1,992,254)
	Derecognition or sales	-	(23,376)	-	-	(592,626)	(15,291)	(65,068)	-	(696,361)
	Depreciation expense	-	-	(18,278,740)	(1,942,381)	(30,913,917)	(20,648,088)	(2,274,040)	-	(74,057,166)
	Total movements	430,428,019	10,460,839	(17,637,962)	822,106	(3,148,854)	(16,792,315)	9,614,611	(4,472,968)	409,273,476
Closing balance as of December 31, 2015		930,401,620	113,219,655	1,405,884,367	74,223,097	705,045,477	238,339,446	25,749,890	17,202,795	3,510,066,347

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

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

d) Impairment

As of March 31, 2016, 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, 2016, the estimated balances necessary to carry out the authorized projects that form part of the Company's expansion plan amount to, approximately, MCh$567,961 and comprised: MCh$133,860 for civil works, MCh$244,641 for systems and equipment, and MCh$189,460 for rolling stock, up to 2018.

f) Spare parts and accessories

As of March 31, 2016, spare parts and accessories and maintenance materials amounted to ThCh$18,894,591 (ThCh$19,397,362 as of December 31, 2015). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$2,713,990 as of March 31, 2016 and December 31, 2015.

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$27,060,425 as of March 31, 2016 (ThCh$22,439,895 as of December 31, 2015).

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. There are useful life revaluations for rolling stock, NS74 technology.

h) Financing costs

During 2016, costs of capitalized interests of property, plant and equipment amounted to ThCh$4,194,275, whereas as of December 31, 2015, these amounted to ThCh$16,320,583.

9. Investment property

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

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

As of December 31, 2015, total investment property amounts to ThCh$15,524,850 as of March 31, 2016 and December 31, 2015 amounts to ThCh$14,362,284.

Investment property	Commercial stores	Land	Buildings	Total
Balance as of 1-1-2016	5,034,176	607,816	8,720,292	14,362,284
Additions	1,226,455	-	-	1,226,455
Closing balance	6,260,631	607,816	8,720,292	15,588,739
Depreciation for the period	(38,787)	-	(25,103)	(63,889)
Balance as of 3-31-2016	**6,221,844**	**607,816**	**8,695,189**	**15,524,850**

Investment property	Commercial stores	Land	Buildings	Total
Balance as of 1-1-2015	3,661,981	607,816	8,820,702	13,090,499
Additions	1,491,580	-	-	1,491,580
Closing balance	5,153,561	607,816	8,820,702	14,582,079
Depreciation for the period	(119,385)	-	(100,410)	(219,795)
Balance as of 12-31-2015	**5,034,176**	**607,816**	**8,720,292**	**14,362,284**

As established by IAS 40, the fair value of investment property measured at costs has to be disclosed. For this reason, we have realized this calculation by means of internal valuations based on discounted future cash flow projections. It is estimated that the fair value as of March 31, 2016, is ThCh$139,640,817 (ThCh$115,667,801 in 2015).

The fair value of investment property has been classified as a Level 2 fair value, based on the inputs for the valuation technique used (see Note 3.4).

Concept	3-31-2016 ThCh$	3-31-2015 ThCh$
Commercial stores	93,384,456	73,410,441
Land	36,736,802	33,528,598
Buildings	9,519,559	8,728,762
Total	**139,640,817**	**115,667,801**

Income and expenses from investment property as of March 2016 and 2015 is as follows:

Income and expenses from investment property	Accumulated	
	3-31-2016 ThCh$	3-31-2015 ThCh$
Commercial stores	1,509,838	1,167,694
Land	593,960	533,318
Buildings	153,912	138,843
Total amount due to rental income	**2,257,710**	**1,839,855**
Commercial stores	33,149	31,905
Land	9,647	9,285
Buildings	26,401	25,410
Total expenses due to leases	**69,197**	**66,600**

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

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

Lease contracts generally establish the obligation to maintain and repair properties, therefore expenses are attributed to the tenants, except for expenses involving payment of property taxes which the lesser is responsible for.

10. Other financial assets, current and non-current

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

Concept	3-31-2016		12-31-2015	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments over 3 months	26,649,226	-	24,654,136	-
Derivative transactions	123,887	9,827,209	735,755	14,557,429
Financial lease	84,406	1,869,477	44,443	1,982,126
Promissory notes receivables	-	429,967	-	424,179
Other accounts receivable	-	5,162	-	4,741
Total	**26,857,519**	**12,131,815**	**25,434,334**	**16,968,475**

Financial investments, over 3 months

Term deposits

Type of investment	Currency	Capital in currency of origin ThCh$ - ThUS$	Annual average rate	Average maturity dates	Capital in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amounts 3-31-2016 ThCh$
Term deposits	Ch$	1,251,518	4.21%	14	1,251,518	21,385	1,272,903
Term deposits	US$	37,860.84	0.71%	98	25,359,194	17,129	25,376,323
Total					26,610,712	38,514	26,649,226

Type of investment	Currency	Capital in currency of origin ThCh$ - ThUS$	Annual average rate	Average maturity dates	Capital in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amounts 12-31-2015 ThCh$
Term deposits	Ch$	6,700,532	3.99%	59	6,700,532	59,070	6,759,602
Term deposits	US$	25,170.50	0.92%	78	17,875,082	19,452	17,894,534
Total					24,575,614	78,522	24,654,136

Derivative transactions

Financial assets as of 03-31-2016

									Current			Non-current			
									Maturity		Total current	Maturity			Total non-current
Tax ID number	Name	Country	Tax ID number	Name	Country	Currency	Nominal rate	Amortization type	Up to 90 days ThCh$	90 days to 1 year ThCh$	3-31-2016 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	3-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72660%	Biannual	1,893	-	1,893	42,462	-	-	42,462
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	155	-	155	1,604	-	-	1,604
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.73460%	Biannual	647	-	647	12,486	-	-	12,486
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	979	-	979	13,754	-	-	13,754
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.75740%	Biannual	10,146	-	10,146	165,744	-	-	165,744
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.73450%	Biannual	12,548	-	12,548	135,468	-	-	135,468
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	6,451	-	6,451	126,797	-	-	126,797
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.72500%	Biannual	1,011	-	1,011	19,848	-	-	19,848
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	563	-	563	5,936	-	-	5,936
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.80375%	Biannual	258	-	258	2,708	-	-	2,708
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	416	-	416	5,029	-	-	5,029
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.73400%	Biannual	3,215	-	3,215	64,880	-	-	64,880
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72450%	Biannual	2,228	-	2,228	48,479	-	-	48,479
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	503	-	503	6,076	-	-	6,076
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	1,125	-	1,125	15,813	-	-	15,813
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	1.06490%	Biannual	-	4,439	4,439	167,347	-	-	167,347
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.81865%	Biannual	4,530	-	4,530	68,095	-	-	68,095
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	1.06790%	Maturity	-	32,493	32,493	1,712,103	-	-	1,712,103
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.06790%	Maturity	-	11,615	11,615	1,985,293	-	-	1,985,293
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	1.06490%	Biannual	-	4,294	4,294	525,402	-	-	525,402
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	0.72500%	Biannual	14,030	-	14,030	762,592	-	-	762,592
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	-	10,348	10,348	3,501,594	437,699	-	3,939,293
						Total			**60,698**	**63,189**	**123,887**	**9,389,510**	**437,699**	**-**	**9,827,209**

Financial assets as of 12-31-2015

									Current			Non-current			
									Maturity		Total current	Maturity			Total non-current
Tax ID number	Name	Country	Tax ID number	Name	Country	Currency	Nominal rate	Amortization type	Up to 90 days ThCh$	90 days to 1 year ThCh$	12-31-2015 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2015 ThCh$
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72660%	Biannual	-	963	963	76,958	-	-	76,958
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	-	79	79	4,396	-	-	4,396
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.73460%	Biannual	-	343	343	23,536	-	-	23,536
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	-	257	257	35,842	-	-	35,842
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.75740%	Biannual	-	4,098	4,098	379,432	-	-	379,432
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.73450%	Biannual	-	6,503	6,503	357,435	-	-	357,435
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	-	3,283	3,283	241,925	-	-	241,925
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.72500%	Biannual	-	515	515	38,034	-	-	38,034
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	-	152	152	18,510	-	-	18,510
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.80375%	Biannual	-	91	91	8,215	-	-	8,215
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	-	212	212	12,525	-	-	12,525
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.73400%	Biannual	-	1,695	1,695	120,683	-	-	120,683
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72450%	Biannual	-	1,083	1,083	90,405	-	-	90,405
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	US$	0.72500%	Biannual	-	256	256	15,124	-	-	15,124
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.73900%	Biannual	318	-	318	17,878	-	-	17,878
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.85390%	Biannual	-	296	296	41,204	-	-	41,204
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.70380%	Biannual	11,419	-	11,419	478,321	-	-	478,321
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.81865%	Biannual	-	1,415	1,415	168,263	-	-	168,263
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	US$	0.72980%	Maturity	82,086	-	82,086	3,665,323	-	-	3,665,323
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	0.72980%	Maturity	29,343	-	29,343	2,700,033	-	-	2,700,033
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	US$	0.70380%	Biannual	11,265	-	11,265	948,120	-	-	948,120
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US$	0.72500%	Biannual	-	7,140	7,140	1,017,285	-	-	1,017,285
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US$	4.19000%	Biannual	572,943	-	572,943	2,458,789	1,639,193	-	4,097,982
						Total			**707,374**	**28,381**	**735,755**	**12,918,236**	**1,639,193**	-	**14,557,429**

Financial lease agreements

From August 1, 2004 until July 31, 2034, the Company leases to 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 Chilectra 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 (*)	3-31-2016			12-31-2015		
	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$	Gross amount ThCh$	Interest ThCh$	Current amount ThCh$
Up to 1 year	254,358	169,952	84,406	224,636	180,193	44,443
From 1 to 5 years	1,059,349	777,849	281,500	1,123,181	824,719	298,462
More than 5 years	2,542,438	954,461	1,587,977	2,695,637	1,011,973	1,683,664
Total	3,856,145	1,902,262	1,953,883	4,043,454	2,016,885	2,026,569

(*) As of March 2016, the Company recognizes through profit or loss three months of interest receivables for ThCh$ 42,488.

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	3-31-2016 ThCh$	12-31-2015 ThCh$
Prepaid expenses	106,818	164,018
Advances to suppliers and personnel	2,864,046	4,051,873
Total	**2,970,864**	**4,215,891**

Other non-current non-financial assets	3-31-2016 ThCh$	12-31-2015 ThCh$
Funds allocated to pay for expropriations of new lines	11,988,331	18,659,665
Value-added tax fiscal credit (*)	8,824,169	8,106,248
Advances for severance indemnities and other loans for employees	1,348,137	1,329,843
Total	**22,160,637**	**28,095,756**

12. Other financial liabilities, current and non-current

The detail of this caption as follows:

Concept	3-31-2016		12-31-2015	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	75,817,684	328,515,233	79,107,582	306,005,643
Bonds payable	36,215,857	1,195,672,114	44,997,908	1,219,249,024
Derivative transactions	296,649	-	503,593	-
Megaproject contract retentions	-	12,540,055	-	15,667,206
Total	**112,330,190**	**1,536,727,402**	**124,609,083**	**1,540,921,873**

Biannual and equivalent interest-bearing loans as of 3-31-2016

Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Effective rate	Current – Maturity – Up to 90 days ThCh$	Current – Maturity – 90 days to 1 year ThCh$	Total current 3-31-2016 ThCh$	Non-current – Maturity – 1 to 3 years ThCh$	Non-current – Maturity – 3 to 5 years ThCh$	Non-current – Maturity – Over 5 years ThCh$	Total non-current 3-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US Dollars	2.61%	22,901,795	28,835,349	51,737,144	116,580,019	19,642,746	26,767,975	162,990,740
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US Dollars	0.70%	843,450	2,024,807	2,868,257	8,519,161	5,679,440	13,690,693	27,889,294
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	24,088	37,563	61,651	179,864	119,910	93,405	393,179
61.219.000-3	Metro S.A.	Chile	O-E	Banco Société Générale	France	US Dollars	2.28%	-	20,145,882	20,145,882	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Banco Bilbao Vizcaya Argentaria	Chile	US Dollars	2.38%	170,837	102,163	273,000	40,188,000	-	-	40,188,000
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US Dollars	2.11%	706,972	24,778	731,750	6,470,268	25,881,072	64,702,680	97,054,020
						Total		**24,647,142**	**51,170,542**	**75,817,684**	**171,937,312**	**51,323,168**	**105,254,753**	**328,515,233**

Biannual and equivalent interest-bearing loans as of 12-31-2015

Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Effective rate	Current – Maturity – Up to 90 days ThCh$	Current – Maturity – 90 days to 1 year ThCh$	Total current 12-31-2015 ThCh$	Non-current – Maturity – 1 to 3 years ThCh$	Non-current – Maturity – 3 to 5 years ThCh$	Non-current – Maturity – Over 5 years ThCh$	Total non-current 12-31-2015 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	US Dollars	2.24%	8,035,462	46,013,392	54,048,854	124,166,663	12,739,310	-	136,905,973
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	US Dollars	0.70%	654,309	2,382,674	3,036,983	9,032,498	6,021,665	15,157,049	30,211,212
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	16,639	44,904	61,543	182,778	121,852	102,627	407,257
61.219.000-3	Metro S.A.	Chile	O-E	Banco Société Générale	France	US Dollars	1.91%	75,282	21,380,082	21,455,364	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Banco Bilbao Vizcaya Argentaria	Chile	US Dollars	2.18%	102,185	162,118	264,303	42,609,600	-	-	42,609,600
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	US Dollars	2.10%	-	240,535	240,535	-	12,782,880	83,088,721	95,871,601
						Total		**8,883,877**	**70,223,705**	**79,107,582**	**175,991,539**	**31,665,707**	**98,348,397**	**306,005,643**

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, 2016, it has been fully used, leaving a principal balance of US$45,877,896.03 (US$46,781,071.03 as of December 31, 2015).
- ✓ 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, 2016, it has been fully used, leaving a principal balance of €594,460.30 (€604,412.02 as of December 31, 2015).
- ✓ Financial Loan Agreement for the Metro Line 4 Project, with a syndicate of international banks led by BNP Paribas, in the amount of US$150,000,000.00 which is State guaranteed. As of March 31, 2016 and December 31, 2015, it has been fully used, leaving a principal balance of US$5,882,352.94.
- ✓ Buyer Credit Facility Agreement for the Metro Line 4 Project, with a syndicate of international banks led by BNP Paribas, in the amount of US$340,000,000.00 which is State guaranteed. As of March 31, 2016, it has been fully used, leaving a principal balance of US$25,115,353.40 (US$28,135,263.28 as of December 31, 2015).
- ✓ Buyer Credit Facility Agreement for the acquisition of rolling stock, with a syndicate of international banks led by BNP Paribas in the amount of US$46,855,822.64, without guarantees. As of March 31, 2016 and December 31, 2015, it has been fully used, leaving a principal balance of US$10,056,458.69.
- ✓ 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 without guarantees. As of March 31, 2016 and December 31, 2016, it has been fully used, leaving a principal balance of US$115,580,202.03.
- ✓ Financial Loan Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$130,000,000.00 without guarantees. As of March 31, 2016, it has been fully used, leaving a principal balance of US$40,625,000.00 (US$48,750,000.00 as of December 31, 2015).

  Such agreement establishes that, as of March 31, 2016, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Note that, as of March 31, 2016, this debt/equity ratio is 0.99 times; equity reaches ThCh$1,943 million, calculated as set forth in the relevant loan agreement.
- ✓ Debt Restructuring Loan Agreement, with BNP Paribas, in the amount of US$60,000,000.00 (bullet payment at maturity date). This financing is state guaranteed. As of March 31, 2016 and December 31, 2015, it has been fully used, leaving a principal balance of US$60,000,000.00.

  Such agreement establishes that, as of March 31, 2016, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. It should be noted that, as of March 31, 2016, this debt/equity ratio is 0.99 times; equity reaches ThCh$1,943 million, calculated as set forth in the relevant loan agreement.

- ✓ Debt Restructuring Credit Agreement, with Société Générale, in the amount of US$30,000,000.00 (bullet payment at maturity date). This financing is not guaranteed. As of March 31, 2016 and December 31, 2015, it has been fully used, leaving a principal balance of US$30,000,000.00.

  Such agreement establishes that, as of March 31, 2016, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. It should be noted that, as of March 31, 2016, this debt/equity ratio is 0.99 times; equity reaches ThCh$1,943 million, calculated as set forth in the relevant loan agreement.

- ✓ Debt Restructuring Loan Agreement, with Banco Bilbao Vizcaya Argentaria, for US$60,000,000.00 (bullet payment at maturity date). This financing is not guaranteed. As of March 31, 2016 and December 31, 2015, it has been fully used, leaving a principal balance of US$60,000,000.00.

  Such agreement establishes that, as of March 31, 2016, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. It should be noted that, as of March 31, 2016, this debt/equity ratio is 0.99 times; equity reaches ThCh$1,943 million, calculated as set forth in the relevant loan agreement.

- ✓ Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas, of US$550,000,000.00, without guarantees and signed on December 18, 2014. As of March 31, 2016, US$61,483,278.47 has been used leaving a principal balance of US$61,483,278.47 (As of December 31, 2015, it has not been used).

  Such agreement establishes that, at each reporting year, maintains a debt/equity ratio less than 1.70 times with minimum equity of ThCh$700 million. Such restrictions should be calculated and determined based on the financial statements as of December 31 for each calendar year and submitted to the Chilean Superintendence of Securities and Insurance (SVS).

- ✓ Financial Loan Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by Sumitomo Mitsui Banking, in the amount of US$250,000,000.00, without guarantees and signed on December 18, 2014. This financing is not guaranteed. As of March 31, 2016, a balance of US$144,900.00 has been used, leaving a principal balance of US$ 144,900,000.00 (US$135,000,000.00 as of December 31, 2015).

  Such agreement establishes that, at each reporting year, maintains a debt/equity ratio less than 1.70 times with minimum equity of ThCh$700 million. Such restrictions should be calculated and determined based on the financial statements as of December 31 for each calendar year and submitted to the Chilean Superintendence of Securities and Insurance (SVS).

Bonds

The Company’s domestic and foreign liabilities as of 3-31-2016

											Current			Non-current			
											Maturity		Total current	Maturity		Total current	Total non-current
Series	Tax ID number	Name	Country	Bank Tax ID number	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization rate	Up to 90 days	90 days to 1 year	3/31/2016	1 to 3 years	3 to 5 years	Over 5 years	3/31/2016
											ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	Biannual	1,806,844	2,881,410	4,688,254	15,358,170	10,841,061	59,173,750	85,372,981
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	1,984,643	903,421	2,888,064	7,227,374	5,420,531	31,803,743	44,451,648
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	1,720,804	2,765,593	4,486,397	7,743,815	10,324,820	69,611,074	87,679,709
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	1,720,804	2,805,020	4,525,824	2,581,538	10,324,820	80,464,123	93,370,481
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	2,612,072	1,204,563	3,816,635	7,227,375	6,625,093	54,987,972	68,840,440
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	817,382	1,351,111	2,168,493	4,904,291	4,086,908	37,551,105	46,542,304
G	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	1,204,565	1,345,139	2,549,704	7,227,375	4,818,250	64,314,301	76,359,926
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	2,581,205	2,789,870	5,371,075	15,487,230	2,512,416	-	17,999,646
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	-	721,541	721,541	6,687,661	13,375,322	52,914,068	72,977,051
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	1,697,582	-	1,697,582	-	13,766,413	89,097,032	102,863,445
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	-	221,645	221,645	-	-	130,216,994	130,216,994
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Biannual	561,916	-	561,916	-	-	38,404,239	38,404,239
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	Dollar	4.8%	4.9%	Biannual	-	2,518,727	2,518,727	-	-	330,593,250	330,593,250
							Total				**16,707,817**	**19,508,040**	**36,215,857**	**74,444,829**	**82,095,634**	**1,039,131,651**	**1,195,672,114**

The Company’s domestic and foreign liabilities as of 12-31-2015

											Current			Non-current			
											Maturity		Total current	Maturity			Total non-current
Series	Tax ID number	Name	Country	Bank Tax ID number	RTB Bank (*) and payer	Country	Currency	Nominal rate	Effective rate	Amortization rate	Up to 90 days	90 days to 1 year	12-31-2015	1 to 3 years	3 to 5 years	Over 5 years	12-31-2015
											ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	Biannual	4,170,177	1,794,037	5,964,214	14,352,291	10,764,218	61,338,673	86,455,182
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	Biannual	897,018	1,326,441	2,223,459	7,176,145	5,382,109	31,553,861	44,112,115
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	Biannual	4,017,224	1,708,606	5,725,830	5,126,085	10,251,636	73,392,723	88,770,444
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	Biannual	4,102,727	1,708,606	5,811,333	10,251,638	10,251,636	74,016,257	94,519,531
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	Biannual	1,196,024	1,668,719	2,864,743	7,176,147	6,578,133	54,659,474	68,413,754
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	Biannual	1,989,410	811,588	2,800,998	4,869,528	4,057,940	38,165,939	47,093,407
G	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	4.5%	3.1%	Biannual	2,136,400	1,196,024	3,332,424	7,176,146	4,784,098	65,235,234	77,195,478
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	Biannual	3,065,728	2,562,929	5,628,657	15,377,454	5,037,896	-	20,415,350
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	Biannual	1,564,826	-	1,564,826	6,640,258	13,280,515	52,521,525	72,442,298
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	Biannual	-	544,952	544,952	-	13,668,834	88,458,245	102,127,079
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	Biannual	1,457,991	-	1,457,991	-	-	129,223,609	129,223,609
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Biannual	-	191,408	191,408	-	-	38,126,901	38,126,901
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	US$	4.8%	4.9%	Biannual	6,887,073	-	6,887,073	-	-	350,353,876	350,353,876
							Total				**31,484,598**	**13,513,310**	**44,997,908**	**78,145,692**	**84,057,015**	**1,057,046,317**	**1,219,249,024**

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

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

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

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

On February 4, 2014, the Company placed bonds in the international market for US$500,000,000.00 with a 4,846% interest rate for placement. The bond's coupon rate is 4.75%, calculated in the basis of a 360-day year, at 10-year term with 10 years of grace period for principal payment, with payment of biannual interest and early redemption.

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

The Series C bonds are guaranteed by the State, in accordance with Law Decree 1.263 and Laws No. 18.196, 18.382 and 19.774, in Exempt Decree 274 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 363 issued by the Ministry of Treasury, 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 and L bonds are not guaranteed, notwithstanding the creditors' general pledge right set forth in Chilean law.

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

Derivative transactions

Financial liabilities as of 3-31-2016

Tax ID Number	Name	Country	Bank Tax ID Number	Name	Country	Currency	Nominal rate	Amortization type	Current - Maturity - Up to 90 days ThCh$	Current - Maturity - 90 days to 1 year ThCh$	Total current 3-31-2016 ThCh$	Non-current - Maturity - 1 to 3 years ThCh$	Non-current - Maturity - 3 to 5 years ThCh$	Non-current - Maturity - Over 5 years ThCh$	Total non-current 3-31-2016 ThCh$
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	1.97%	Biannual	4,724	-	4,724	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.40%	Biannual	494	-	494	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.35%	Biannual	1,922	-	1,922	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.39%	Biannual	2,619	-	2,619	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.63%	Biannual	33,154	-	33,154	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.59%	Biannual	42,198	-	42,198	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.63%	Biannual	21,680	-	21,680	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.41%	Biannual	3,127	-	3,127	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.46%	Biannual	1,566	-	1,566	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.46%	Biannual	762	-	762	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.40%	Biannual	1,318	-	1,318	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.09%	Biannual	8,472	-	8,472	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.08%	Biannual	5,919	-	5,919	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.42%	Biannual	1,605	-	1,605	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.39%	Biannual	3,011	-	3,011	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.75%	Biannual	-	10,669	10,669	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.27%	Biannual	11,969	-	11,969	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	3.10%	Maturity	-	86,998	86,998	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.91%	Maturity	-	16,811	16,811	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.97%	Biannual	-	6,428	6,428	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	1.93%	Biannual	30,183	-	30,183	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	Chile	US$	4.19%	Biannual	-	1,020	1,020	-	-	-	-
						Total			174,723	121,926	296,649	-	-	-	-

Financial liabilities as of 12-31-2015

Tax ID Number	Name	Country	Bank Tax ID Number	Name	Country	Currency	Nominal rate	Amortization type	Current – Maturity – Up to 90 days ThCh$	Current – Maturity – 90 days to 1 year ThCh$	Total current 12-31-2015 ThCh$	Non-current – Maturity – 1 to 3 years ThCh$	Non-current – Maturity – 3 to 5 years ThCh$	Non-current – Maturity – Over 5 years ThCh$	Total non-current 12-31-2015 ThCh$
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	1.97%	Biannual	-	2,251	2,251	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.40%	Biannual	-	235	235	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.35%	Biannual	-	954	954	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.39%	Biannual	-	645	645	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.63%	Biannual	-	12,540	12,540	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.59%	Biannual	-	20,479	20,479	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.63%	Biannual	-	10,333	10,333	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.41%	Biannual	-	1,491	1,491	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.46%	Biannual	-	395	395	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.46%	Biannual	-	250	250	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.40%	Biannual	-	628	628	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.09%	Biannual	-	4,183	4,183	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.08%	Biannual	-	2,694	2,694	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-k	Santander Chile	Chile	UF	2.42%	Biannual	-	765	765	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.38%	Biannual	891	-	891	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.39%	Biannual	-	741	741	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.75%	Biannual	38,906	-	38,906	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	2.27%	Biannual	-	3,501	3,501	-	-	-	-
61.219.000-3	Metro S.A.	Chile	96.929.050-2	Deutsche Bank	Chile	UF	3.10%	Maturity	301,168	-	301,168	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.91%	Maturity	58,196	-	58,196	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	1.97%	Biannual	23,894	-	23,894	-	-	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	1.93%	Biannual	-	14,385	14,385	-	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	Chile	US$	4.19%	Biannual	-	4,068	4,068	-	-	-	-
						Total			423,055	80,538	503,593	-	-	-	-

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

This caption comprises the following:

Current	3-31-2016 ThCh$	12-31-2015 ThCh$
Real estate taxes	4,251,584	3,421,982
Deferred income	1,247,847	1,186,398
Guarantees received	32,865,207	32,845,204
Total	**38,364,638**	**37,453,584**

Non-current	3-31-2016 ThCh$	12-31-2015 ThCh$
Deferred income (*)	3,452,090	3,484,945
Total	**3,452,090**	**3,484,945**

(*) Corresponds to long-term operational leases.

14. Balances and transactions with related parties

Trade and other receivables:

As of March 31, 2016 and 2015, 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, 2016, contributions pending capitalization reached ThCh$139,737,277 (ThCh$49,737,277 as of December 31, 2015).

Transactions:

During the first quarter of 2016, the Company received contributions from the Government of Chile of ThCh$90,000,000 and during the first quarter of 2015 it received ThCh$40,303,000.

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

Key management personnel

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

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

Directors' income are as follows:

Directors' income	Accumulated	
	3-31-2016 ThCh$	3-31-2015 ThCh$
Fixed remunerations	35,132	29,542
Variable remunerations	15,644	14,998
Total	**50,776**	**44,540**

Board of Directors expenses

During the first quarter of 2016 and 2015, the Company had no air ticket or per diem expenses.

Remunerations of the General Manager and Other Managers:

During the first quarter of 2016, the compensation paid to the General Manager amounted to ThCh$ 42,021 (ThCh$ 40,751 as of March 31, 2015) and compensation paid to Other Managers amounted to ThCh$ 319,616 (ThCh$ 480,858 as of March 31, 2015).

15. Trade and other payables

This caption comprises the following:

Concept	3-31-2016 ThCh$	12-31-2015 ThCh$
Debt for purchases or services received	58,923,292	61,345,348
Accounts payable - Transantiago	7,581,026	8,262,031
Withholdings	2,930,866	2,139,440
Other accounts payable	478,925	370,846
Total	**69,914,110**	**72,117,665**

16. Segmented information

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

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

The processes associated with the services provided by the Company are based on a common technological and administrative infrastructure. Current activities focus on providing services in a domestic environment with common economic and political conditions.

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

17. Provisions for employee benefits

Current

Concept	3-31-2016 ThCh$	12-31-2015 ThCh$
Accrued vacations	3,280,110	3,689,177
Employee benefit obligations	951,758	1,593,321
Productivity bonus	1,562,643	5,211,027
Total	**5,794,511**	**10,493,525**

Non-current

Concept	3-31-2016 ThCh$	12-31-2015 ThCh$
Provision for dismissal	14,798,633	14,511,211
Provision for resignations	66,643	67,732
Provision for mortality	864,029	871,668
Advance for severance indemnity payments	(1,823,376)	(1,786,906)
Total	**13,905,929**	**13,663,705**

Movement in the provision for severance indemnity payments

Concept	ThCh$
Liabilities as of 01-01-2016	13,663,705
Service interest	155,958
Benefits paid	(96,523)
Actuarial profit (loss)	182,789
Liabilities as of 3-31-2016	**13,905,929**

Concept	ThCh$
Liabilities as of 01-01-2015	13,722,607
Service interest	633,586
Benefits paid	(1,074,069)
Actuarial profit (loss)	381,581
Liabilities as of 12-31-2015	**13,663,705**

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:

2016

Concept	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rate (change of 0.5)	5.066%	4.566%	4.066%	13,584,079	14,239,831
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	14,318,086	13,510,048
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	13,895,059	13,917,602
Mortality rate (change of 25%)	25.00%	CB14 y RV14	-25.00%	13,873,804	13,938,745

2015

Concept	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rate (change of 0.5)	5.266%	4.766%	4.266%	13,341,061	13,998,506
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	14,078,684	13,265,250
Labor rotation (change of 25%)	1.813%	1.450%	1.088%	13,655,831	13,672,281
Mortality rate (change of 25%)	25.00%	CB14 y RV14	-25.00%	13,632,522	13,695,583

Projection of the actuarial calculation for the following year:

The projected calculation for the following year amounts to ThCh$ 14,544,926.

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$ 86,975 as of March 31, 2016 (ThCh$ 54,236 as of March 31, 2015).

Actuarial revaluation of obligations:

The Company revalued its obligations as of March 31, 2016, determining a loss due to the update of financial parameters of ThCh$ 132,964 (loss of ThCh$295,466 as of March 31, 2015) and a loss due to experience of ThCh$ 49,825 (gain of ThCh$61,888 as of March 31, 2015).

Concept / profit (loss)	3-31-2016 ThCh$	3-31-2015 ThCh$
Revaluation of financial parameters	(132,964)	(295,466)
Revaluation due to experience	(49,825)	61,888
Total deviation for the period	(182,789)	(233,578)
Summary		
Due to hypotheses	(132,964)	(295,466)
Due to experience	(49,825)	61,888
Total deviation for the period	(182,789)	(233,578)

General considerations

The Company has benefits that are agreed upon with its active employees, which require actuarial valuation and it has collective agreements, which include benefits for the concept of termination, voluntary retirement and death of an employee. In agreements with its unions, the Company froze the benefits accrued by employees on different dates.

Frozen indemnity

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

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

Legal indemnity

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

Actuarial assumptions:

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

1. Mortality

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

2. Workforce rotation

   The rotation tables were prepared using information available to the Company, and constant ratios may be observed in the following table:

Reason	Rate %
Dismissal	1.26
Resignation	0.12
Other reasons	0.07

3. Discount rate:

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

Period	Rate %
12-31-2014	1.63
12-31-2015	1.72
03-31-2016	1.52

4. Termination:

The estimated maximum average termination ages are:

Gender	Age
Women	62 years
Men	68 years

18. Income taxes

The Company had a negative first category (corporate) tax base of ThCh$ 821,477,341 as of March 2016, ThCh$ 831,143,389 as of December 31, 2015 and ThCh$ 704,946,297 as of March 2015, determined in accordance with current legal provisions, therefore no income tax provision has been recognized as of these dates.

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

Temporary difference	Tax assets		Tax liabilities	
	3-31-2016 ThCh$	12-31-2015 ThCh$	3-31-2016 ThCh$	12-31-2015 ThCh$
Allowance for doubtful accounts	288,553	293,375	-	-
Deferred income	1,268,983	1,261,262	-	-
Accrued vacations	885,630	996,078	-	-
Severance indemnity payments	1,812,591	1,739,459	-	-
Provisions for law suits	509,565	585,569	-	-
Provisions for maintenance	738,250	875,350	-	-
Provision for employee benefits	256,975	430,197	-	-
Provisions for spare parts	732,777	732,777	-	-
Irrecoverable value added-tax fiscal credit for extensions	-	-	31,728,588	31,476,774
Capitalized expenses	-	-	24,294,971	22,219,168
Property, plant and equipment	74,138,969	67,334,005	-	-
Tax loss	221,798,882	224,408,715	-	-
Other events	1,155,586	1,015,116	-	-
Subtotal	303,586,761	299,671,903	56,023,559	53,695,942
Net deferred tax assets	247,563,202	245,975,961	-	-
Reduction of deferred tax assets (1)	(247,563,202)	(245,975,961)	-	-
Deferred tax, net	-	-	-	-

As a consequence of Circular No. 856 of October 17, 2014 issued by the Chilean SVS, the differences in assets and liabilities generated by deferred taxes, as a direct effect of the increase corporate income tax rate introduced by Law No. 20,780, are recognized exceptionally and for one time only in equity in the caption of retained earnings (accumulated deficit) for a sum of zero pesos, because of the tax loss position explained above.

19. Provisions, contingencies and guarantees

As of March 31, 2016, 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 detailed information for claims and lawsuit is as follows:

Other short-term provisions	3-31-2016 ThCh$	12-31-2015 ThCh$
Civil - compensation for damages	162,400	164,000
Labor	423,125	703,521
Other (resources - presentations - etc.)	1,301,753	1,301,252
Total	**1,887,278**	**2,168,773**

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

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

Movements of provisions are as follows:

Concept	Amount ThCh$
Balance as of 01-01-2015	286,000
Accrued provisions	2,427,963
Reversal of provisions	(545,190)
Balance as of 12-31-2015	2,168,773
Accrued provisions	624,593
Reversal of provisions	(906,088)
Balance as of 3-31-2016	1,887,278

Direct guarantees

The guarantees granted by the Company are in UF, US dollars and pesos, expressed in thousands of Chilean pesos as of March 31, 2016, are detailed below.

Type of guarantee	No. of guarantee	Issuing entity	Currency	Amount	Beneficiary	Issue date	Maturity date	Status	Parity ThCh$
Note	110235	Banco BBVA	UF	1,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	25,812
Note	110244	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110245	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110243	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110241	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110242	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110240	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110238	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110239	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110237	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	110236	Banco BBVA	UF	5,000	Subsecretaría de Transportes	8-20-2015	10-2-2016	Effective	129,060
Note	292112	Banco Santander	UF	150	Constructora San Francisco	1-3-2014	12-31-2017	Effective	3,872
Note	96584	Banco BBVA	US$	1,000,000	Enor Chile S.A.	6-10-2014	6-30-2017	Effective	669,800
Note	9176967	Banco Santander	Ch$	351,894,543	Junaeb	8-18-2015	3-31-2016	Effective	351,895
Note	341223	Banco Santander	UF	8,314	Junaeb	12-15-2015	12-31-2016	Effective	214,601
Note	201152	Banco Bice	UF	10,000	Chilectra S.A	1-10-2016	12-31-2016	Effective	258,121

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

20. Changes in equity

2015 capital increase

At an Extraordinary Shareholders' Meeting held on December 29, 2015, the shareholders of the Company agreed to:

- ✓ Increase the issued and fully-paid capital of the Company by capitalizing government contributions of ThCh$185,140,328, at a nominal value through the issuance of 5,985,784,934 Series A shares subscribed and fully-paid by the Government and CORFO, in proportion to their interests and social participation.

a. Capital

As of March 31, 2016 and December 31, 2015, the capital of the Company is represented by 43,998,312,563 and 19,163,677,063 Series A and B registered shares without par value, respectively, with 39,634,775,932 shares corresponding to CORFO and 23,527,213,694 to the Government.

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

Shareholders are detailed as follows:

Shareholder	3-31-2016		12-31-2015	
	Number of shares and percentages			
	Subscribed and paid shares	Ownership %	Subscribed and paid shares	Ownership %
Corporación de Fomento de la Producción (Corfo)	39,634,775,932	62.75%	39,634,775,932	62.75%
State Treasury (Fisco)	23,527,213,694	37.25%	23,527,213,694	37.25%
Total	**63,161,989,626**	**-**	**63,161,989,626**	**-**
Corporación de Fomento de la Producción (Corfo)				
Series A	27,531,304,626	-	27,531,304,626	-
Series B	12,103,471,306	-	12,103,471,306	-
Total	**39,634,775,932**	**-**	**39,634,775,932**	**-**
State Treasury (Fisco)				
Series A	16,467,007,937	-	16,467,007,937	-
Series B	7,060,205,757	-	7,060,205,757	-
Total	**23,527,213,694**	**-**	**23,527,213,694**	**-**

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 28, 2016, 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. For the periods ended as of March 31, 2016 and 2015, these are detailed below:

Subsidiary	Percentage Non-controlling interest		Non-controlling interest Equity		Share of profit or loss Income (expense)	
	2016 %	2015 %	2016 ThCh$	2015 ThCh$	2016 ThCh$	2015 ThCh$
Transub S.A.	33.33	33.33	(10,645)	(10,645)	-	-

d. Other reserves

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

Other reserves	3-31-2016 ThCh$	12-31-2015 ThCh$
Price-level adjustment of paid-in capital	30,336,377	30,336,377
Revaluation surplus	3,042,584	3,042,584
Total	**33,378,961**	**33,378,961**

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

21. Income and expenses

Revenue:

For the periods ended March 31, 2016 and 2015, revenue is detailed follows:

Revenue	Accumulated	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$
Revenues from passenger transportation services	55,587,432	51,239,685
Sales channel income	9,292,761	9,645,893
Lease of commercial stores, spaces and advertising	3,146,778	3,034,787
Lease in intermodal terminals	551,607	495,179
Other income	1,636,703	1,431,671
Total	70,215,281	65,847,215

Other income:

For the periods ended March 31, 2016 and 2015, other income is detailed as follows:

Other income	Accumulated	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$
Income from fines and indemnities	75,788	722,278
Welfare income	109,856	102,669
Sale of proposals	7,727	7,108
Other income	60,360	423,637
Total	253,731	1,255,692

Expenses by nature:

Cost of sales, administrative expenses and other expenses by function for the periods ended March 31, 2016 and 2015, are detailed as follows:

Expenses by nature	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Personnel expenses	18,104,450	16,236,317
Maintenance and operating expenses	11,601,848	14,086,248
Purchase of energy	10,743,661	12,840,009
General expenses and others	12,428,739	11,240,841
Depreciation and amortization	18,059,078	18,586,403
Total	70,937,776	72,989,818

Personnel expenses:

Personnel expenses for the periods ended March 31, 2016 and 2015, are detailed as follows:

Personnel expenses	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Wages and salaries	12,547,356	11,546,761
Other benefits	4,100,338	3,644,702
Expenses in social and collective benefits	852,539	442,296
Social security contribution	604,217	602,558
Total	18,104,450	16,236,317

Maintenance and operating expenses:

As of March 31, 2016 and 2015, the breakdown for this line item is as follows:

Maintenance and operating expenses	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Maintenance of rolling stock, stations and others	10,474,493	9,701,471
Spare parts and materials	783,377	3,695,406
Repair, leases and others	343,978	689,371
Total	11,601,848	14,086,248

Depreciation and amortization:

As of March 31, 2016 and 2015, this caption comprises the following:

Depreciation and amortization	Accumulated	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$
Depreciation	17,932,841	18,443,441
Amortization	126,237	142,962
Total	18,059,078	18,586,403

General and other expenses:

As of March 31, 2016 and 2015, general and other expenses are as follows:

General expenses and others	Accumulated	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$
Service contracts	6,046,237	4,902,902
Property taxes	907,176	-
Corporate image expenses	157,423	172,327
Sales channel operator expenses	4,961,398	5,432,426
Insurance, materials and others	356,505	733,186
Total	12,428,739	11,240,841

Financial result and exchange differences:

The Company's financial result and exchange differences for the periods ended March 31, 2016 and 2015, are as follows:

Financial result	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Finance income		
Interest on cash and other cash equivalents	802,660	1,524,601
Finance income from swaps	641,306	726,725
Other finance income	51,644	46,889
Subtotal	1,495,610	2,298,215
Financial expenses		
Interest and expenses on bank loans	(2,598,907)	(2,002,786)
Interest and expenses on bonds	(10,432,987)	(10,209,956)
Other financial expenses	(113,252)	(173,816)
Subtotal	(13,145,146)	(12,386,558)
Profit (loss) financial result	(11,649,536)	(10,088,343)

Foreign currency translation and index-adjusted differences	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Foreign currency translation difference		
Profit (loss) on foreign currency translation (foreign loans and investments)	38,506,652	(15,286,190)
Total foreign currency translation difference	38,506,652	(15,286,190)
Index-adjusted unit		
Profit (loss) on index-adjusted unit (bonds)	(6,532,503)	(365,669)
Total index-adjusted unit	(6,532,503)	(365,669)

Other profit (losses):

Other profit (losses) of the Company for the periods ended these consolidated financial statements is comprised of the following:

Other profit (loss)	Accumulated 1-1-2016 3-31-2016 ThCh$	Accumulated 1-1-2015 3-31-2015 ThCh$
Net present value of swaps US$	1,799,790	2,035,400
Net present value of swaps UF	(6,180,010)	(390,073)
Net present value, value-added tax	1,020,515	-
Total	(3,359,705)	1,645,327

Other comprehensive income:

As of March 31, 2016 and 2015, other comprehensive income is comprised of the following:

Other comprehensive income	Accumulated	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$
Actuarial profit (loss) on defined benefit plans	(182,789)	(233,578)
Total	(182,789)	(233,578)

22. Third-party guarantees

Guarantees received as of December 31, 2015, are detailed as follows:

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	65,985,092	Service contract	Supplier
Alstom Chile S.A.	185,116,445	Service contract	Supplier
Alstom Transport S.A.	78,780,907	Service contract	Supplier
Alstom Transporte S.A.	22,204,987	Supply contract	Supplier
Arrigoni Ingeniería y Construcción	11,317,318	Works contract	Supplier
Ascensores Otis Chile Ltda.	2,548,417	Service contract	Supplier
Besalco Dragados S.A.	16,293,242	Works contract	Supplier
Besalco S.A.	2,309,261	Works contract	Supplier
CAF Chile S.A.	46,935,495	Service contract	Supplier
Ingeniería Eléctrica E Inversiones	5,228,393	Service contract	Supplier
Colas Rail Establecimiento	31,870,123	Supply contract	Supplier
Consorcio Acciona-Brotec	13,106,636	Works contract	Supplier
Consorcio Ei-Ossa S.A.	32,331,304	Works contract	Supplier
Construcción y Auxiliar de Ferrocarriles	55,641,456	Service contract	Supplier
Construcciones Especializadas	2,620,827	Service contract	Supplier
Construcciones y Auxiliares	52,640,725	Supply contract	Supplier
Constructora Conpax S A	3,942,433	Works contract	Supplier
Constructora Internacional S.A	5,781,903	Service contract	Supplier
Dragados S.A. Agencia En Chile	2,480,858	Service contract	Supplier
ETF	25,651,870	Service contract	Supplier
ETF Agencia En Chile	87,989,270	Supply contract	Supplier
Eulen Seguridad S.A.	2,358,576	Service contract	Supplier
Faiveley Transport Chile Ltda.	2,497,678	Supply contract	Supplier
Faiveley Transport Far East	6,772,904	Supply doors	Supplier
Ferrovial Agroman Chile S.A.	56,070,884	Seriousness/offer	Supplier
Gmpg Ingeniería y Construcción	3,223,615	Works contract	Supplier
Idom Ingeniería y Consultoría	2,069,920	Service contract	Supplier
Inabensa S.A.	4,050,600	Service contract	Supplier
ISS Servicios Integrales Limitada	3,559,764	Service contract	Supplier
JC Decaux Chile S.A.	2,034,544	Revenue contract	Client
Obrascon Huarte Lain S. A. Agencia	32,706,006	Works contract	Supplier
Servicios de Aseo y Jardines Maclea	2,234,308	Service contract	Supplier
Sice Agencia Chile S.A.	45,301,145	Service contract	Supplier
Sociedad de Mantención E Instalaciones Técnicas	75,332,253	Service contract	Supplier
Soler y Palau S.A.	4,632,817	Supply contract	Supplier
Systra	2,218,552	Service contract	Supplier
Thales Canada Inc.	215,691,509	Service contract	Supplier
Thales Communications & Security	2,953,954	Service contract	Supplier
Thyssenkrupp Elevadores S.A.	9,688,850	Service contract	Supplier
Other	50,217,641	Works and service contract	Supplier/Client
TOTAL	**1,274,392,482**		

23. Risk management policies

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

23.1 Description of the market in which the Company operates

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

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

Rates

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

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

The fare paid by the public is different than the one received by the Company per transported passenger. In March 31, 2016, customers paid Ch$740 at peak hours, Ch$660 at valley hours and Ch$610 at low hours, while, on average the Company received a technical tariff of Ch$380.06 per passenger.

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

Demand

To date, the Company is the structuring pillar of the Integrated System of Public Passengers Transportation (Transantiago) and during the period from January to March 2016 reached a level of 2.29 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 from January to March 2016, we noted an increase of 1.8 million trips, a positive variation of 1.2% compared to the same period of 2015, which is explained mainly by an increase of 5.8% in passenger flow during February, due to an increase in the number of business days compared to the same month of 2015.

23.2 Financial risks

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

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

Market risk

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

To reduce the Company’s exposure to financial debt denominated in US dollars and to interest rate changes, the Company has a financial risks economic hedge policy. In the framework of this policy, the Company performed derivative transactions (cross currency swap ("CCS")) of MUS$ 95 as of March 31, 2016 (MUS$ 98 as of December 31, 2015), which do not meet the hedge accounting criteria.

In February 2014, the Company placed bonds in the international financial market for the first time for an amount of MUS$500 at a rate of 4.85%, highlighting the high degree of participation from the foreign investors, which reached a demand of 7.6 times the placement amount.

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

Interest rate risk

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

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

As of March 2016, the share of the debt at a variable rate records no significant change with respect to December 2015, as shown in the following table:

Debt composition	3/31/2016 %	12/31/2015 %
Fixed rate	83.1	84.6
Variable rate	16.9	15.4
Total	100.0	100.0

In conducting a sensitivity analysis as of March 31, 2016 on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$409 (MUS$354 as of December 31, 2015), 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$4.1 (MUS$3.5 as of December 31, 2015).

Sensitivity analysis	Equivalent in MUS$	Total %
Total debt (equivalent to MUS$)	**2,420**	**100%**
Debt at LIBOR rate	438	
IRS	66	
CCS	(95)	
Total variable LIBOR rate debt	**409**	**17%**
Total fixed rate debt	**2,011**	**83%**

Variation in financial expenses	Equivalent in MUS$
Impact on financial expenses of a variation of 100 basis points in LIBOR	4.1

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$95 as of March 31, 2016.

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 (equivalent in US$)	3-31-2016 Eq. in MUS$	%	12-31-2015 Eq. in MUS$	%
Debt UF	1,415	58%	1,348	59%
Debt US$	1,005	42%	943	41%
Total financial debt	**2,420**	**100%**	**2,291**	**100%**

The structure of the financial debt as of March 31, 2016, is mainly denominated in UF 58% and in US dollars 42%.

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

When we analyze the sensitivity of the comprehensive income statement as of March 31, 2016, 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$65,149,408.

Sensitivity analysis Effect on profit or loss as of March 2016	10% depreciation ThCh$	10% appreciation ThCh$
Impact on profit or loss of 10% variation in the Ch$/US$ exchange rate	(65,149,408)	65,149,408

Liquidity risk

Income from tariffs associated with Metro passenger transportation, based on the new transport contract, are discounted daily from the funds collected by the Company's sales channel, generating the liquidity necessary to cover the Company's commitments. This income corresponds to 79% 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$	2 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Capital	97,415,933	246,382,141	133,418,802	1,144,386,405	1,621,603,281
Interest	66,604,600	184,488,650	111,783,196	209,873,314	572,749,760
Total	**164,020,533**	**430,870,791**	**245,201,998**	**1,354,259,719**	**2,194,353,041**

Financial liability structure

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

Financial liabilities	3-31-2016				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing bank loans	75,817,684	171,937,312	51,323,168	105,254,753	404,332,917
Bonds	36,215,857	74,444,829	82,095,634	1,039,131,651	1,231,887,971
Derivative transactions	296,649	-	-	-	296,649
Total	**112,330,190**	**246,382,141**	**133,418,802**	**1,144,386,404**	**1,636,517,537**

Financial liabilities	12-31-2015				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing bank loans	79,107,582	175,991,539	31,665,707	98,348,397	385,113,225
Bonds	44,997,908	78,145,692	84,057,015	1,057,046,317	1,264,246,932
Derivative transactions	503,593	-	-	-	503,593
Total	**124,609,083**	**254,137,231**	**115,722,722**	**1,155,394,714**	**1,649,863,750**

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 market value of the debt in loans and bonds of the Company as of March 31, 2016 are detailed as follows.

	Carrying amount ThCh$	Market value ThCh$
Loans	404,332,917	428,702,203
Bonds	1,231,887,971	1,391,682,331

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 receivables

The risk of accounts receivable arising from commercial activities (passenger transportation) is limited, since 79% of the revenue received by the Company is received daily in cash, whereas the remaining 21% corresponds to income not related to the main business.

The maximum exposure to credit risk arises from commercial debtors.

Trade and other receivables	Balance as of	
	3-31-2016 ThCh$	12-31-2015 ThCh$
Trade receivables, gross	4,821,106	4,960,472
Impairment of trade receivables	(1,068,715)	(1,086,574)
Trade receivables, net	**3,752,391**	**3,873,898**
Sales channel accounts receivables, net	4,747,980	3,789,025
Other receivables, net	1,745,106	1,854,268
Total trade and other receivables	**10,245,477**	**9,517,191**

Accounts receivable correspond mainly to business premise leases, advertising and invoices receivable, with low default rates. In addition there are no customers with significant balances in relation to total accounts receivable.

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

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

Aging of trade receivables, net	Balance as of	
	3-31-2016 ThCh$	12-31-2015 ThCh$
Less than 3 months	2,289,476	2,744,932
From 3 months to 1 year	820,916	701,029
Over 1 year	641,999	427,937
Total	**3,752,391**	**3,873,898**

Aging of sales channel accounts receivable, net	Balance as of	
	3-31-2016 ThCh$	12-31-2015 ThCh$
Less than 3 months	4,569,527	3,553,919
From 3 months to 1 year	68,389	126,708
Over 1 year	110,064	108,398
Total	**4,747,980**	**3,789,025**

Aging of other receivables, net	Balance as of	
	3-31-2016 ThCh$	12-31-2015 ThCh$
Less than 3 months	488,259	479,597
From 3 months to 1 year	1,256,847	1,374,671
Total	**1,745,106**	**1,854,268**

Financial assets

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

As of March 31, 2016 and December 31, 2015, this caption comprises the following:

Financial assets	3-31-2016			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	2,374,750	-	-	2,374,750
Term deposits	141,636,031	-	-	141,636,031
Reverse repurchase agreements	6,900,607	-	-	6,900,607
Subtotal	**150,911,388**	-	-	**150,911,388**
Other financial assets				
Financial investments	26,649,226	-	-	26,649,226
Derivative transactions	123,887	9,827,209	-	9,951,096
Finance lease agreements	84,406	281,500	1,587,977	1,953,883
Promissory notes receivable	-	429,967	-	429,967
Other receivables	-	5,162	-	5,162
Subtotal	**26,857,519**	**10,543,838**	**1,587,977**	**38,989,334**
Total	**177,768,907**	**10,543,838**	**1,587,977**	**189,900,722**

Financial assets	12-31-2015			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	2,103,258	-	-	2,103,258
Term deposits	149,302,561	-	-	149,302,561
Reverse repurchase agreements	1,500,150	-	-	1,500,150
Subtotal	**152,905,969**	-	-	**152,905,969**
Other financial assets				
Financial investments	24,654,136	-	-	24,654,136
Derivative transactions	735,755	14,557,429	-	15,293,184
Finance lease agreements	44,443	298,462	1,683,664	2,026,569
Promissory notes receivable	-	424,179	-	424,179
Other receivables	-	4,741	-	4,741
Subtotal	**25,434,334**	**15,284,811**	**1,683,664**	**42,402,809**
Total	**178,340,303**	**15,284,811**	**1,683,664**	**195,308,778**

The average period of maturity of financial investments as of March 31, 2016 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.

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

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

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

Index	3-31-2016	12-31-2015
Leverage (times)	0.99	0.96
Equity (MCh$)	1,943,081	1,926,768

23.4 Commodities risk

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

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

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

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

Note that, in addition to the current Energy and Power Contract with Enorchile S.A., which is effective until March 31, 2017, the Company signed a fixed-price Energy and Power Contract with Chilectra S.A. in December 2015, which will be used to supply up to 40% of Metro’s total network. This contract is in effect from October 1, 2015, until December 31, 2023.

24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended March 31, 2016 and 2015, are detailed as follows:

Project	Allocated to administrative expenses		Allocated to property, plant and equipment		Expenditures committed in the future (unaudited)	
	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$	1-1-2016 3-31-2016 ThCh$	1-1-2015 3-31-2015 ThCh$	2016 Amount ThCh$	2017 Amount ThCh$
Noise and vibrations	-	16,915	129,859	11,305	685,388	-
Waste treatment	17,719	6,961	41,434	38,596	296,016	52,595
Run-off w ater	31,620	30,253	-	-	95,265	-
Environmental management	-	7,175	271,229	177,262	674,359	-
Monitoring of polluting parameters	882	844	-	-	63,900	-
Total	**50,221**	**62,148**	**442,522**	**227,163**	**1,814,928**	**52,595**

The aforementioned projects are currently in progress as of March 31, 2016.

25. Sanctions

During 2016 and 2015, the Company has not been sanctioned by the SVS or any other supervising entity.

26. Subsequent events

Between January 1 and May 9, 2016, the following subsequent events occurred:

Through letter No. 176 of April 25, 2016, the Company communicated that the directors at the Board Meeting held today, summoned to an Extraordinary Shareholders' Meeting to be held on May 26, 2016 at 11:30 am at the Company's offices in order to discuss the amendments to the by-laws related to the Company's business objective, customizing them to that required by Law No. 20.877, published in the Official Gazette on November 30, 2015.

Through letter No. 189 dated April 28, the Company communicated that at the Ordinary Shareholders' Meeting, the shareholders:

1. Approved the Annual Report, Consolidated Financial Statements and Independent Auditors' Report including the notes to the financial statements for 2015, and the expenses incurred by the Board of Directors as contained in the Annual Report.

2. Agreed not to distribute profit or dividends.
3. Established the Company's dividend policy.
4. Agreed Directors' Compensation.
5. Confirmed KPMG Auditores Consultores Limitada as the external auditors for fiscal year 2016.
6. Appointed the "Estrategia" newspaper to publish notices for Shareholders' Meetings.

Julio E. Pérez Silva
General Accountant

Rubén Alvarado Vigar
General Manager