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

Interim Consolidated Financial Statements
for the periods ended June 30, 2015 and 2014,
and December 31, 2014

(With Independent Auditors' Review Report)

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

CONTENTS



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

KPMG Auditores Consultores Ltda.
Av. Isidora Goyenechea 3520, Piso 2
Las Condes, Santiago, Chile

Teléfono +56 (2) 2798 1000
Fax +56 (2) 2798 1001
www.kpmg.cl

# Independent Auditor's Review Report

As of June 30, 2015

To the President and Directors
Empresa de Transporte de Pasajeros Metro S.A.:

### *Report on the financial statements*

We have reviewed the accompanying interim consolidated statement of financial position of Empresa de Transporte de Pasajeros Metro S.A. and its subsidiary as of June 30, 2015, the related interim consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2015, and the related interim consolidated statements of changes in equity and cash flows for the six-month period then ended.

### *Management's responsibility for the interim consolidated financial statements*

The Company's management is responsible for the preparation and fair presentation of the interim consolidated financial information in accordance with IAS 34 of International Financial Reporting Standards and specific instructions and standards for the preparation and presentation of financial information issued by the Chilean Superintendence of Securities and Insurance (SVS) described in Note 2.1 to the interim consolidated financial statements; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with the applicable financial reporting framework.

### *Auditors' responsibility*

Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in Chile applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Chile, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

### *Conclusion*

Based on our reviews, we are not aware of any material modifications that should be made to the interim consolidated financial information for it to be in accordance with IAS 34 of International Financial Reporting Standards and the specific instructions and standards for the preparation and presentation of financial information issued by the SVS described in Note 2.1 to the interim consolidated financial statements.

*Other matters*

***Consolidated statement of financial position as of December 31, 2014***

On March 9, 2015, we expressed an unmodified opinion on the consolidated financial statements as of December 31, 2014 and 2013 of Empresa de Transporte de Pasajeros Metro S.A. and its subsidiary, which includes the consolidated statement of financial position as of December 31, 2014 presented in the accompanying consolidated interim financial statements, and the related notes.

The above translation of the auditor's report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been done solely for the convenience of non-Spanish readers.

Héctor del Campo R.

KPMG Ltda.

Santiago, August 10, 2015

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

**Interim Consolidated Financial Statements**

**For the periods ended  June 30, 2015 and 2014, and December 31, 2014**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the periods ended**

**June 30, 2015 and 2014 and December 31, 2014**

---

Contents:



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

Interim Consolidated Financial Statements

**CONTENTS**

Interim Consolidated Classified Statements of Financial Position

For the periods ended June 30, 2015 (unaudited) and December 31, 2014

(in thousands of Chilean pesos)

| ASSETS | NOTE | 06-30-2015 | 12-31-2014 |
|---|---|---|---|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 180,443,356 | 222,297,210 |
| Other current financial assets | 10 | 48,566,505 | 97,949,131 |
| Other current non-financial assets | 11 | 3,238,227 | 3,815,743 |
| Trade and other receivables, current | 5 | 15,107,090 | 10,281,620 |
| Inventories | 6 | 12,873,850 | 12,141,802 |
| Current tax assets | | 697,983 | 1,379,896 |
| Total current assets | | 260,927,011 | 347,865,402 |
| NON-CURRENT ASSETS | | | |
| Other non-current financial assets | 10 | 12,304,876 | 10,968,457 |
| Other non-current non-financial assets | 11 | 38,236,219 | 40,163,467 |
| Trade receivables, non-current | | 796,162 | 1,202,697 |
| Intangible assets other than goodwill | 7 | 5,503,975 | 4,943,762 |
| Property, plant and equipment | 8 | 3,239,360,967 | 3,100,792,871 |
| Investment property | 9 | 12,981,293 | 13,090,499 |
| Total non-current assets | | 3,309,183,492 | 3,171,161,753 |
| TOTAL ASSETS | | 3,570,110,503 | 3,519,027,155 |

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

Interim Consolidated Classified Statements of Financial Position, continued

For the periods ended June 30, 2015 (unaudited) and December 31, 2014

(In thousands of Chilean pesos)

| LIABILITIES AND EQUITY | NOTE | 06-30-2015 | 12-31-2014 |
|---|---|---|---|
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Other current financial liabilities | 12 | 100,296,747 | 93,417,666 |
| Trade and other payables | 15 | 64,117,417 | 56,612,308 |
| Other short-term provisions | 19 | 208,806 | 286,000 |
| provisions for employee benefits, current | 17 | 7,949,320 | 10,417,076 |
| Other current non-financial liabilities | 13 | 26,459,993 | 27,570,371 |
| Total current liabilities | | 199,032,283 | 188,303,421 |
| NON-CURRENT LIABILITIES | | | |
| Other non-current financial liabilities | 12 | 1,414,155,029 | 1,411,815,210 |
| Accounts payable due to related entities, non-current | 14 | 105,140,328 | 4,837,328 |
| Provisions for employee benefits, non-current | 17 | 13,595,383 | 13,722,607 |
| Other non current non-financial liabilities | 13 | 3,425,430 | 3,482,216 |
| Total non-current liabilities | | 1,536,316,170 | 1,433,857,361 |
| Total liabilities | | 1,735,348,453 | 1,622,160,782 |
| EQUITY | | | |
| Share capital | 20 | 2,207,691,640 | 2,207,691,640 |
| Retained earnings (accumulated deficit) | 20 | (406,297,906) | (344,193,583) |
| Other reserves | 20 | 33,378,961 | 33,378,961 |
| Equity attributable to owners of the Parent | | 1,834,772,695 | 1,896,877,018 |
| Non-controlling interests | 20 | (10,645) | (10,645) |
| Total equity | | 1,834,762,050 | 1,896,866,373 |
| Total liabilities and equity | | 3,570,110,503 | 3,519,027,155 |

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

Interim Consolidated Statements of Comprehensive Income by Function

For the periods ended June 30, 2015 and 2014 (unaudited)

(in thousands of Chilean pesos)

| STATEMENT OF INCOME | NOTE | ACCUMULATED | | QUARTER | |
|---|---|---|---|---|---|
| PROFIT (LOSS) | | 01-01-2015 06-30-2015 | 01-01-2014 06-30-2014 | 04-01-2015 06-30-2015 | 04-01-2014 06-30-2014 |
| Revenue | 21 | 144,446,005 | 135,203,916 | 78,598,790 | 73,255,068 |
| Cost of sales | 21 | (138,883,979) | (123,752,105) | (70,563,305) | (67,406,631) |
| Gross profit | | 5,562,026 | 11,451,811 | 8,035,485 | 5,848,437 |
| Other income, by function | 21 | 1,705,864 | 3,635,689 | 450,172 | 2,349,386 |
| Administrative expenses | 21 | (10,662,598) | (9,989,101) | (6,033,200) | (4,292,494) |
| Other expenses, by function | 21 | (708,464) | (94,594) | (668,718) | (84,960) |
| Other profit (loss) | 21 | 1,046,011 | 1,822,057 | (599,316) | (634,767) |
| Finance income | 21 | 4,603,554 | 5,102,198 | 2,305,339 | 2,606,169 |
| Finance costs | 21 | (24,746,995) | (24,930,718) | (12,360,437) | (12,585,769) |
| Foreign currency translation difference | 21 | (25,886,654) | (14,493,226) | (10,600,464) | (413,488) |
| Profit (loss) on index-adjusted units | 21 | (12,940,440) | (25,526,762) | (12,574,771) | (14,826,130) |
| Profit (loss) before tax | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| Profit (loss) from continuing operations | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| Profit (loss) | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| PROFIT (LOSS) ATTRIBUTABLE TO: | | | | | |
| Owners of the Parent | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| Non-controlling interests | | - | - | | |
| Profit (loss) | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| STATMENT OF COMPREHENSIVE INCOME | | | | | |
| Profit (loss) | | (62,027,696) | (53,022,646) | (32,045,910) | (22,033,616) |
| Other comprehensive income | 21 | (76,627) | (548,598) | 156,951 | (359,175) |
| Total comprehensive income | | (62,104,323) | (53,571,244) | (31,888,959) | (22,392,791) |
| Comprehensive income attributable to: | | | | | |
| Owners of the Parent | | (62,104,323) | (53,571,244) | (31,888,959) | (22,392,791) |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income | | (62,104,323) | (53,571,244) | (31,888,959) | (22,392,791) |

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

Interim Consolidated Statements of Changes in Equity

For the periods ended June 30, 2015 and 2014 (unaudited)

(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 reserves, miscellaneous | Revaluation surplus | Reserve for gain (loss) on defined benefit plans | Total other reserves | | | | |
| Opening balance as of 01-01-2015 | 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) | - | - | - | - | - | (62,027,696) | (62,027,696) | - | (62,027,696) |
| Other comprehensive income | - | - | - | (76,627) | (76,627) | - | (76,627) | - | (76,627) |
| Comprehensive income | - | - | - | - | - | - | (62,104,323) | - | (62,104,323) |
| Increase (decrease) on transfers and other changes | - | - | - | 76,627 | 76,627 | (76,627) | - | - | - |
| Closing balance as of 06-30-2015 | 2,207,691,640 | 30,336,377 | 3,042,584 | - | 33,378,961 | (406,297,906) | 1,834,772,695 | (10,645) | 1,834,762,050 |
| | | | | | | | | | |
| Opening balance as of 01-01-2014 | 2,001,000,847 | 30,336,377 | 3,042,584 | - | 33,378,961 | (213,052,888) | 1,821,326,920 | (10,645) | 1,821,316,275 |
| Profit (loss) | - | - | - | - | - | (53,022,646) | (53,022,646) | - | (53,022,646) |
| Other comprehensive income | - | - | - | (548,598) | (548,598) | - | (548,598) | - | (548,598) |
| Comprehensive income | - | - | - | - | - | - | (53,571,244) | - | (53,571,244) |
| Increase (decrease) on transfers and other changes | - | - | - | 548,598 | 548,598 | (548,598) | - | - | - |
| Closing balance as of 06-30-2015 | 2,001,000,847 | 30,336,377 | 3,042,584 | - | 33,378,961 | (266,624,132) | 1,767,755,676 | (10,645) | 1,767,745,031 |

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

Interim Consolidated Statements of Cash Flows

For the periods ended June 30, 2015 and 2014 (unaudited)

(in thousands of Chilean pesos)

---

| Statements of cash flows - direct method | 01-01-2015<br>06-30-2015 | 01-01-2014<br>06-30-2014 |
|---|---|---|
| **Statement of cash flows** | | |
| **Cash flows from (used in) operating activities** | | |
| Receipts from sales of goods and the rendering of services | 135,534,009 | 131,412,292 |
| Other receipts from operating activities | 6,855,192 | 4,067,139 |
| Payment to suppliers for goods and services | (79,404,560) | (62,094,572) |
| Payments to and on behalf of employees | (31,566,194) | (34,081,729) |
| Other payments for operating activities | (4,465,928) | (3,921,780) |
| Net cash flows generated from operating activities | **26,952,519** | **35,381,350** |
| **Cash flows from (used in) investing activities** | | |
| Acquisition of property, plant and equipment | (156,835,684) | (146,742,177) |
| Acquisition of intangible assets | (337,525) | (1,018,865) |
| Other payments made to acquire other entities' equity or debt securities | - | (155,509,933) |
| Other receipts made for the sale of other entities' equity or debt securities | 52,028,172 | - |
| Interest paid | (7,445,269) | - |
| Net cash flows used in investing activities | **(112,590,306)** | **(303,270,975)** |
| **Cash flows from (used in) financing activities** | | |
| Loans from related entities - Contributions from the Chilean Treasury | 100,303,000 | 75,000,000 |
| Loan payments | (28,905,915) | (49,530,525) |
| Interest paid | (24,977,599) | (20,338,605) |
| Other cash inflows (outflows) | (5,506,667) | 267,390,105 |
| Net cash flows from financing activities | **40,912,819** | **272,520,975** |
| | | |
| Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rate | (44,724,968) | 4,631,350 |
| | | |
| **Effects of changes in exchange rate on cash and cash equivalents** | 2,871,114 | 2,520,221 |
| Net increase (decrease) in cash and cash equivalents | (41,853,854) | 7,151,571 |
| Cash and cash equivalents at the beginning of period | 222,297,210 | 129,279,100 |
| Cash and cash equivalents at the end of period | **180,443,356** | **136,430,671** |

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

(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 June 30, 2015 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 June 30, 2015 and December 31, 2014, and the comprehensive income statements, statements of changes in equity and statements of cash flows as of June 30, 2015 and 2014, which have been prepared according to 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."

These consolidated financial statements were approved by the Board on August 10, 2015, 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

Subsidiary Suburban Passenger Transport Company (Transub S.A.) is consolidated from the date on which control of the Company was transferred and up to the date on which that control no longer exists. 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 income statement.

The Suburban Passenger Transport Company (Transub S.A.) is in a pre-operational stage and has not yet registered any activity since its creation to the present date and was consolidated under the guidelines of SVS Memo 1819 of November 14, 2006.

| Tax ID Number | Company | Ownership interest | | |
|---|---|---|---|---|
| | | 06-30-2015 - 12-31-2014 | | |
| | | 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 associated investments.

## 2.3. Foreign currency transactions

### 2.3.1. Functional and presentation currency

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

### 2.3.2. Transactions and balances in foreign currency and adjustment units

Transactions in foreign currency and adjustment units are converted to the functional currency using the exchange rates in effect on the transaction dates. Profits and losses in foreign currency that result from the settlement of these transactions and from conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are recognized in the 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 | Ch$/US$ | Ch$/EUR | Ch$/UF |
|---|---|---|---|
| 06-30-2015 | 639.04 | 712.34 | 24,982.96 |
| 12-31-2014 | 606.75 | 738.05 | 24,627.10 |
| 06-30-2014 | 552.72 | 756.84 | 24,023.61 |
| 12-31-2013 | 524.61 | 724.30 | 23,309.56 |

Ch$ = Chilean pesos

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.

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.

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 income.

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 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.

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 income.

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 the consolidated statement of comprehensive income.

2.12. Cash and cash equivalents

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

2.13. Share capital

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

2.14. Trade and other payables

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

2.15. 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.

On September 29, 2014, the Tax Reform Law was enacted, which, among other aspects, defines the default tax system applicable to the Company; the corporate income tax rate that will be gradually applied between 2014 and 2018; and allows companies to opt for one of the two tax systems established therein: the attributed income system or the partially-integrated system, which results in entities being subject to different tax rates starting in 2017.

The Attributed regime is applicable to individual entrepreneurs, single-owner limited liability companies, communities and partnerships when formed exclusively by natural persons domiciled or residents in Chile. The Partially Integrated regime is applicable to the remaining taxpayers, such as openly and closely held shareholders' corporations, joint stock companies or partnerships whose owners are not solely natural persons domiciled or residents in Chile. The tax system to which the Company, by default, shall be subject to as of January 1, 2017, is the partially integrated system.

Likewise, the Company may opt for a change in the tax system to use a system other than the default system within the last three months of the 2016 calendar year, upon approval by the shareholders at an Extraordinary Shareholders' Meeting with a quorum of at least two thirds of voting-right shares issued, and it will become effective through submission of the declaration signed by the Company, and the minute, drafted as public deed, entered by the company. The Company shall be subject to the tax system that was assigned to it, during at least five consecutive business years. After this period it is able to change the tax system, and should be subject to such new system for at least five consecutive years.

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 | Annual periods beginning on or after January 1, 2018. Early adoption is permitted. |
| IFRS 14 Regulatory Deferral Accounts | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IFRS 15 Revenue from Contracts | Annual periods beginning on or after January 1, 2018. Early adoption 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. | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IFRS 11, *Joint Arrangements*: Acquisition of an Interest in a Joint Operation | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IAS 16, *Property, Plant and Equipment,* and IAS 38, *Intangible Assets*: Clarification of Acceptable Methods of Depreciation and Amortization. | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IAS 27, *Separate Financial Statements*, Equity Method in Separate Financial Statements . | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |
| IAS 1, *Presentation of Financial Statements*: Disclosure Initiative. | Annual periods beginning on or after January 1, 2016. Early adoption is permitted. |

The Company is still assessing the impact that the application of the new and modified standards will have on the interim 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 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.

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 June 30, 2015:

| Financial assets and financial liabilities at fair value, classified by hierarchy through profit or loss | 06-30-2015 | | |
|---|---|---|---|
| | Level 1 ThCh$ | Level 2 ThCh$ | Level 3 ThCh$ |
| **Financial assets** | | | |
| Cross currency swap | - | 10,798,364 | - |
| **Financial liabilities** | | | |
| Cross currency swap | - | 541,774 | - |

| Financial assets and financial liabilities at fair value classified by hierarchy through profit or loss | 12-31-2014 | | |
|---|---|---|---|
| | Level 1 ThCh$ | Level 2 ThCh$ | Level 3 ThCh$ |
| **Financial assets** | | | |
| Cross currency swap | - | 9,595,348 | - |
| **Financial liabilities** | | | |
| Cross currency swap | - | 599,335 | - |

## 4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

| Concept | Currency | Balance as of 06-30-2015 ThCh$ | Balance as of 12-31-2014 ThCh$ |
|---|---|---|---|
| **Cash** | | | |
| On hand | Ch$ | 94,143 | 30,920 |
| | US$ | 2,857 | 2,713 |
| | EUR | 563 | 59,246 |
| In banks | Ch$ | 2,715,219 | 1,780,571 |
| | US$ | 35,652 | 30,283 |
| **Total cash** | | **2,848,434** | **1,903,733** |
| Term deposits | CLP | 135,971,006 | 149,973,689 |
| | US$ | 37,413,466 | 70,311,467 |
| **Total term deposits** | | **173,384,472** | **220,285,156** |
| Reverse repurchase agreements | Ch$ | 4,210,450 | 108,321 |
| **Total reverse repurchase agreements** | | **4,210,450** | **108,321** |
| **Total cash and cash equivalents** | | **180,443,356** | **222,297,210** |
| Subtotal by currency | Ch$ | 142,990,818 | 151,893,501 |
| | US$ | 37,451,975 | 70,344,463 |
| | EUR | 563 | 59,246 |

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, are detailed below for the periods 2015 and 2014:

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 06-30-2015 ThCh$ |
|---|---|---|---|---|---|---|---|
| Term deposits | Ch$ | 135,718,931 | 3.43% | 23 | 135,718,931 | 252,075 | 135,971,006 |
| Term deposits | US$ | 58,543.29 | 0.18% | 14 | 37,411,504 | 1,962 | 37,413,466 |
| **Total** | | | | | **173,130,435** | **254,037** | **173,384,472** |

| 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 12-31-2014 ThCh$ |
|---|---|---|---|---|---|---|---|
| Term deposits | Ch$ | 149,598,390 | 3.40% | 22 | 149,598,390 | 375,299 | 149,973,689 |
| Term deposits | US$ | 115,871.28 | 0.21% | 32 | 70,304,902 | 6,565 | 70,311,467 |
| **Total** | | | | | **219,903,292** | **381,864** | **220,285,156** |

Repurchase agreements

| Code | Date | | Counterparty | Currency of origin | Subscription value ThCh$ | Annual rate % | Final value ThCh$ | Instrument identification | Carrying amounts 06-30-2015 ThCh$ |
|---|---|---|---|---|---|---|---|---|---|
| | Beginning | End | | | | | | | |
| CRV | 06-25-2015 | 01-07-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 600,000 | 3.24 | 600,324 | NON-ADJ P NOTE | 600,270 |
| CRV | 06-30-2015 | 02-07-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 1,440,000 | 3.24 | 1,440,259 | NON-ADJ P NOTE | 1,440,000 |
| CRV | 06-26-2015 | 02-07-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 500,000 | 3.24 | 500,270 | NON-ADJ P NOTE | 500,180 |
| CRV | 06-30-2015 | 06-07-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 1,300,000 | 3.24 | 1,300,702 | NON-ADJ P NOTE | 1,300,000 |
| CRV | 06-30-2015 | 07-07-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 370,000 | 3.24 | 370,233 | NON-ADJ P NOTE | 370,000 |
| **Total** | | | | | **4,210,000** | | **4,211,788** | | **4,210,450** |

| Code | Date | | Counterparty | Currency of origin | Subscription value ThCh$ | Annual rate % | Final value ThCh$ | Instrument identification | Carrying amounts 12-31-2014 ThCh$ |
|---|---|---|---|---|---|---|---|---|---|
| | Beginning | End | | | | | | | |
| CRV | 09-29-2014 | 05-01-2015 | BCI CORREDOR DE BOLSA S.A. | CLP | 108,300 | 3.36 | 108,371 | NON-ADJ P NOTE | 108,321 |
| **Total** | | | | | **108,300** | | **108,371** | | **108,321** |

## 5. Trade and other receivables, current

As of June 30, 2015, and December 31, 2014, this caption comprises the following:

| Trade and other receivables, gross | Balance at 06-30-2015 ThCh$ | Balance at 12-31-2014 ThCh$ |
|---|---|---|
| **Trade and other receivables, gross** | **16,535,240** | **11,447,770** |
| Trade receivables, gross | 5,481,452 | 5,897,784 |
| Sales channel accounts receivable, gross | 9,448,340 | 4,132,497 |
| Other accounts receivable, gross | 1,605,448 | 1,417,489 |

| Trade and other receivables, net | Balance at 06-30-2015 ThCh$ | Balance at 12-31-2014 ThCh$ |
|---|---|---|
| **Trade and other receivables, net** | **15,107,090** | **10,281,620** |
| Trade receivables, net | 4,153,167 | 4,731,634 |
| Sales channel accounts receivable, net | 9,348,475 | 4,132,497 |
| Other accounts receivable, net | 1,605,448 | 1,417,489 |

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

As of June 30, 2015, and December 31, 2014, the analysis of net trade and other accounts receivable by maturity and expiration date are detailed below:

| Trade receivables, net | Balance at | |
|---|---|---|
| | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
| Maturity up to 3 months | 1,824,164 | 2,910,760 |
| Maturity from 3 months to 1 year | 1,271,800 | 803,453 |
| Maturity of more than 1 year | 1,057,203 | 1,017,421 |
| **Total** | **4,153,167** | **4,731,634** |

| Sales channel accounts receivable, net | Balance at | |
|---|---|---|
| | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
| Maturity up to 3 months | 9,190,893 | 4,131,933 |
| Maturity from 3 months to 1 year | 142,808 | 564 |
| Maturity of more than 1 year | 14,774 | - |
| **Total** | **9,348,475** | **4,132,497** |

| Other accounts receivable, net | Balance at | |
|---|---|---|
| | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
| Maturity up to 3 months | 433,463 | 365,784 |
| Maturity from 3 months to 1 year | 1,171,985 | 1,051,705 |
| **Total** | **1,605,448** | **1,417,489** |

Movements in the allowance for impairment provision are as follows:

| Past due and outstanding trade receivables with impairment | ThCh$ |
|---|---|
| **Balance as of December 31, 2014** | **1,166,150** |
| Increase (decrease) for the year | 262,000 |
| **Balance as of June 30, 2015** | **1,428,150** |

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 a better control of the balances. 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 | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Inventories and stock | 2,032,491 | 2,055,628 |
| Spare parts and maintenance accessories | 10,355,372 | 9,469,618 |
| Imports in transit and others | 485,987 | 616,556 |
| Total | **12,873,850** | **12,141,802** |

As of June 2015 and 2014, inventory consumption was charged to the statement of comprehensive income in the cost of sales line item, in the amount of ThCh$6,637,627 and ThCh$4,951,951, respectively.

As of June 2015, inventory write-offs amounted to ThCh$22,651. As in the prior period, there were no inventories written-off. 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 period.

## 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 for the periods 2015 and 2014 are as follows:

| Concept | 06-30-2015 | | | 12-31-2014 | | |
|---|---|---|---|---|---|---|
| | **Gross intangible ThCh$** | **Accumulated amortization ThCh$** | **Net intangible ThCh$** | **Gross intangible ThCh$** | **Accumulated amortization ThCh$** | **net intangible ThCh$** |
| Licenses and software | 5,503,887 | (3,104,862) | 2,399,025 | 4,957,152 | (2,835,146) | 2,122,006 |
| Easements | 3,104,950 | - | 3,104,950 | 2,821,756 | - | 2,821,756 |
| **Total** | **8,608,837** | **(3,104,862)** | **5,503,975** | **7,778,908** | **(2,835,146)** | **4,943,762** |

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

| Movements | Licenses and Software ThCh$ | Easements ThCh$ | Total intangible assets, net ThCh$ |
|---|---|---|---|
| Opening balance as of 01-01-2015 | 2,122,006 | 2,821,756 | 4,943,762 |
| Additions | 546,735 | 283,194 | 829,929 |
| Amortization | (269,716) | - | (269,716) |
| Closing balance as of 06-30-2015 | 2,399,025 | 3,104,950 | 5,503,975 |
| Average remaining useful life | 2 years | Perpetual | |

c) Movements of intangible assets other than goodwill for 2014 are as follows:

| Movements | Licenses and Software ThCh$ | Easements ThCh$ | Total intangible assets, net ThCh$ |
|---|---|---|---|
| Opening balance as of 01-01-2014 | 2,381,936 | 949,310 | 3,331,246 |
| Additions | 390,299 | 1,872,446 | 2,262,745 |
| Amortization | (650,229) | - | (650,229) |
| Closing balance as of 12-31-2014 | 2,122,006 | 2,821,756 | 4,943,762 |
| 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 | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| **Classes of property, plant and equipment, net** | | |
| **Property, plant and equipment, net** | **3,239,360,967** | **3,100,792,871** |
| Work in progress, net | 639,405,152 | 499,973,601 |
| Land, net | 103,304,295 | 102,758,816 |
| Civil w orks, net | 1,414,678,616 | 1,423,522,329 |
| Buildings, net | 73,326,058 | 73,400,991 |
| Rolling stock, net | 714,702,266 | 708,194,331 |
| Electrical equipment, net | 248,089,268 | 255,131,761 |
| Machinery and equipment, net | 26,523,799 | 16,135,279 |
| Other, net | 19,331,513 | 21,675,763 |
| | | |
| **Classes of property, plant and equipment, gross** | | |
| **Property, plant and equipment, gross** | **3,673,731,036** | **3,499,116,361** |
| Work in progress, gross | 639,405,152 | 499,973,601 |
| Land, gross | 103,304,295 | 102,758,816 |
| Civil w orks, gross | 1,528,361,139 | 1,528,077,753 |
| Buildings, gross | 85,218,595 | 84,375,666 |
| Rolling stock, gross | 880,602,020 | 859,526,107 |
| Electrical equipment, gross | 378,791,856 | 375,395,664 |
| Machinery and equipment, gross | 38,716,466 | 27,332,991 |
| Other, gross | 19,331,513 | 21,675,763 |
| | | |
| **Classes of accumulated depreciation and impairment of property, plant and equipment** | | |
| **Accumulated depreciation and impairment of property, plant and equipment** | **434,370,069** | **398,323,490** |
| Accumulated depreciation of civil w orks | 113,682,523 | 104,555,424 |
| Accumulated depreciation of buildings | 11,892,537 | 10,974,675 |
| Accumulated depreciation of rolling stock | 165,899,754 | 151,331,776 |
| Accumulated depreciation of electrical equipment | 130,702,588 | 120,263,903 |
| Accumulated depreciation of machinery and equipment | 12,192,667 | 11,197,712 |

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

| 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 01-01-2015 | | 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 | 174,235,885 | 568,855 | 152 | 66 | 3,144,320 | 64,173 | 403,138 | (2,344,250) | 176,072,339 |
| | Transfers | (34,804,334) | - | 283,233 | 842,863 | 18,810,649 | 3,342,433 | 11,061,650 | - | (463,506) |
| | Derecognition or sales | - | (23,376) | - | - | (68,587) | (7,190) | (16,809) | - | (115,962) |
| | Depreciation expense | - | - | (9,127,098) | (917,862) | (15,378,447) | (10,441,909) | (1,059,459) | - | (36,924,775) |
| | Total movements | 139,431,551 | 545,479 | (8,843,713) | (74,933) | 6,507,935 | (7,042,493) | 10,388,520 | (2,344,250) | 138,568,096 |
| Closing balance as of 06-30-2015 | | 639,405,152 | 103,304,295 | 1,414,678,616 | 73,326,058 | 714,702,266 | 248,089,268 | 26,523,799 | 19,331,513 | 3,239,360,967 |

| 2014 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 01-01-2014 | | 203,211,577 | 83,397,592 | 1,431,439,815 | 73,383,899 | 719,209,832 | 272,965,702 | 14,011,576 | 24,577,882 | 2,822,197,875 |
| Movements | Additions | 320,184,939 | 19,361,224 | 4,211,751 | 181,660 | 9,908,016 | 211,961 | 1,507,676 | (2,902,119) | 352,665,108 |
| | Transfers | (23,422,915) | - | 6,031,049 | 1,663,220 | 9,365,432 | 3,514,974 | 2,478,027 | - | (370,213) |
| | Derecognition or sales | - | - | - | (47,101) | (109,534) | (40,882) | (1,504) | - | (199,021) |
| | Depreciation expense | - | - | (18,160,286) | (1,780,687) | (30,179,415) | (21,519,994) | (1,860,496) | - | (73,500,878) |
| | Total movements | 296,762,024 | 19,361,224 | (7,917,486) | 17,092 | (11,015,501) | (17,833,941) | 2,123,703 | (2,902,119) | 278,594,996 |
| Closing balance as of 12-31-2014 | | 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 |

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 | 40 |

d) Impairment

As of the date of the statements of financial position, 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 June 30, 2015, the estimated balances necessary to carry out the authorized projects that form part of the Company's expansion plan amount to, approximately, MCh$941,632 and comprised: MCh$432,400 for civil works, MCh$275,760 for systems and equipment, and MCh$233,472 for rolling stock, up to 2018.

f) Spare parts and accessories

As of June 30, 2015, and accessories and maintenance materials amounted to ThCh$18,912,240 (ThCh$19,947,898 as of December 31, 2014). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$2,263,990 as of June 30, 2015 and December 31, 2014.

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$17,561,941 as of June 30, 2015 and ThCh$16,961,749 as of December 31, 2014.

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 no useful life revaluations.

h) Financing costs

During the 2015 period, costs of capitalized interests of property, plant and equipment amounted to ThCh$7,882,318, while for the 2014 period these amounted to ThCh$12,846,995.

## 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.

Total investment property as of June 30, 2015, amount to ThCh$12,981,293 and to ThCh$13,090,499 as of December 31, 2014.

| Investment property | Commercial stores | Land | Buildings | Total |
|---|---|---|---|---|
| Balance as of 01-01-2015 | 3,661,981 | 607,816 | 8,820,702 | 13,090,499 |
| Closing balance | 3,661,981 | 607,816 | 8,820,702 | 13,090,499 |
| Depreciation for the period | (59,001) | - | (50,205) | (109,206) |
| **Balance as of 06-30-2015** | **3,602,980** | **607,816** | **8,770,497** | **12,981,293** |

| Investment property | Commercial stores | Land | Buildings | Total |
|---|---|---|---|---|
| Balance as of 01-01-2014 | 3,779,983 | 607,816 | 8,921,112 | 13,308,911 |
| Closing balance | 3,779,983 | 607,816 | 8,921,112 | 13,308,911 |
| Depreciation for the period | (118,002) | - | (100,410) | (218,412) |
| **Balance as of 12-31-2014** | **3,661,981** | **607,816** | **8,820,702** | **13,090,499** |

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 June 30, 2015 is ThCh$105,653,048 (ThCh$95.228.561 as of June 30, 2014).

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

| Concept | 06-30-2015 ThCh$ | 06-30-2014 ThCh$ |
|---|---|---|
| Commercial stores | 58,798,827 | 47,286,504 |
| Land | 41,414,736 | 42,420,718 |
| Buildings | 5,439,485 | 5,521,339 |
| Total | 105,653,048 | 95,228,561 |

Income from investment property as of June 2015 and 2014 are detailed below:

| Income and expenses from investment property | Accumulated | | Quarterly variation | |
|---|---|---|---|---|
| | 06-30-2015<br>ThCh$ | 06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Commercial stores | 2,200,366 | 1,720,110 | 1,032,672 | 373,101 |
| Land | 1,497,073 | 1,475,397 | 963,755 | 942,445 |
| Buildings | 293,389 | 282,339 | 154,546 | 143,618 |
| **Total amount due to rental income** | **3,990,828** | **3,477,846** | **2,150,973** | **1,459,164** |
| Commercial stores | (63,810) | (57,888) | (63,810) | (57,888) |
| Land | (18,571) | (18,074) | (18,571) | (18,074) |
| Buildings | (50,819) | (47,506) | (50,819) | (47,506) |
| **Total expenses due to leases** | **(133,200)** | **(123,468)** | **(133,200)** | **(123,468)** |

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 | 06-30-2015 | | 12-31-2014 | |
|---|---|---|---|---|
| | Current<br>ThCh$ | Non-current<br>ThCh$ | Current<br>ThCh$ | Non-current<br>ThCh$ |
| Financial investments over 3 months | 47,720,057 | - | 97,159,783 | - |
| Derivative transactions | 727,201 | 10,071,163 | 754,828 | 8,840,520 |
| Financial lease | 119,248 | 1,823,616 | 34,520 | 1,731,470 |
| Promissory notes receivables | - | 406,225 | - | 393,388 |
| Other accounts receivable | - | 3,872 | - | 3,079 |
| **Total** | **48,566,506** | **12,304,876** | **97,949,131** | **10,968,457** |

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 06-30-2015 ThCh$ |
|---|---|---|---|---|---|---|---|
| Term deposits | Ch$ | 16,158,050 | 3.66% | 45 | 16,158,050 | 281,819 | 16,439,869 |
| Term deposits | US$ | 48,919.86 | 0.39% | 91 | 31,261,748 | 18,440 | 31,280,188 |
| Total | | | | | 47,419,798 | 300,259 | 47,720,057 |

| 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 12-31-2014 ThCh$ |
|---|---|---|---|---|---|---|---|
| Term deposits | Ch$ | 43,500,000 | 3.50% | 125 | 43,500,000 | 176,611 | 43,676,611 |
| Term deposits | US$ | 88,113.46 | 0.27% | 70 | 53,462,840 | 20,332 | 53,483,172 |
| Total | | | | | 96,962,840 | 196,943 | 97,159,783 |

Derivative transactions

Financial assets as of 06-30-2015

| | | | | | | | | | 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 | 90 days to 1 year | 06-30-2015 | 1 to 3 years | 3 to 5 years | Over 5 years | 06-30-2015 |
| | | | | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 1,418 | 1,418 | 61,226 | - | - | 61,226 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 116 | 116 | 1,177 | - | - | 1,177 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60270% | Biannual | - | 501 | 501 | 16,685 | - | - | 16,685 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 245 | 245 | 8,599 | - | - | 8,599 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60190% | Biannual | 94 | - | 94 | 1,084 | - | - | 1,084 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60790% | Biannual | - | 3,700 | 3,700 | 106,170 | - | - | 106,170 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60340% | Biannual | - | 5,940 | 5,940 | 60,735 | - | - | 60,735 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 4,842 | 4,842 | 169,444 | - | - | 169,444 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60120% | Biannual | - | 759 | 759 | 25,987 | - | - | 25,987 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 140 | 140 | 2,003 | - | - | 2,003 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61420% | Biannual | - | 127 | 127 | 1,572 | - | - | 1,572 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 312 | 312 | 4,567 | - | - | 4,567 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61280% | Biannual | - | 51 | 51 | 983 | - | - | 983 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60070% | Biannual | - | 2,469 | 2,469 | 90,494 | - | - | 90,494 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60520% | Biannual | - | 1,205 | 1,205 | 48,936 | - | - | 48,936 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.61280% | Biannual | - | 31 | 31 | 722 | - | - | 722 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 377 | 377 | 5,491 | - | - | 5,491 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60410% | Biannual | 468 | - | 468 | 12,795 | - | - | 12,795 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 282 | 282 | 9,887 | - | - | 9,887 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.56240% | Biannual | 10,053 | - | 10,053 | 173,338 | - | - | 173,338 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61700% | Biannual | - | 1,477 | 1,477 | 48,804 | - | - | 48,804 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.58470% | Maturity | 58,262 | - | 58,262 | 831,542 | - | - | 831,542 |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | US$ | 0.58470% | Maturity | 20,827 | - | 20,827 | 1,719,342 | - | - | 1,719,342 |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | US$ | 0.56240% | Biannual | 9,778 | - | 9,778 | 763,268 | - | - | 763,268 |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | US$ | 0.60120% | Biannual | - | 10,529 | 10,529 | 1,328,722 | - | - | 1,328,722 |
| 61.219.000-3 | Metro S.A. | Chile | 59.046.320-5 | BNP Paribas | France | US$ | 4.19000% | Biannual | 593,198 | - | 593,198 | 2,746,554 | 1,831,036 | - | 4,577,590 |
| | | | | | | **Total** | | | **692,680** | **34,521** | **727,201** | **8,240,127** | **1,831,036** | - | **10,071,163** |

Financial assets as of 12-31-2014

| | | | | | | | | | Current | | | Non-current | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Maturity | | Total current | Maturity | | | Total non-current |
| Tax ID number | Name | Country | Tax ID number | Name | Country | Currency | Nominal | Amortization | Up to 90 days | 90 days to 1 year | 12-31-2014 | 1 to 3 years | 3 to 5 years | Over 5 years | 12-31-2014 |
| | | | | | | | rate | type | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 1,789 | 1,789 | 46,952 | - | - | 46,952 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 147 | 147 | (1,914) | - | - | (1,914) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60270% | Biannual | - | 635 | 635 | 10,023 | - | - | 10,023 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 271 | 271 | (6,982) | - | - | (6,982) |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60190% | Biannual | 158 | - | 158 | (1,501) | - | - | (1,501) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60790% | Biannual | - | 3,661 | 3,661 | (7,464) | (3,735) | - | (11,199) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60340% | Biannual | - | 5,953 | 5,953 | (47,080) | (23,543) | - | (70,623) |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 6,110 | 6,110 | 100,966 | - | - | 100,966 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60120% | Biannual | - | 958 | 958 | 14,361 | - | - | 14,361 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 155 | 155 | (7,843) | - | - | (7,843) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61420% | Biannual | - | 148 | 148 | (4,494) | - | - | (4,494) |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 394 | 394 | (3,079) | - | - | (3,079) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61280% | Biannual | - | 85 | 85 | (1,993) | - | - | (1,993) |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60070% | Biannual | - | 3,140 | 3,140 | 62,151 | - | - | 62,151 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60520% | Biannual | - | 1,331 | 1,331 | 29,489 | - | - | 29,489 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.61280% | Biannual | - | 52 | 52 | (967) | - | - | (967) |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | US$ | 0.60120% | Biannual | - | 476 | 476 | (3,776) | - | - | (3,776) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.60410% | Biannual | 584 | - | 584 | 7,634 | - | - | 7,634 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.62320% | Biannual | - | 312 | 312 | (8,023) | - | - | (8,023) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.56240% | Biannual | 11,019 | - | 11,019 | 28,680 | 14,340 | - | 43,020 |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.61700% | Biannual | - | 1,520 | 1,520 | (18,416) | - | - | (18,416) |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | US$ | 0.58470% | Maturity | 49,859 | - | 49,859 | - | - | (110,557) | (110,557) |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | US$ | 0.58470% | Maturity | 17,823 | - | 17,823 | - | - | 1404330 | 1,404,330 |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | US$ | 0.56240% | Biannual | 10,870 | - | 10,870 | 597,400 | 149,352 | - | 746,752 |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | US$ | 0.60120% | Biannual | - | 13,288 | 13,288 | 1,631,617 | - | - | 1,631,617 |
| 61.219.000-3 | Metro S.A. | Chile | 59.046.320-5 | BNP Paribas | France | US$ | 4.19000% | Biannual | 624,090 | - | 624,090 | 2,497,296 | 832,430 | 1,664,866 | 4,994,592 |
| | | | | | | **Total** | | | **714,403** | **40,425** | **754,828** | **4,913,037** | **968,844** | **2,958,639** | **8,840,520** |

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 periods 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 period.

| Outstanding future minimum lease payments (*) | 06-30-2015 | | | 12-31-2014 | | |
|---|---|---|---|---|---|---|
| | Gross amount ThCh$ | Interest ThCh$ | Current amount ThCh$ | Gross amount ThCh$ | Interest ThCh$ | Current amount ThCh$ |
| Up to 1 year | 202,140 | 165,783 | 36,357 | 191,926 | 157,406 | 34,520 |
| From 1 to 5 years | 1,010,699 | 766,543 | 244,156 | 959,630 | 727,810 | 231,820 |
| Over 5 years | 2,627,818 | 1,048,358 | 1,579,460 | 2,495,037 | 995,387 | 1,499,650 |
| Total | 3,840,657 | 1,980,684 | 1,859,973 | 3,646,593 | 1,880,603 | 1,765,990 |

(*) As of June, the Company’s profit or loss recognized six months of accrued interest amounting to ThCh$82,891.

## 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 | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Prepaid expenses | 64,780 | 153,097 |
| Advances to suppliers and personnel | 3,173,447 | 3,662,646 |
| **Total** | **3,238,227** | **3,815,743** |

| Other non-current non-financial assets | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Funds allocated to pay for expropriations of new lines | 29,618,188 | 30,281,468 |
| Value-added tax fiscal credit (*) | 7,550,307 | 8,810,894 |
| Advances for severance indemnities and other loans for employees | 1,067,724 | 1,071,105 |
| **Total** | **38,236,219** | **40,163,467** |

(*) The base calculation for the proportional part of the VAT fiscal tax credit was questioned through administrative resolution issued by the Chilean Internal Revenue Service (SII) for which Metro S.A. filed a complaint. Against the second verdict, the Company filed an appeal for an annulment in relation to the merits of the case with the Supreme Court, which was rejected on April 30, 2014. The order to execute was informed in June 2014, resulting in the amendment and deduction of the remaining balance of value-added tax fiscal credit for July 2014, for the value-added tax fiscal credit declared in excess during the period between May 2001 and September 2003.

## 12. Other financial liabilities, current and non-current

The detail of other financial liabilities, current and non-current are as follows:

| Concept | 06-30-2015 | | 12-31-2014 | |
|---|---|---|---|---|
| | Current ThCh$ | Non-current ThCh$ | Current ThCh$ | Non-current ThCh$ |
| Interest-bearing loans | 59,907,941 | 229,894,141 | 57,214,250 | 246,292,296 |
| Bonds payable | 39,847,032 | 1,173,935,053 | 35,604,081 | 1,157,383,417 |
| Derivative transactions | 541,774 | - | 599,335 | - |
| Megaproject contract retentions | - | 10,325,835 | - | 8,139,497 |
| **Total** | **100,296,747** | **1,414,155,029** | **93,417,666** | **1,411,815,210** |

Interest-bearing loans

Biannual and equivalent interest-bearing loans as of 06-30-2015

| | | | | | | | | Current | | | | Non-current | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Maturity | | Total current | Maturity | | | Total non-current |
| Tax ID No. | Name | Country | Tax ID No. | Name | Country | Currency | Effective rate | Up to 90 days ThCh$ | 90 days to 1 year ThCh$ | 06-30-2015 ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | 06-30-2015 ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 59.046.320-5 | BNP Paribas | France | US$ | 2.09% | 7,413,519 | 49,363,580 | 56,777,099 | 125,566,251 | 17,871,436 | - | 143,437,687 |
| 61.219.000-3 | Metro S.A. | Chile | O-E | Natixis Bank | France | US$ | 0.70% | 601,533 | 2,132,455 | 2,733,988 | 8,127,925 | 5,418,617 | 14,993,779 | 28,540,321 |
| 61.219.000-3 | Metro S.A. | Chile | O-E | Natixis Bank | France | Euros | 2.00% | 7,692 | 48,939 | 56,631 | 168,085 | 112,057 | 122,391 | 402,533 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Société Générale | France | US$ | 1.76% | 123,525 | - | 123,525 | 19,171,200 | - | - | 19,171,200 |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Banco Bilbao Vizcaya Argentaria | Chile | US$ | 2.02% | 169,462 | 47,236 | 216,698 | 38,342,400 | - | - | 38,342,400 |
| | | | | | | **Total** | | **8,315,731** | **51,592,210** | **59,907,941** | **191,375,861** | **23,402,110** | **15,116,170** | **229,894,141** |

Biannual and equivalent interest-bearing loans as of 12-31-2014

| | | | | | | | | Current | | | | Non-current | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Maturity | | Total current | Maturity | | | Total non-current |
| Tax ID No. | Name | Country | Tax ID No. | Name | Country | Currency | Effective rate | Up to 90 days ThCh$ | 90 days to 1 year ThCh$ | 12-31-2014 ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | 12-31-2014 ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 59.046.320-5 | BNP Paribas | France | US$ | 2.00% | 7,130,605 | 47,295,705 | 54,426,310 | 138,236,107 | 24,094,562 | 523,626 | 162,854,295 |
| 61.219.000-3 | Metro S.A. | Chile | O-E | Natixis Bank | France | US$ | 0.72% | 572,215 | 1,830,029 | 2,402,244 | 7,717,230 | 5,144,820 | 15,522,364 | 28,384,414 |
| 61.219.000-3 | Metro S.A. | Chile | O-E | Natixis Bank | France | Euros | 2.00% | 8,006 | 50,706 | 58,712 | 174,152 | 116,101 | 155,834 | 446,087 |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Société Générale | France | US$ | 1.73% | 117,132 | - | 117,132 | 18,202,500 | - | - | 18,202,500 |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Banco Bilbao Vizcaya Argentaria | Chile | US$ | 1.97% | - | 209,852 | 209,852 | 36,405,000 | - | - | 36,405,000 |
| | | | | | | **Total** | | **7,827,958** | **49,386,292** | **57,214,250** | **200,734,989** | **29,355,483** | **16,201,824** | **246,292,296** |

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 June 30, 2015, it has been fully used, leaving a principal balance of US$48,900,898.03.
- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of €1,573,093.76. As of June 30, 2015, it has been fully used, leaving a principal balance of €643,739.99.
- ✓ Financial Loan Agreement for the Metro Line 4 Project, with a syndicate of banks led by BNP Paribas, in the amount of US$150,000,000, which is State guaranteed. As of June 30, 2015, it has been fully used, leaving a principal balance of US$8,823,529.41.
- ✓ Buyer Credit Facility Agreement for the Metro Line 4 Project, with a syndicate of banks led by BNP Paribas, in the amount of US$340,000,000.00 which is State guaranteed. As of June 30, 2015, it has been fully used, leaving a principal balance of US$46,026,162.15.
- ✓ Buyer Credit Facility Agreement for the acquisition of rolling stock, with a syndicate of banks led by BNP Paribas in the amount of US$46,855,822.64, without guarantees. As of June 30, 2015, it has been fully used, leaving a principal balance of US$12,570,573.40.
- ✓ 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, without guarantees. As of June 30, 2015, it has been fully used, leaving a principal balance of US$128,541,229.96.
- ✓ 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 June 30, 2015, it has been fully used, leaving a principal balance of US$56,875,000.00.

  Such agreement establishes that as of June 30, 2015, 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 June 30, 2015, this debt/equity ratio is 0.95 times; equity reaches ThCh$1,835 million, calculated as set forth in the relevant loan agreement.
- ✓ Debt Restructuring Loan Agreement, with BNP Paribas, in the amount of US$90,000,000.00 (Bullet payment at maturity date). This financing is state guaranteed in the amount of US$60,000,000. As of June 30, 2015, it has been fully used, leaving a principal balance of US$60,000,000.00.

  Such agreement establishes that, as of June 30, 2015, 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 June 30, 2015, this debt/equity ratio is 0.95 times; equity reaches ThCh$1,835 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 June 30, 2015, it has been fully used, leaving a principal balance of US$30,000,000.

Such agreement establishes that as of June 30, 2015, 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 June 30, 2015, this debt/equity ratio is 0.95 times; equity reaches ThCh$1,835 million, calculated as set forth in the relevant loan agreement.

- ✓ Debt Restructuring Loan Agreement, with Banco Bilbao Vizcaya Argentaria, for US$60,000,000, (Bullet payment at maturity date). This financing is not guaranteed. As of June 30, 2015, it has been fully used, leaving a principal balance of US$60,000,000.

  Such agreement establishes that, as of June 30, 2015, 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 June 30, 2015, this debt/equity ratio is 0.95 times; equity reaches ThCh$1,835 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 June 30, 2015, it has not been used.

  Such agreement establishes that, at each reporting year, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Those restrictions are calculated and determined using the financial statements prepared as of December 31 of each calendar year and filed with the 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. As of June 30, 2015, it has not been used.

  Such agreement establishes that, at each reporting year, the maximum debt/equity ratio must be equal to or less than 1.70 times with minimum equity of ThCh$700 million. Those restrictions are calculated and determined using the financial statements prepared as of December 31 of each calendar year and filed with the SVS.

## Bonds

The detail of bonds is as follows:

The Company’s domestic and foreign liabilities as of 06-30-2015

| | | | | | | | | | | | 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 ThCh$ | 90 days to 1 year ThCh$ | 06-30-2015 ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | 06-30-2015 ThCh$ |
| A | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.6% | 6.3% | Biannual | 4,109,587 | 1,748,809 | 5,858,396 | 16,613,670 | 10,492,843 | 58,726,429 | 85,832,942 |
| B | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.6% | 5.9% | Biannual | 874,405 | 1,301,052 | 2,175,457 | 6,995,230 | 5,246,422 | 31,575,974 | 43,817,626 |
| C | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.5% | 5.5% | Biannual | 3,957,622 | 1,665,532 | 5,623,154 | 2,498,629 | 9,993,251 | 75,702,328 | 88,194,208 |
| D | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 5.1% | Biannual | 4,040,969 | 1,665,531 | 5,706,500 | 9,993,186 | 9,160,419 | 74,801,569 | 93,955,174 |
| E | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 4.9% | Biannual | 1,165,872 | 1,634,734 | 2,800,606 | 6,995,230 | 6,995,229 | 54,031,430 | 68,021,889 |
| F | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 5.0% | Biannual | 1,959,051 | 791,127 | 2,750,178 | 4,746,763 | 3,560,072 | 38,494,808 | 46,801,643 |
| G | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 4.5% | 3.1% | Biannual | 916,669 | 1,165,872 | 2,082,541 | 6,995,230 | 4,663,487 | 65,094,919 | 76,753,636 |
| H | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.3% | 4.5% | Biannual | 490,143 | 2,498,296 | 2,988,439 | 14,989,776 | 7,374,868 | - | 22,364,644 |
| I | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.7% | 4.8% | Biannual | 1,525,376 | - | 1,525,376 | 3,236,426 | 12,945,703 | 54,393,718 | 70,575,847 |
| J | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.5% | 4.5% | Biannual | - | 531,213 | 531,213 | - | 9,993,174 | 89,544,459 | 99,537,633 |
| K | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 3.8% | 4.0% | Biannual | 1,421,234 | - | 1,421,234 | - | - | 125,865,748 | 125,865,748 |
| L | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 3.9% | 3.8% | Biannual | - | 186,582 | 186,582 | - | - | 37,155,623 | 37,155,623 |
| | 61.219.000-3 | Metro S.A. | Chile | | Deutsche Bank | USA | US$ | 4.8% | 4.9% | Biannual | 6,197,356 | - | 6,197,356 | - | - | 315,058,440 | 315,058,440 |
| | | | | | | | **Total** | | | | **26,658,284** | **13,188,748** | **39,847,032** | **73,064,140** | **80,425,468** | **1,020,445,445** | **1,173,935,053** |

The Company’s liabilities in Chile as of 12-31-2014

| | | | | | | | | | | | 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 ThCh$ | 90 days to 1 year ThCh$ | 12-31-2014 ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | 12-31-2014 ThCh$ |
| A | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.6% | 6.3% | Biannual | 4,094,958 | 1,723,898 | 5,818,856 | 12,067,280 | 10,343,382 | 63,750,584 | 86,161,246 |
| B | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.6% | 5.9% | Biannual | 861,948 | 1,290,453 | 2,152,401 | 6,033,640 | 5,171,691 | 32,790,004 | 43,995,335 |
| C | 61.219.000-3 | Metro S.A. | Chile | 97.080.000-K | Banco Bice | Chile | UF | 5.5% | 5.5% | Biannual | 3,942,328 | 1,641,807 | 5,584,135 | 9,850,842 | 9,850,907 | 68,874,208 | 88,575,957 |
| D | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 5.1% | Biannual | 4,024,490 | 1,641,807 | 5,666,297 | 9,850,842 | 8,209,034 | 76,351,762 | 94,411,638 |
| E | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 4.9% | Biannual | 1,149,265 | 1,619,417 | 2,768,682 | 6,895,589 | 5,378,559 | 56,095,799 | 68,369,947 |
| F | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 5.5% | 5.0% | Biannual | 1,950,659 | 779,858 | 2,730,517 | 4,679,150 | 3,119,433 | 39,219,882 | 47,018,465 |
| G | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 4.5% | 3.1% | Biannual | 903,612 | - | 903,612 | 6,895,589 | 4,597,060 | 65,645,246 | 77,137,895 |
| H | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.3% | 4.5% | Biannual | 483,161 | - | 483,161 | 14,776,260 | 9,705,735 | - | 24,481,995 |
| I | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.7% | 4.8% | Biannual | 1,503,648 | - | 1,503,648 | - | 12,761,303 | 56,770,663 | 69,531,966 |
| J | 61.219.000-3 | Metro S.A. | Chile | 97.036.000-K | Banco Santander | Chile | UF | 4.5% | 4.5% | Biannual | - | 523,646 | 523,646 | - | 6,567,220 | 91,538,255 | 98,105,475 |
| K | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 3.8% | 4.0% | Biannual | 1,400,990 | - | 1,400,990 | - | - | 123,990,008 | 123,990,008 |
| L | 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 3.9% | 3.8% | Biannual | - | 183,925 | 183,925 | - | - | 36,616,622 | 36,616,622 |
| | 61.219.000-3 | Metro S.A. | Chile | | Deutsche Bank | USA | US$ | 4.8% | 4.9% | Biannual | 5,884,211 | - | 5,884,211 | - | - | 298,986,868 | 298,986,868 |
| | | | | | | | **Total** | | | | **26,199,270** | **9,404,811** | **35,604,081** | **71,049,192** | **75,704,324** | **1,010,629,901** | **1,157,383,417** |

(*) RTB: Bondholders' Representative.

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

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

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

On October 6, 2011, the Company placed series K bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 16 years of grace period for principal payment, with semiannual interest payments and 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 06-30-2015

| | | | | | | | | | Current | | | Non-current | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Maturity | | Total current | Maturity | | | Total non-current |
| Tax ID Number | Name | Country | Bank Tax ID Number | Name | Country | Currency | Nominal rate | Amortization type | Up to 90 days | 90 days to 1 year | 06-30-2015 | 1 to 3 years | 3 to 5 years | Over 5 years | 06-30-2015 |
| | | | | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 1.97% | Biannual | - | 4,337 | 4,337 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.40% | Biannual | - | 454 | 454 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.35% | Biannual | - | 1,840 | 1,840 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.39% | Biannual | - | 911 | 911 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.63% | Biannual | 353 | - | 353 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.59% | Biannual | - | 15,280 | 15,280 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.63% | Biannual | - | 24,667 | 24,667 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.41% | Biannual | - | 19,904 | 19,904 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.46% | Biannual | - | 2,871 | 2,871 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.46% | Biannual | - | 540 | 540 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.40% | Biannual | - | 499 | 499 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.40% | Biannual | - | 1,210 | 1,210 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.09% | Biannual | - | 195 | 195 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.08% | Biannual | - | 8,064 | 8,064 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.32% | Biannual | - | 3,887 | 3,887 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.42% | Biannual | - | 115 | 115 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.38% | Biannual | - | 1,474 | 1,474 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.39% | Biannual | 1,737 | - | 1,737 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.75% | Biannual | - | 1,048 | 1,048 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.27% | Biannual | 46,433 | - | 46,433 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 3.10% | Maturity | - | 5,253 | 5,253 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | UF | 1.91% | Maturity | 289,024 | - | 289,024 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | UF | 1.97% | Biannual | 55,849 | - | 55,849 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 1.93% | Biannual | 28,118 | - | 28,118 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 1.93% | Biannual | - | 27,711 | 27,711 | - | - | - | - |
| | | | | | | **Total** | | | 421,514 | 120,260 | 541,774 | - | - | - | - |

METRO DE SANTIAGO

## Financial liabilities as of 12-31-2014

| | | | | | | | | | Current | | | Non-current | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Maturity | | Total current | Maturity | | | Total non-current |
| Tax ID Number | Name | Country | Bank Tax ID Number | Name | Country | Currency | Nominal rate | Amortization type | Up to 90 days | 90 days to 1 year | 12-31-2014 | 1 to 3 years | 3 to 5 years | Over 5 years | 12-31-2014 |
| | | | | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 1.97% | Biannual | - | 6,490 | 6,490 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.40% | Biannual | - | 679 | 679 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.35% | Biannual | - | 2,751 | 2,751 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.39% | Biannual | - | 1,239 | 1,239 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.63% | Biannual | 695 | - | 695 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.59% | Biannual | - | 18,075 | 18,075 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.63% | Biannual | - | 29,517 | 29,517 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.41% | Biannual | - | 29,786 | 29,786 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.46% | Biannual | - | 4,297 | 4,297 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.46% | Biannual | - | 735 | 735 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.40% | Biannual | - | 706 | 706 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.40% | Biannual | - | 1,811 | 1,811 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.09% | Biannual | - | 393 | 393 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.08% | Biannual | - | 12,057 | 12,057 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.32% | Biannual | - | 5,176 | 5,176 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.036.000-k | Santander Chile | Chile | UF | 2.42% | Biannual | - | 231 | 231 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.38% | Biannual | - | 2,206 | 2,206 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.39% | Biannual | 2,568 | - | 2,568 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.75% | Biannual | - | 1,424 | 1,424 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 2.27% | Biannual | 56,077 | - | 56,077 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 96.929.050-2 | Deutsche Bank | Chile | UF | 3.10% | Maturity | - | 6,551 | 6,551 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | UF | 1.91% | Maturity | 284,907 | - | 284,907 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.032.000-8 | Bilbao Vizcaya Argentaria | Chile | UF | 1.97% | Biannual | 55,053 | - | 55,053 | - | - | - | - |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 1.93% | Biannual | | 41,468 | 41,468 | | | | |
| 61.219.000-3 | Metro S.A. | Chile | 97.004.000-5 | Banco de Chile | Chile | UF | 1.93% | Biannual | 34,443 | - | 34,443 | - | - | - | - |
| | | | | | | **Total** | | | 433,743 | 165,592 | 599,335 | - | - | - | - |

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

This caption comprises the following:

| Current | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Real estate taxes | 4,877,414 | 6,694,913 |
| Deferred income | 1,254,911 | 777,477 |
| Guarantees received | 20,327,668 | 20,097,981 |
| **Total** | **26,459,993** | **27,570,371** |

| Non-current | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Deferred income (*) | 3,425,430 | 3,482,216 |
| **Total** | **3,425,430** | **3,482,216** |

(*) Corresponds to long-term operational leases.

## 14. Balances and transactions with related parties

Trade and other receivables:

As of June 30, 2015 and December 31, 2014, 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 June 30, 2015, contributions pending capitalization reached ThCh$105,140,328 and ThCh$4,837,328 as of December 31, 2014.

Transactions:

**2015**

During the first semester of 2015, the Company received contributions from the Government of Chile of ThCh$100,303,000 and ThCh$75,000,000 during the first quarter of 2014.

**2014**

The Company received contributions from the Chilean Treasury of ThCh$189,739,260.

On August 28, 2014, ThCh$52,200,000 were capitalized through the issuance and placement of 1,498,277,842 new shares.

On December 23, 2014, ThCh$154,490,793 were capitalized through the issuance and placement of 4,675,871,458 new shares.

As of December 31, 2014, contributions pending capitalization reached ThCh$4,837,328, comprising contributions received during 2014.

As detailed in Note 12 to the financial statements, the State Treasure of Chile is the guarantor of the 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 as follows:

Directors' income:

| Directors' income | Accumulated | | Quarterly variation | |
|---|---|---|---|---|
| | 06-30-2015 | 06-30-2014 | 04-01-2015 06-30-2015 | 04-01-2014 06-30-2014 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Fixed remunerations | 62,154 | 57,488 | 32,611 | 29,295 |
| Variable remunerations | 30,136 | 30,570 | 15,138 | 16,258 |
| **Total** | **92,290** | **88,058** | **47,749** | **45,553** |

Board of Directors expenses

During 2015 and 2014, there were no air ticket and per diem expenses.

Remunerations of the General Manager and Other Managers:

During the first semester of 2015, the compensation paid to the General Manager amounted to ThCh$87,350 (ThCh$104,294 as of the same period of 2014) and compensation paid to Other Managers amounted to ThCh$796,657 (ThCh$727,979 as of the same period of 2014).

## 15. Trade and other payables

This caption comprises the following:

| Concept | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Debt for purchases or services received | 52,771,257 | 46,099,648 |
| Accounts payable - Transantiago | 9,600,945 | 7,888,299 |
| Withholdings | 1,379,775 | 2,133,914 |
| Other accounts payable | 365,440 | 490,447 |
| **Total** | **64,117,417** | **56,612,308** |

## 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 | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Accrued vacations | 4,011,530 | 3,486,648 |
| Employee benefit obligations | 1,421,511 | 2,242,326 |
| Productivity bonus | 2,516,279 | 4,688,102 |
| **Total** | **7,949,320** | **10,417,076** |

Non-current

| Concept | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Provision for dismissal | 14,387,685 | 14,481,443 |
| Provision for resignations | 72,378 | 75,876 |
| Provision for mortality | 904,568 | 937,964 |
| Advance for severance indemnity payments | (1,769,248) | (1,772,676) |
| **Total** | **13,595,383** | **13,722,607** |

Movement in the provision for severance indemnity payments

| Concept | ThCh$ |
|---|---|
| **Liabilities as of 01-01-2015** | 13,722,607 |
| Service interest | 390,292 |
| Benefits paid | (594,143) |
| Actuarial profit (loss) | 76,627 |
| **Liabilities as of 06-30-2015** | **13,595,383** |

| Concept | ThCh$ |
|---|---|
| **Liabilities as of 01-01-2014** | 12,401,746 |
| Service interest | 705,448 |
| Benefits paid | (475,025) |
| Actuarial profit (loss) | 1,090,438 |
| **Liabilities as of 12-31-2014** | **13,722,607** |

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:

2015

| Concept | Increase | Base | Decrease | Increase ThCh$ | Decrease ThCh$ |
|---|---|---|---|---|---|
| Discount rate (change of 0.5) | 5.406% | 4.906% | 4.406% | 13,525,896 | 13,661,780 |
| Increase in salary (change of 0.5) | 4.530% | 4.030% | 3.530% | 13,607,896 | 13,584,101 |
| Labor rotation (change of 25%) | 1.813% | 1.450% | 1.088% | 13,593,019 | 13,598,240 |
| Mortality rate (change of 25%) | 25.00% | RV-2009 | -25.00% | 13,565,789 | 13,625,599 |

2014

| Concept | Increase | Base | Decrease | Increase ThCh$ | Decrease ThCh$ |
|---|---|---|---|---|---|
| Discount rate (change of 0.5) | 5.179% | 4.679% | 4.179% | 13,653,117 | 13,788,977 |
| Increase in salary (change of 0.5) | 4.530% | 4.030% | 3.530% | 13,739,196 | 13,707,639 |
| Labor rotation (change of 25%) | 1.813% | 1.450% | 1.088% | 13,716,622 | 13,729,177 |
| Mortality rate (change of 25%) | 25.00% | RV-2009 | -25.00% | 13,687,617 | 13,758,348 |

Projection of the actuarial calculation for the following year:

The projected calculation for the following year amounts to ThCh$14,272,872.

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$99,024 as of June 30, 2015 (ThCh$55,000 as of June 2014).

Actuarial revaluation of obligations:

The Company revalued its obligations as of June 30, 2015, determining a loss due to the update of financial parameters of ThCh$25,878 (ThCh$$277,940 in June 2014) a loss due to experience of ThCh$50,749 (loss of ThCh$270,658 in June 2014).

| Concept / profit (loss) | 06-30-2015 ThCh$ | 06-30-2014 ThCh$ |
|---|---|---|
| Revaluation of financial parameters | (25,878) | (277,940) |
| Revaluation due to experience | (50,749) | (270,658) |
| Total deviation for the period | (76,627) | (548,598) |
| Summary | | |
| Due to hypotheses | (25,878) | (277,940) |
| Due to experience | (50,749) | (270,658) |
| Total deviation for the period | (76,627) | (548,598) |

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 RV-2009 men and RV-2009 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 |

1. Discount rate:

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

| Period | Rate % |
|---|---|
| 12-31-2013 | 2.47 |
| 12-31-2014 | 1.63 |
| 06-30-2015 | 1.85 |

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$736,425,375 as of June 2015, ThCh$655,225,735 as of December 31, 2014 and ThCh$573,449,078 as of June 2014, 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 | |
|---|---|---|---|---|
| | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
| Allowance for doubtful accounts | 365,600 | 314,861 | - | - |
| Deferred income | 1,263,692 | 1,150,117 | - | - |
| Accrued vacations | 1,083,113 | 941,395 | - | - |
| Severance indemnity payments | 1,710,410 | 1,724,195 | - | - |
| Provisions for law suits | 56,378 | 77,220 | - | - |
| Provisions for maintenance | 704,126 | 489,972 | - | - |
| Provision for employee benefits | 383,808 | 605,428 | - | - |
| Provisions for spare parts | 611,277 | 611,277 | - | - |
| Irrecoverable value added-tax fiscal credit for extensions | - | - | 30,719,393 | 30,295,259 |
| Capitalized expenses | - | - | 18,339,018 | 12,280,168 |
| Property, plant and equipment | 46,630,617 | 35,976,674 | - | - |
| Tax loss | 198,834,851 | 176,910,948 | - | - |
| Other events | 821,722 | 1,387,982 | - | - |
| **Subtotal** | **252,465,594** | **220,190,069** | **49,058,411** | **42,575,427** |
| Net deferred tax assets | 203,407,183 | 177,614,642 | - | - |
| Reduction of deferred tax assets (1) | (203,465,594) | (177,614,642) | - | - |
| **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 June 30, 2015, 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 | 06-30-2015 ThCh$ | 12-31-2014 ThCh$ |
|---|---|---|
| Civil - compensation for damages | 106,800 | 168,800 |
| Civil - others | 50,000 | 50,000 |
| Labor | 43,082 | 37,200 |
| Other (resources - presentations - etc.) | 8,924 | 30,000 |
| **Total** | **208,806** | **286,000** |

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 01-01-2014 | 1,187,150 |
| Accrued provisions | 575,786 |
| Reversal of provisions | (1,476,936) |
| Balance as of 12-31-2014 | 286,000 |
| Accrued provisions | 163,374 |
| Reversal of provisions | (240,568) |
| Balance as of 06-30-2015 | 208,806 |

Direct guarantees

The guarantees granted by the Company are in UF, US dollars and pesos, expressed in thousands of Chilean pesos as of June 30, 2015, are detailed below.

| Type of guarantee | No. of guarantee | Issuing entity | Currency | Amount | Beneficiary | Issue date | Maturity date | Status | Parity ThCh$ |
|---|---|---|---|---|---|---|---|---|---|
| Note | 23461 | Banco Santander | UF | 1,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 24,983 |
| Note | 23462 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23471 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23470 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23469 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23468 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23467 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23466 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23465 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23464 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 23463 | Banco Santander | UF | 5,000 | Subsecretaría de Transportes | 09-24-2014 | 10-02-2015 | Effective | 124,915 |
| Note | 292112 | Banco Santander | UF | 150 | Constructora San Francisco | 01-03-2014 | 12-31-2015 | Effective | 3,747 |
| Note | 485246 | Banco BCI | Ch$ | 136,000,000 | Junaeb | 08-05-2014 | 03-31-2016 | Effective | 136,000 |
| Note | 486643 | Banco BCI | Ch$ | 136,000,000 | Junaeb | 05-08-2014 | 03-31-2017 | Effective | 136,000 |
| Note | 96584 | Banco BBVA | US$ | 1,000,000 | Enor Chile S.A. | 06-10-2014 | 06-30-2017 | Effective | 639,040 |
| Stand By | SBLC10187 | Multibank | US$ | 24,930 | Metro Panamá | 05-20-2014 | 12-31-2015 | Effective | 15,931 |
| Note | 8530751 | Banco Santander | Ch$ | 351,894,543 | Junaeb | 05-05-2015 | 03-31-2016 | Effective | 351,895 |

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

## 20. Changes in equity

2014 capital increase

At an Extraordinary Shareholders' Meeting held on December 23, 2014, the shareholders of the Company agreed to:

- ✓ Increase the issued and subscribed and fully-paid capital of the Company by capitalizing government contributions of ThCh$154,490,793, at nominal value through the issuance of 4,675,871,458 Series A shares subscribed and fully-paid by the Government and CORFO, in proportion to their interests and social participation.

At November 19, 2014, CORFO paid the fiscal contributions signed on August 28, 2014.

At an Extraordinary Shareholders' Meeting held on August 28, 2014, the shareholders of the Company agreed to:

- ✓ Increase the issued and subscribed and fully-paid capital of the Company by capitalizing government contributions of ThCh$52,200,000 at nominal value through the issuance of 1,498,277,842 Series A shares that will be subscribed and fully-paid by CORFO no later than December 31, 2014.

a. Capital

As of June 30, 2015 and December 31, 2014, the capital of the Company is represented by 38,012,527,629 and 19,163,677,063 Series A and B registered shares without par value, respectively, with 35,878,695,886 shares corresponding to CORFO and 21,297,508,806 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 | 06-30-2015 | | 12-31-2014 | |
|---|---|---|---|---|
| | Number of shares and percentages | | | |
| | Subscribed and paid shares | Ownership % | Subscribed and paid shares | Ownership % |
| Corporación de Fomento de la Producción (Corfo) | 35,878,695,886 | 62.75% | 35,878,695,886 | 62.75% |
| State Treasury (Fisco) | 21,297,508,806 | 37.25% | 21,297,508,806 | 37.25% |
| **Total** | **57,176,204,692** | **-** | **57,176,204,692** | **-** |
| Corporación de Fomento de la Producción (Corfo) | | | | |
| Series A | 23,775,224,580 | - | 23,775,224,580 | - |
| Series B | 12,103,471,306 | - | 12,103,471,306 | - |
| **Total** | **35,878,695,886** | **-** | **35,878,695,886** | **-** |
| State Treasury (Fisco) | | | | |
| Series A | 14,237,303,049 | - | 14,237,303,049 | - |
| Series B | 7,060,205,757 | - | 7,060,205,757 | - |
| **Total** | **21,297,508,806** | **-** | **21,297,508,806** | **-** |

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, 2015, 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 June 30, 2015 and 2014, these are detailed below:

| Subsidiary | Percentage Non-controlling interest | | Non-controlling interest Equity | | Share of profit or loss Income (expense) | |
|---|---|---|---|---|---|---|
| | 2015 % | 2014 % | 2015 ThCh$ | 2014 ThCh$ | 2015 ThCh$ | 2014 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 period 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 | 06-30-2015 ThCh$ | 12-31-2014 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:

Revenue for the periods ended June 30, 2015 and 2014 is detailed below:

| Revenue | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| Revenues from passenger transportation services | 112,262,436 | 106,783,304 | 61,022,751 | 58,468,680 |
| Sales channel income | 22,088,967 | 18,656,054 | 12,443,074 | 9,901,157 |
| Lease of commercial stores, spaces and advertising | 6,179,580 | 5,804,733 | 3,144,792 | 2,940,536 |
| Lease in intermodal terminals | 993,317 | 976,674 | 498,137 | 481,345 |
| Other income | 2,921,705 | 2,983,151 | 1,490,036 | 1,463,350 |
| **Total** | **144,446,005** | **135,203,916** | **78,598,790** | **73,255,068** |

Other income:

Other income for the periods ended June 30, 2015 and 2014 is detailed as follows:

| Other income | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015<br>06-30-2015<br>ThCh$ | 01-01-2014<br>06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Income from fines and indemnities | 1,065,877 | 2,439,845 | 343,599 | 1,945,386 |
| Welfare income | 183,957 | 167,041 | 81,287 | 72,442 |
| Sale of proposals | 12,602 | 33,497 | 5,494 | 9,324 |
| Other income | 443,428 | 995,306 | 19,792 | 322,234 |
| **Total** | **1,705,864** | **3,635,689** | **450,172** | **2,349,386** |

Expenses by nature:

Cost of sales, administrative expenses and other expenses by function for the periods ended June 30, 2015 and 2014 are detailed as follows:

| Expenses by nature | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015<br>06-30-2015<br>ThCh$ | 01-01-2014<br>06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Personnel expenses | 32,463,870 | 30,818,240 | 16,227,552 | 16,175,122 |
| Maintenance and operating expenses | 27,509,020 | 23,105,705 | 13,422,769 | 12,583,112 |
| Purchase of energy | 26,251,870 | 21,688,730 | 13,411,862 | 13,904,195 |
| General expenses and others | 26,729,588 | 21,360,526 | 15,488,751 | 10,584,957 |
| Depreciation and amortization | 37,300,693 | 36,862,599 | 18,714,289 | 18,536,699 |
| **Total** | **150,255,041** | **133,835,800** | **77,265,223** | **71,784,085** |

Personnel expenses:

Personnel expenses for the periods ended June 30, 2015 and 2014 are detailed as follows:

| Personnel expenses | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015<br>06-30-2015<br>ThCh$ | 01-01-2014<br>06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Wages and salaries | 22,974,609 | 20,647,834 | 11,427,848 | 9,996,597 |
| Other benefits | 7,684,558 | 8,232,858 | 4,039,856 | 5,299,152 |
| Expenses in social and collective benefits | 767,078 | 1,002,452 | 324,781 | 500,005 |
| Social security contribution | 1,037,625 | 935,096 | 435,067 | 379,368 |
| **Total** | **32,463,870** | **30,818,240** | **16,227,552** | **16,175,122** |

Maintenance and operating expenses:

For the periods ended June 30, 2015 and 2014, the breakdown for this line item is as follows:

| Maintenance and operating expenses | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| Maintenance of rolling stock, stations and others | 20,019,136 | 16,693,497 | 10,317,664 | 8,743,348 |
| Spare parts and materials | 6,109,608 | 4,771,258 | 2,416,789 | 2,807,358 |
| Repair, leases and others | 1,380,276 | 1,640,950 | 688,316 | 1,032,406 |
| **Total** | **27,509,020** | **23,105,705** | **13,422,769** | **12,583,112** |

Depreciation and amortization:

As of June 30, 2015 and 2014, this caption comprises the following:

| Depreciation and amortization | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| Depreciation | 37,030,978 | 36,552,948 | 18,587,536 | 18,381,873 |
| Amortization | 269,715 | 309,651 | 126,753 | 154,826 |
| **Total** | **37,300,693** | **36,862,599** | **18,714,289** | **18,536,699** |

General and other expenses:

For the periods ended June 30, 2015 and 2014, general and other expenses are as follows:

| General expenses and others | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| Service contracts | 12,577,117 | 8,290,480 | 7,674,215 | 4,289,980 |
| Property taxes | - | 689,004 | - | 344,502 |
| Corporate image expenses | 542,347 | 858,560 | 370,020 | 558,902 |
| Sales channel operator expenses | 11,216,586 | 9,242,568 | 5,784,159 | 4,275,050 |
| Insurance, materials and others | 2,393,538 | 2,279,914 | 1,660,357 | 1,116,523 |
| **Total** | **26,729,588** | **21,360,526** | **15,488,751** | **10,584,957** |

Financial result and exchange differences:

The Company's financial result and exchange differences for the periods ended June 30, 2015 and 2014 are as follows:

| Financial result | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| **Finance income** | | | | |
| Interest on cash and other cash equivalents | 2,968,210 | 3,510,887 | 1,443,608 | 1,858,921 |
| Finance income from swaps | 1,401,697 | 1,518,147 | 674,972 | 704,429 |
| Other finance income | 233,647 | 73,164 | 186,759 | 42,819 |
| **Subtotal** | 4,603,554 | 5,102,198 | 2,305,339 | 2,606,169 |
| **Financial expenses** | | | | |
| Interest and expenses on bank loans | (3,875,576) | (4,471,282) | (1,872,790) | (2,201,830) |
| Interest and expenses on bonds | (20,555,646) | (20,085,441) | (10,345,688) | (10,134,618) |
| Other financial expenses | (315,773) | (373,995) | (141,959) | (249,321) |
| **Subtotal** | (24,746,995) | (24,930,718) | (12,360,437) | (12,585,769) |
| Profit (loss) financial result | (20,143,441) | (19,828,520) | (10,055,098) | (9,979,600) |

| Foreign currency translation and index-adjusted differences | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 04-01-2015 06-30-2015 ThCh$ | 04-01-2014 06-30-2014 ThCh$ |
| **Foreign currency translation difference** | | | | |
| Profit (loss) on foreign currency translation (foreign loans and investments) | (25,886,654) | (14,493,226) | (10,600,464) | (413,488) |
| **Total foreign currency translation difference** | (25,886,654) | (14,493,226) | (10,600,464) | (413,488) |
| **Index-adjusted unit** | | | | |
| Profit (loss) on index-adjusted unit (bonds) | (12,940,440) | (25,526,762) | (12,574,771) | (14,826,130) |
| **Total index-adjusted unit** | (12,940,440) | (25,526,762) | (12,574,771) | (14,826,130) |

Other profit (losses):

Other profit (losses) of the Company for the periods ended June 30, 2015 and 2014 is comprised of the following:

| Other profit (loss) | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015<br>06-30-2015<br>ThCh$ | 01-01-2014<br>06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Net present value of swaps US$ | 11,960,674 | 10,938,309 | 9,925,273 | 9,288,614 |
| Net present value of swaps UF | (9,841,561) | (9,116,252) | (9,451,487) | (9,923,381) |
| Net present value, value-added tax | (1,073,102) | - | (1,073,102) | - |
| **Total** | **1,046,011** | **1,822,057** | **(599,316)** | **(634,767)** |

Other comprehensive income:

For the periods ended June 30, 2015 and 2014, other comprehensive income is comprised of the following:

| Other comprehensive income | Accumulated | | Quarter | |
|---|---|---|---|---|
| | 01-01-2015<br>06-30-2015<br>ThCh$ | 01-01-2014<br>06-30-2014<br>ThCh$ | 04-01-2015<br>06-30-2015<br>ThCh$ | 04-01-2014<br>06-30-2014<br>ThCh$ |
| Actuarial profit (loss) on defined benefit plans | (76,627) | (548,598) | 156,951 | (359,175) |
| **Total** | **(76,627)** | **(548,598)** | **156,951** | **(359,175)** |

## 22. Third-party guarantees

Guarantees received as of period closing are detailed below:

| Grantor | Guarantee amount ThCh$ | Originating operation | Relationship |
|---|---|---|---|
| Abengoa Chile S.A. | 61,909,043 | Service contract | Supplier |
| Acciona Infraestructura S.A. | 1,458,523 | Seriousness/offer | Supplier |
| Alstom Chile S.A. | 68,232,979 | Service contract | Supplier |
| Alstom Transport S.A. | 105,670,120 | Service contract | Supplier |
| Alstom Transporte, S.A. | 21,018,923 | Supply contract | Supplier |
| Balfour Beatty Chile S.A. | 3,034,424 | Works and service contract | Supplier |
| Besalco Dragados S.A. | 13,674,748 | Works contract | Supplier |
| CAF Chile S.A. | 147,973,854 | Service contract | Supplier |
| Clas. Ingenieria Electrica E I | 4,344,318 | Service contract | Supplier |
| Colas Rail Establecimiento Per | 30,167,802 | Supply contract | Supplier |
| Cons.Constr.Piq.yTuneles Lin | 5,581,903 | Works contract | Supplier |
| Consorcio Acciona -Brotec Icafa | 13,915,454 | Works contract | Supplier |
| Consorcio Constructor Linea 3 | 10,511,083 | Supply contract | Supplier |
| Consorcio El-Ossa S.A. | 27,437,276 | Works contract | Supplier |
| Const.y Auxiliar de Ferrocarriles | 61,984,654 | Service contract | Supplier |
| Const.y Auxiliar de Ferrocarriles | 3,363,028 | Service contract | Supplier |
| Construct.Jose Fernando Canale | 4,593,867 | Works contract | Supplier |
| Constructora Con Pax S.A. | 5,039,930 | Service contract | Supplier |
| Esert Serv.Integr.de Seguridad | 1,878,868 | Service contract | Supplier |
| ETF | 23,158,202 | Service contract | Supplier |
| ETF AGENCIA EN CHILE | 82,671,192 | Supply contract | Supplier |
| Eulen Seguridad S.A. | 3,283,386 | Service contract | Supplier |
| Faiveley Transport Far East Li | 6,157,914 | Supply doors | Supplier |
| Ferrovial Agroman Chile S.A. | 26,285,363 | Seriousness/offer | Supplier |
| GPMG Ingeniería y Construcción | 2,871,622 | Works contract | Supplier |
| Idom Ingenieria y Consultoria | 1,937,210 | Service contract | Supplier |
| Inabensa S.A. | 3,834,240 | Service contract | Supplier |
| Ing.y Desarroll Tecnologico | 1,490,520 | Supply contract | Supplier |
| Ingen. Maquinaria y Construcción | 4,360,951 | Works contract | Supplier |
| Ingenieria Siga- Poch Limitada | 1,472,813 | Service contract | Supplier |
| ISS Servicios Integrales LIMIT | 11,307,256 | Service contract | Supplier |
| Obrascon Huarte Lain S A Agenc | 27,604,123 | Works contract | Supplier |
| Servicio de Aseo y Jardines M. | 1,662,882 | Seriousness/offer | Supplier |
| Sice Agencia Chile | 19,250,663 | Service contract | Supplier |
| Soc.de Mant.e Instalac.Tecnicas | 16,802,654 | Service contract | Supplier |
| Soler y Palau SA de CV | 4,385,359 | Supply contract | Supplier |
| Systra | 2,166,690 | Service contract | Supplier |
| Thales Canada Inc. | 17,223,851 | Service contract | Supplier |
| Thales Comunications & Segurity | 2,762,888 | Service contract | Supplier |
| Thyssenkrupp Elevadores S.A. | 9,216,097 | Service contract | Supplier |
| Thyssenkrupp Elevadores S.A. | 6,025,530 | Service contract | Supplier |
| Other | 39,609,964 | Works and service contract | Supplier |
| Total | 907,332,167 | | |

## 23. Risk management policies

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

### 23.1 Description of the market in which the Company operates

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

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

**Rates**

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

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

The fare paid by the public is different than the one received by the Company per transported passenger. In June 2015, customers paid Ch$720 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$355.03 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 June 2015 reached a level of 2.42 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 June 2015, we noted a decrease of 6.9 million trips, in comparison to the same date in 2014, which is explained mainly by a decrease in affluence during May of 6.1%, to a business day less and a Saturday more than in May 2014, the effect between holidays of Friday, May 22, 2015, and a decreased level of economic activity in Chile compared with the same period during 2014.

## 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$118 as of June 30, 2015, and MUS$138 as of December 31, 2014, 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 June 2015, the share of the debt at a variable rate records no significant change with respect to December 2014, as shown in the following table:

| Debt composition | 06-30-2015 % | 12-31-2014 % |
|---|---|---|
| Fixed rate | 89.8 | 89.5 |
| Variable rate | 10.2 | 10.5 |
| Total | 100.0 | 100.0 |

In conducting a sensitivity analysis as of June 30, 2015 on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$237, 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$2.4.

| Sensitivity analysis | Equivalent in MUS$ | Total % |
|---|---|---|
| Total debt (equivalent to MUS$) | **2,319** | **100%** |
| Debt at LIBOR rate | 274 | |
| IRS | 81 | |
| CCS | (118) | |
| Total variable LIBOR rate debt | **237** | **10%** |
| Total fixed rate debt | **2,082** | **90%** |

| Variation in financial expenses | Equivalent in MUS$ |
|---|---|
| Impact on financial expenses of a variation of 100 basis points in LIBOR | 2.4 |

**Exchange rate risk and inflation**

The Company has obligations with financial institutions and has issued bonds in foreign markets, agreed in foreign currencies, to finance the extensions in the Metro network. To minimize exchange currency risks, the Company has contracted cross currency swap (CCS) financial derivatives, which amount to ThUS$118 as of June 30, 2015.

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$) | 06-30-2015 Eq. in MUS$ | % | 12-31-2014 Eq. in MUS$ | % |
|---|---|---|---|---|
| Debt UF | 1,485 | 64% | 1,570 | 65% |
| Debt US$ | 834 | 36% | 861 | 35% |
| **Total financial debt** | **2,319** | **100%** | **2,431** | **100%** |

The structure of the financial debt as of June 30, 2015, is mainly denominated in UF 64% and in US dollars (36%).

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 June 30, 2015, 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$49,573,223.

| Sensitivity analysis Effect on profit or loss as of June 2015 | 10% depreciation ThCh$ | 10% appreciation ThCh$ |
|---|---|---|
| Impact on profit or loss of 10% variation in the Ch$/US$ exchange rate | (49,573,223) | 49,573,223 |

**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 78% of total revenue.

Additionally, the Company has duly approved bank credit lines, which reduces liquidity risk.

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 | 78,729,403 | 264,440,001 | 103,827,578 | 1,035,561,607 | 1,482,558,589 |
| Interest | 66,961,192 | 177,069,575 | 105,144,009 | 242,362,045 | 591,536,821 |
| **Total** | **145,690,595** | **441,509,576** | **208,971,587** | **1,277,923,652** | **2,074,095,410** |

Financial liability structure

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

| Financial liabilities | 06-30-2015 | | | | |
|---|---|---|---|---|---|
| | 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 | 59,907,941 | 191,375,861 | 23,402,110 | 15,116,170 | 289,802,082 |
| Bonds | 39,847,032 | 73,064,140 | 80,425,468 | 1,020,445,445 | 1,213,782,085 |
| Derivative transactions | 541,774 | - | - | - | 541,774 |
| **Total** | **100,296,747** | **264,440,001** | **103,827,578** | **1,035,561,615** | **1,504,125,941** |

| Financial liabilities | 12-31-2014 | | | | |
|---|---|---|---|---|---|
| | 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 | 57,214,250 | 200,734,989 | 29,355,483 | 16,201,824 | 303,506,546 |
| Bonds | 35,604,081 | 71,049,192 | 75,704,324 | 1,010,629,901 | 1,192,987,498 |
| Derivative transactions | 599,335 | - | - | - | 599,335 |
| **Total** | **93,417,666** | **271,784,181** | **105,059,807** | **1,026,831,725** | **1,497,093,379** |

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 June 30, 2015 is detailed as follows.

| | Carrying amount ThCh$ | Market value ThCh$ |
|---|---|---|
| Loans | 289,802,082 | 293,617,500 |
| Bonds | 1,213,782,085 | 1,374,405,432 |

**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 78% of the revenue received by the Company is received daily in cash, whereas the remaining 22% 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** | |
|---|---|---|
| | **06-30-2015 ThCh$** | **12-31-2014 ThCh$** |
| Trade receivables, gross | 5,481,452 | 5,897,784 |
| Impairment of trade receivables | (1,328,285) | (1,166,150) |
| **Trade receivables, net** | **4,153,167** | **4,731,634** |
| Sales channel accounts receivables, net | 9,348,475 | 4,132,497 |
| Other receivables, net | 1,605,448 | 1,417,489 |
| **Total trade and other receivables** | **15,107,090** | **10,281,620** |

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** | |
|---|---|---|
| | **06-30-2015 ThCh$** | **12-31-2014 ThCh$** |
| Less than 3 months | 1,824,164 | 2,910,760 |
| From 3 months to 1 year | 1,271,800 | 803,453 |
| Over 1 year | 1,057,203 | 1,017,421 |
| **Total** | **4,153,167** | **4,731,634** |

| **Aging of sales channel accounts receivable, net** | **Balance as of** | |
|---|---|---|
| | **06-30-2015 ThCh$** | **12-31-2014 ThCh$** |
| Less than 3 months | 9,190,893 | 4,131,933 |
| From 3 months to 1 year | 142,808 | 564 |
| Over 1 year | 14,774 | - |
| **Total** | **9,348,475** | **4,132,497** |

| **Aging of other receivables, net** | **Balance as of** | |
|---|---|---|
| | **06-30-2015 ThCh$** | **12-31-2014 ThCh$** |
| Less than 3 months | 433,463 | 365,784 |
| From 3 months to 1 year | 1,171,985 | 1,051,705 |
| **Total** | **1,605,448** | **1,417,489** |

Financial assets

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

As of June 30, 2015 and December 31, 2014, this caption comprises the following:

| Financial assets | 06-30-2015 | | | |
|---|---|---|---|---|
| | Up to 1 year ThCh$ | 1 to 5 years ThCh$ | Over 5 years ThCh$ | Total ThCh$ |
| **Cash and cash equivalents** | | | | |
| Cash | 2,848,434 | - | - | 2,848,434 |
| Term deposits | 173,384,472 | - | - | 173,384,472 |
| Reverse repurchase agreements | 4,210,450 | - | - | 4,210,450 |
| **Subtotal** | **180,443,356** | **-** | **-** | **180,443,356** |
| **Other financial assets** | | | | |
| Financial investments | 47,720,057 | - | - | 47,720,057 |
| Derivative transactions | 727,200 | 10,071,163 | - | 10,798,363 |
| Finance lease agreements | 119,248 | 244,156 | 1,579,460 | 1,942,864 |
| Promissory notes receivable | - | 406,225 | - | 406,225 |
| Other receivables | - | 3,872 | - | 3,872 |
| **Subtotal** | **48,566,505** | **10,725,416** | **1,579,460** | **60,871,381** |
| **Total** | **229,009,861** | **10,725,416** | **1,579,460** | **241,314,737** |

| Financial assets | 12-31-2014 | | | Total ThCh$ |
|---|---|---|---|---|
| | Up to 1 year ThCh$ | 1 to 5 years ThCh$ | Over 5 years ThCh$ | |
| **Cash and cash equivalents** | | | | |
| Cash | 1,903,733 | - | - | 1,903,733 |
| Term deposits | 220,285,156 | - | - | 220,285,156 |
| Reverse repurchase agreements | 108,321 | - | - | 108,321 |
| **Subtotal** | **222,297,210** | **-** | **-** | **222,297,210** |
| **Other financial assets** | | | | |
| Financial investments | 97,159,783 | - | - | 97,159,783 |
| Derivative transactions | 754,828 | 5,881,881 | 2,958,639 | 9,595,348 |
| Finance lease agreements | 34,520 | 231,820 | 1,499,650 | 1,765,990 |
| Promissory notes receivable | - | 393,388 | - | 393,388 |
| Other receivables | - | 3,079 | - | 3,079 |
| **Subtotal** | **97,949,131** | **6,510,168** | **4,458,289** | **108,917,588** |
| **Total** | **320,246,341** | **6,510,168** | **4,458,289** | **331,214,798** |

The average period of maturity of financial investments as of June 30, 2015 is less than 90 days and they are invested in banks. None of them are a significant percentage with respect to others.

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

### 23.3 Capital risk management

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

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

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

| Index | 06-30-2015 | 12-31-2014 |
|---|---|---|
| Leverage (times) | 0.95 | 0.86 |
| Equity (MCh$) | 1,834,762 | 1,896,866 |

### 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.

Likewise it should be noted that in March 2014, the Company signed the Energy and Power Contract with distributor Enorchile S.A., which is in effect as of April 1, 2014 and allows the Company to ensure the current network's supply of electric energy for a period of 3 years (up to March 31, 2017).

## 24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended June 30, 2015 and 2014 are detailed as follows:

| Project | Allocated to administrative expenses | | Allocated to property, plant and equipment | | Expenditures committed in the future | |
|---|---|---|---|---|---|---|
| | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | 01-01-2015 06-30-2015 ThCh$ | 01-01-2014 06-30-2014 ThCh$ | Amount ThCh$ | Estimated date |
| Noise and vibrations | 16,915 | - | 38,756 | 36,468 | 530,222 | 2015 |
| Waste treatment | 10,273 | 8,224 | 38,596 | 3,529 | 407,027 | 2015 |
| Run-off w ater | 60,863 | 52,807 | - | - | 61,470 | 2015 |
| Environmental management | 10,849 | 5,877 | 556,732 | 794,826 | 1,433,067 | 2015 |
| Monitoring of polluting parameters | 2,011 | 8,008 | - | - | 55,450 | 2015 |
| **Total** | **100,911** | **74,916** | **634,084** | **834,823** | **2,487,236** | |

The aforementioned projects are currently in progress as of June 30, 2015

## 25. Sanctions

During 2015 and 2014, the Company has not been sanctioned by the SVS or any other supervising entity.

## 26. Subsequent events

Between July 1, 2015 and the issuance date of these consolidated interim financial statements, there have been no other subsequent events that would significantly affect the amounts presented in these financial statements or their interpretation at the reporting date.

Julio E. Pérez Silva
General Accountant

Rubén Alvarado Vigar
General Manager

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### INTRODUCTION

This report aims to present an analysis of the economic/financial performance of the Company as of June 30, 2015, analyzing the financial structure and its main trends, through comparative tables of the Statements of Financial Position as of June 30, 2015 and December 31, 2014, and the Statements of Comprehensive Income as of June 30, 2015 and 2014, expressed in million of Chilean pesos.

### STATEMENT OF FINANCIAL POSITION

As of June 30, 2015, total of Assets and Liabilities amounted to MCh$3,570,111, representing an increase of MCh$51,084, equivalent to 1.5% compared to December 2014.

Total Assets are clearly dominated by the fixed portion of their resources. Accordingly, as of June 30, 2015, Property, Plant & Equipment and Net Investment Properties represent 91.1% of total Assets. Additionally, current Assets and other non-current Assets represent 7.3% and 1.6% of total Assets, respectively.

Net Property, Plant & Equipment, and Investment Properties, commercial premises and other properties, granted under operating lease, increased by 4.4% -MCh$138,458, as a result of purchased properties -MCh$176,072- associated with expansion projects related to the Metro subway network, mainly on Lines 3 and 6, that include MCh$174,236 for works in progress, MCh$569 for Land, MCh$3,144 for Railway rolling stock, MCh$467 for Machinery and equipment and other property, despite a decrease of MCh$2,344 for reclassifications to the Company's other assets. This was offset by depreciation expenses associated with the Company's assets of MCh$36,925 and to a lesser extent to transfers to other assets of MCh$464 and sales of MCh$116. Additionally, Investment Properties decreased by MCh$109.

Current Assets as of June 2015, decreased by 25.0% -MCh$86,938- with respect to December 2014 and its variation was mainly due to a decrease of MCh$49,382 in Other current financial assets and MCh$41,854 in Cash and cash equivalents, due to lower levels of investments in long-term and short-term deposits under 90 days. These investments came from resources obtained from the last issuance and placement of bonds in the international market of US$500,000,000 on February 4, 2014, as well as government grants provided by the Chilean Government. To a lesser extent, the other items that showed a decrease were, Other non-financial assets MCh$577 and Current tax assets MCh$682, despite the increase in Trade and other receivables MCh$4,825 and Inventories MCh$732. Cash and cash equivalents MCh$180,443, Other current financial assets MCh$48,566, Financial investments greater than three months, Trade receivables MCh$15,107, Inventories MCh$12,874 and Other non-financial assets MCh$3,238 are among the main components of current assets.

During the first half of 2015, non-current assets, excluding property, plant and equipment and Investment properties decreased by 0.8% -MCh$436- and its variation was mainly due to the decrease in Other non-financial assets MCh$1,927, due to transfers to items of Property, plant and equipment and the acquisition of land and other property associated with projects for lines 3 and 6, and to a lesser extent due to a decrease in non-current Rights receivable of MCh$406. This was offset by an increase in Other non-current financial assets MCh$1,503 and intangible assets other than goodwill MCh$477. This was offset by a decrease of MCh$1,337 and Intangible assets other than goodwill MCh$560.

The main variations relating to liabilities as of June 2015, originated from Non-current and current liabilities which increased by MCh$102,459 and MCh$10,729, respectively. Equity decreased by MCh$62,104 due to an increase in Accumulated losses as a result of losses for the year 2015. Non-current liabilities varied mainly due to an increase in Non-current accounts payable to related entities of MCh$100,303 as a result of contributions received from the Chilean Government for expansion projects on the subway network Lines 3 and 6, and to a lesser extent by an increase of MCh$2,340 in Other non-current financial liabilities. This was offset by a decrease of MCh$127 in Non-current provisions for employee benefits and MCh$57 in other non-current non-financial liabilities.

Additionally, current liabilities varied due to increases of MCh$7,505 in Trade and other accounts payable and MCh$6,879 in Other current financial liabilities. This was offset by decreases of MCh$2,468 in Current provisions for employee benefits paid during the first quarter of 2015 and MCh$1,110 in Other non-financial liabilities. To a lesser extent this was due to a decrease of MCh$77 in Other short-term provisions.

Non-current liabilities MCh$1,536,316 are comprised of 35.5% or MCh$544,953 in foreign currency obligations, 57.7% or MCh$886,223, in obligations in local currency (readjustable) and 6.8% or MCh$105,140 in local currency (non-readjustable). Interest-bearing loans MCh$229,894 and Public obligations MCh$315,059 are included in obligations in foreign currency with banks and financial institutions. The readjustable local currency component is comprised of Public obligations –Bonds- of MCh$858,877, Non-current provisions for employee benefits MCh$13,595, Other non-current non-financial liabilities MCh$3,425 and Other financial liabilities MCh$10,326. The local currency component (non-readjustable) is composed of Accounts payable to related companies for contributions received by the Chilean Government for various ongoing projects.

Regarding liquidity ratios, positive net working capital amounts to MCh$61,894 which decreased by MCh$97,667 compared to December 2014. Current liquidity ranged from 1.85 to 1.31 times and the acid ratio ranged from 1.18 to 0.91 times. The variations of these ratios are explained by a decrease of MCh$86,938 in current financial investments and an increase of MCh$10,729 in current liabilities.

Indebtedness ratios increased compared with December 2014: total debt-to-equity ratio went from 0.86 to 0.95 times; the current portion of long-term debt from 88.39% to 89.53%, despite the current portion of short-term debt decreasing from 11.61% to 11.47%.

**STATEMENT OF COMPREHENSIVE INCOME**

As of June 30, 2015, the Company recorded a gross profit (Revenue less Cost of sales) of MCh$5,562, a Loss of MCh$67,590 for results other than Cost of sales, resulting in a loss for the period after tax of MCh$162,028. A loss of MCh$76 corresponding to Other comprehensive income is added to the above result, with a total loss of MCh$62,104.

As of June 30, 2015, revenue amounted to MCh$144,446, which represents an increase of MCh$9,242 equivalent to 6.8% compared to last year. Some of the main increases include: Revenue from passenger transportation service MCh$5,479 mainly due to the increase in the variables comprising the indexation polynomial of tariffs. Note that during the first half of 2015, we noted a decrease of 6.9 million trips (2.1%), compared to 2014. This represented a decrease of 6.1% due to one less business day and one more holiday in May 2014 and the effect of Friday, May 22, 2015 which was a public holiday. Another factor to consider is the decrease in Chilean economic activity, compared with 2014. Other increases occurred in Sales channel revenue -MCh$3,433- where Metro S.A. is responsible for the entire sales channel of the transportation system, Transantiago. On the other hand, rental income increased by MCh$392, offset by a decrease in Other operating income which decreased by MCh$62.

Cost of sales MCh$138,884 increased by 12.2% -MCh$15,132- compared with June 2014, mainly due to higher Operation and maintenance expenses MCh$4,807, General expenses MCh$4,975, electricity expenses MCh$4,563, Personnel MCh$349, and Depreciation and amortization MCh$438.

Energy costs increased as a result of a new electricity supply contract entered into by Metro in April 2014, where the price of electricity is considered a marginal cost (valued at market price) and not as regulated prices as in the previous contract. General expenses within cost of sales increased mainly due to greater expenses associated with the sales channel as a result of the new contract for supplementary issuance services, post sale and marketing and loading of access media between the Chilean Ministry of Transport and Telecommunications and Metro S.A. To a lesser extent, contracts for service received increased, such as security contracts, IT and legal services and other general expenses. Operation and maintenance costs were affected by increases in spare part consumption, rolling stock contracts and contract for track maintenance and other maintenance contracts mainly associated with the increased train load and higher prices. To a lesser extent, station maintenance and cleaning costs increased. Personnel expenses varied mainly due to higher payroll expenses and benefits associated with an increase in the average number of personnel, as a result of the Company's increased operating level compared with the previous year. Depreciation varied due to additions from projects associated with the extension of the metro network, mainly rolling stock, machinery and electrical equipment.

Results other than gross profit, showed a loss of MCh$671,590 due to the negative effect of MCh$25,887 in Exchange rates, MCh$24,747 for Financial expenses - External credits, Bonds and derivative transactions interest – Administrative expenses of MCh$10,396, MCh$12,940 for Results from Inflation Adjusted Units, MCh$267 for Depreciation and amortization and MCh$708 for Other expenses. This was offset by the positive effects of financial income MCh$4,603 - Financial investment revenue, Other income MCh$1,046 - Net swap valuation and Other operating revenue MCh$1,706. Complementing the aforementioned, the loss result associated with foreign currency exchange differences, was due to a depreciation of 5.3% of the Chilean peso compared to the U.S. dollar (from Ch$606.75 in December 2014 to Ch$639.04 in June 2015), which generates a greater loss for the year 2015, mainly as a result of liabilities being held in U.S. dollars.

Compared with the prior year, Results other than gross profit had a higher loss of MCh$3,115 due to the negative effects/losses of MCh$11,394 in Foreign currency exchange differences, Other income by function decreased by ThCh$1,929, Other gains -Swap valuations- decreased by MCh$776, Administrative expenses increased by MCh$674, Other by function expenses MCh$614, and finance income that decreased by MCh$449. These results were offset by the positive effects/a gain of MCh$12,587 in Results from inflation-adjusted units and MCh$184 in financial expenses.

**VALUATION OF MAIN ASSETS**

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

**STATEMENT OF CASH FLOWS**

Net cash generated from operating activities.

As of June 30, 2015, total net cash generated from operating activities was MCh$26,953, compared to MCh$35,381 last year. Positive cash flows included: Collection from the sale of goods and rendering of services MCh$135,534 representing an increase of MCh$4,122 compared with June 2014, which represents the Company's main revenue stream, which are the transport of passengers, sales channel and non-tariff related revenue (leases) and to a lesser extent Other operating activities amounts to MCh$6,855, that mainly include interests and financial investments of less than 90 days and other operating charges.

Negative operating cash flows consisted of payments of MCh$79,404 to suppliers for the provision of goods and services, MCh$31,566 for the payment to or on behalf of employees and MCh$4,466 for Other payments for operating activities, mainly for the payment of property taxes and other.

Operating cash flows are of the same nature as last year, reflecting a decrease in positive net cash flow of MCh$8,429 due to higher negative net cash of MCh$17,853 which were offset to a lesser extent by higher positive cash flows of MCh$9,424.

Net cash generated from financing activities.

Net cash flows as of June 30, 2015 amounted to MCh$40,913, compared to last year's MCh$272,521. During the first semester of 2015 there were cash inflows from Loans to relate entities of MCh$100,303, corresponding to contributions received from the Chilean government for investment Projects, mainly related to Lines 3 and 6 projects. Additionally, within cash outflows are the payment of external loans MCh$28,906 and Interests paid MCh$24,978 which include External credits and Obligations with the public- Bonds, and Other cash outflows of MCh$5,506, which include payments of capital shares for bonds and Swap derivative transactions.

Positive net cash flows decreased by MCh$231,608 compared with 2014 due to lower cash inflows of MCh$277,536 and higher cash inflows of MCh$45,928. Negative variations include lower cash inflows of MCh$272,897, and MCh$4,639 for Interests paid, while positive variations include Loans to related entities of MCh$25,303 and lower cash outflows of MCh$20,625 associated with the repayment of loans.

Note that the significant decrease of MCh$272,897 in Other cash inflows was mainly due to the issuance and allocation of Bonds of MUSD$500 in the international market on February 4, 2014.

Net cash generated from investment activities.

As of June 30, 2015 investment activities recorded a negative net cash flow of MCh$112,590 when compared to the same period last year of MCh$303,271. Negative cash flows included: MCh$156,836 for the Acquisition of property, plant and equipment mainly associated with Line 3 and 6 projects, MCh$337 for the Acquisition of intangible assets -software and easements- MCh$7,445 for interests paid, which are offset by Other inflows of MCh$52,028, for the sale of equity or debt instruments from other entities for the redemption of investments in time for periods exceeding three months.

Negative cash flows decreased by MCh$190,681 compared to last year, due to the positive effect of higher collection and lower payments of MCh$207,538 from the sale of equity or instruments from other entities and MCh$681 from lower cash outflows for the acquisition of property, plant and equipment.

This was offset by higher cash outflows of TCh$10,093 for acquisition of property, plant and equipment and MCh$7,445 for interests paid (International bond financing cost).

Decrease in cash and cash equivalents.

At the beginning of 2015, an opening balance of cash and cash equivalents (investments not exceeding 90 days) of MCh$222,297 was recognized. The closing balance of cash and cash equivalents as of June 30, 2015 amounted to MCh$180,443. Consequently, the net variation in cash and cash equivalents for the period was negative by MCh$41,854.

In comparison with the same period in 2014, the opening balance of cash and cash equivalents amounted to MCh$129,279. The closing balance for cash and cash equivalent amounted to MCh$136,431 and net change for the period was MCh$7,152. The effects of the variation in exchange rates on cash and cash equivalents recorded a positive effect of MCh$2,871 as of June 30, 2015 as a result of an increase in the exchange rate, 5.3% -mainly U.S. dollar-, MCh$2,520 compared to the same period last year.

**MARKET RISK ANALYSIS**

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

Tariff structure

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

On December 14, 2012 a new Transport agreement was entered into replacing the aforementioned Appendix No.1, where a flat fee of $302.06 per validated transported passenger was established, based on September 2012, and is updated monthly by indexation polynomial, included in this new agreement, which indicates the fluctuation of the variables comprising the structure of the Company's long-term expenses (CPI, US dollars, Euros, the price of power and electricity). This allows a natural hedge to changes in cost, due to an increase in any of the variables included in the polynomial.

Passenger demand

The demand for passenger transport is a demand derived from other economic activities. During the period between January to June 2015, a decrease of 6.9 million trips was observed, compared to the same period in 2014. The decrease of 6.1% was due to one less business day and one more public holiday when compared to May 2014 and the effect of Friday, May 22, 2015 being a public holiday. There was also a decrease in the level of economic activity in the country, compared with the same period in 2014.

Interest rate and exchange rate risk

In order to reduce the exposure to changes in exchange and interest rates of financial debt, the Company has a Financial Risk Coverage Policy. Within the framework of this policy, the Company performed derivative transactions which amounted to MUS$118 as of June 30, 2015, and placed, for the first time, bonds in the international financial market of MUS$500 at a rate of 4.85%, highlighting the high degree of participation of foreign investors, which reached a demand of 7.6 times the amount of the placement. These actions helped reduce the level of exposure to changes in the aforementioned variables.

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

Liquidity risk and financial liabilities structure

Tariff revenue associated with Metro´s passenger transportation, in accordance with the new transport agreement, are deducted daily from funds raised by the Company's Sales Channel, generating the necessary liquidity to cover the Company's obligations. This income corresponds to 78% of total revenue.

The overall debt structure of the Company is mainly composed of bonds and long-term bank loans, aimed at ensuring financial stability and improving the matching with the maturity terms of the Company's assets.

Credit Risk

Credit risk of accounts receivable from commercial activity (passenger transportation) is limited as 78% of the revenue received by the Company is in cash on a daily basis, while the remaining 22% relates to revenue not related to the main business.

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

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

Electricity Supply Risk

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

- ✓ The electricity feeding systems are duplicated, and in the event of failure of one of them there is always a backup that keeps the power supply for the regular operation of the network.
- ✓ The operational control systems are designed with redundant criteria, i.e., they work in a *standby* mode, so that in the absence of one of the systems, the other comes into operation immediately, maintaining the normal operation of the network.

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

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

| CONCEPT | | June 2015 MCh$ | December 2014 MCh$ | VARIATION MCh$ | VARIATION % |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Current assets | | 260,927 | 347,865 | (86,938) | (25.0) |
| Property, plant and equipment for investment | | 3,252,342 | 3,113,884 | 138,458 | 4.4 |
| Non-current assets | | 56,842 | 57,278 | (436) | (0.8) |
| Total assets | | 3,570,111 | 3,519,027 | 51,084 | 1.5 |
| Liabilities / Total debt : | | | | | |
| Current liabilties | | 199,033 | 188,304 | 10,729 | 5.7 |
| Non-current liabilities | | 1,536,316 | 1,433,857 | 102,459 | 7.1 |
| Total liabilities / total debt | | 1,735,349 | 1,622,161 | 113,188 | 7.0 |
| Net equity: | | | | | |
| Issued capital | | 2,207,692 | 2,207,692 | 0 | 0.0 |
| Other reserves | | 33,379 | 33,379 | 0 | 0.0 |
| Retained earnings (losses) | | (406,298) | (344,194) | (62,104) | (18.0) |
| Non-controlling interest | | (11) | (11) | 0 | 0.0 |
| Total net equity | | 1,834,762 | 1,896,866 | (62,104) | (3.3) |
| Net equity and liabilities, Total | | 3,570,111 | 3,519,027 | 51,084 | 1.5 |
| **Liquidity and indebtedness indicators:** | | | | | |
| **Liquidity index:** | | | | | |
| Net working capital<br>(Current assets (-) Current liabilities) | MCh$ | 61,894 | 159,561 | (97,667) | (61.2) |
| Current liquidity<br>(Current assets / Current liabilties) | times | 1.31 | 1.85 | | (29.2) |
| Acid ratio<br>(Cash and cash equivalents / Current liabilities) | times | 0.91 | 1.18 | | (22.9) |
| **Indebtedness ratio:** | | | | | |
| Leverage:<br>(Total debt / Equity) | times | 0.95 | 0.86 | | 10.5 |
| | % | 94.58 | 85.52 | | 10.6 |
| Short-term debt ratio:<br>(Current liabilties / Total debt) | % | 11.47 | 11.61 | | (1.2) |
| Long-term debt ratio:<br>(Current liabilities / Total debt) | % | 88.53 | 88.39 | | 0.2 |

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

| CONCEPT | | June 2015 MCh$ | June 2014 MCh$ | VARIATION MCh$ | VARIATION % |
|---|---|---|---|---|---|
| Total passenger flow (millions of trips) | | 317.26 | 324.14 | (6.9) | (2.1) |
| Total passenger flow, paid (millions of trips) | | 317.61 | 324.78 | (7.2) | (2.2) |
| Revenue | | | | | |
| Passenger transport service revenue | | 112,262 | 106,783 | 5,479 | 5.1 |
| Sales channel revenue | | 22,089 | 18,656 | 3,433 | 18.4 |
| Leasing revenue | | 7,174 | 6,782 | 392 | 5.8 |
| Other revenue | | 2,921 | 2,983 | (62) | (2.1) |
| Total revenue | | 144,446 | 135,204 | 9,242 | 6.8 |
| Cost of sales | | | | | |
| Personnel | | (24,754) | (24,405) | (349) | (1.4) |
| Operation and maintenance costs | | (26,927) | (22,120) | (4,807) | (21.7) |
| Electricity | | (26,252) | (21,689) | (4,563) | (21.0) |
| General | | (23,917) | (18,942) | (4,975) | (26.3) |
| Depreciations and amortizations | | (37,034) | (36,596) | (438) | (1.2) |
| Total cost of sales | | (138,884) | (123,752) | (15,132) | (12.2) |
| Gross profit | | 5,562 | 11,452 | (5,890) | (51.4) |
| Other profit by function | | 1,706 | 3,635 | (1,929) | (53.1) |
| Administrative expenses | | (10,396) | (9,722) | (674) | (6.9) |
| Administrative depreciation and amortization | | (267) | (267) | 0 | 0.0 |
| Other expenses by function | | (708) | (94) | (614) | (653.2) |
| Other gains (losses) | | 1,046 | 1,822 | (776) | (42.6) |
| Finance income | | 4,603 | 5,102 | (499) | (9.8) |
| Finance expenses | | (24,747) | (24,931) | 184 | 0.7 |
| Exchange rate | | (25,887) | (14,493) | (11,394) | (78.6) |
| Profit (loss) on index-adjusted units | | (12,940) | (25,527) | 12,587 | 49.3 |
| Profit or loss other than gross profit | | (67,590) | (64,475) | (3,115) | (4.8) |
| Profit (loss) before taxes | | (62,028) | (53,023) | (9,005) | (17.0) |
| Income tax expenses | | | | | |
| Profit (loss) | | (62,028) | (53,023) | (9,005) | (17.0) |
| Other comprehensive income | | | | | |
| Actuarial gains (losses) for defined benefit plans | | (76) | (548) | 472 | 86.1 |
| Total comprehensive income | | (62,104) | (53,571) | (8,533) | (15.9) |
| **Indebtedness index** | | | | | |
| Financial expenses coverage: | | | | | |
| (Profit or loss before taxes and interests/Finance expenses) | % | (152) | (117) | | (29.6) |
| **Profit or loss ratios:** | | | | | |
| E.B.I.T.D.A. | | | | | |
| (Earnings before interest, taxes, depreciation and amortization) | | (234) | 7,688 | (7,922) | (103.0) |
| Operating profit (**) | | | | | |
| (Gross profit less Administrative expenses, depreciation and amortization) | | (5,101) | 1,463 | (6,564) | (448.7) |
| E.B.I.T.D.A. (Revenue plus Depreciations and amortizations) (**) | | 32,200 | 38,326 | (6,126) | (16.0) |
| EBITDA margin. ( Ebitda / Revenue) (*) (**) | % | 22 | 28 | | (21.4) |
| (*) Supplementary transport revenue not included | | | | | |
| (**) Subject to contracts entered into | | | | | |
| **Profitability index** | | | | | |
| Operating profitability (Operating profit / Property, plant and equipment) | % | (0.16) | 0.05 | | (420.0) |
| Equity profitability (Net profit (loss) /Average equity) | % | (3.32) | (2.95) | | (12.5) |
| Asset profitability (Net profit (loss) /Average asset) | % | (1.75) | (1.62) | | (8.0) |
| Operating assets return (operating profit or loss/average operating assets) * | % | (0.16) | 0.05 | | (420.0) |
| Profit (loss) per share (Profit(loss) for the period./No. of shares | $ | (1.08) | (1.04) | | (3.8) |
| 2015 - 57.176.204.692 shares | | | | | |
| 2014 - 51.002.055.392 shares | | | | | |

(*) Operating assets are Property, plant and equipment and Investment properties