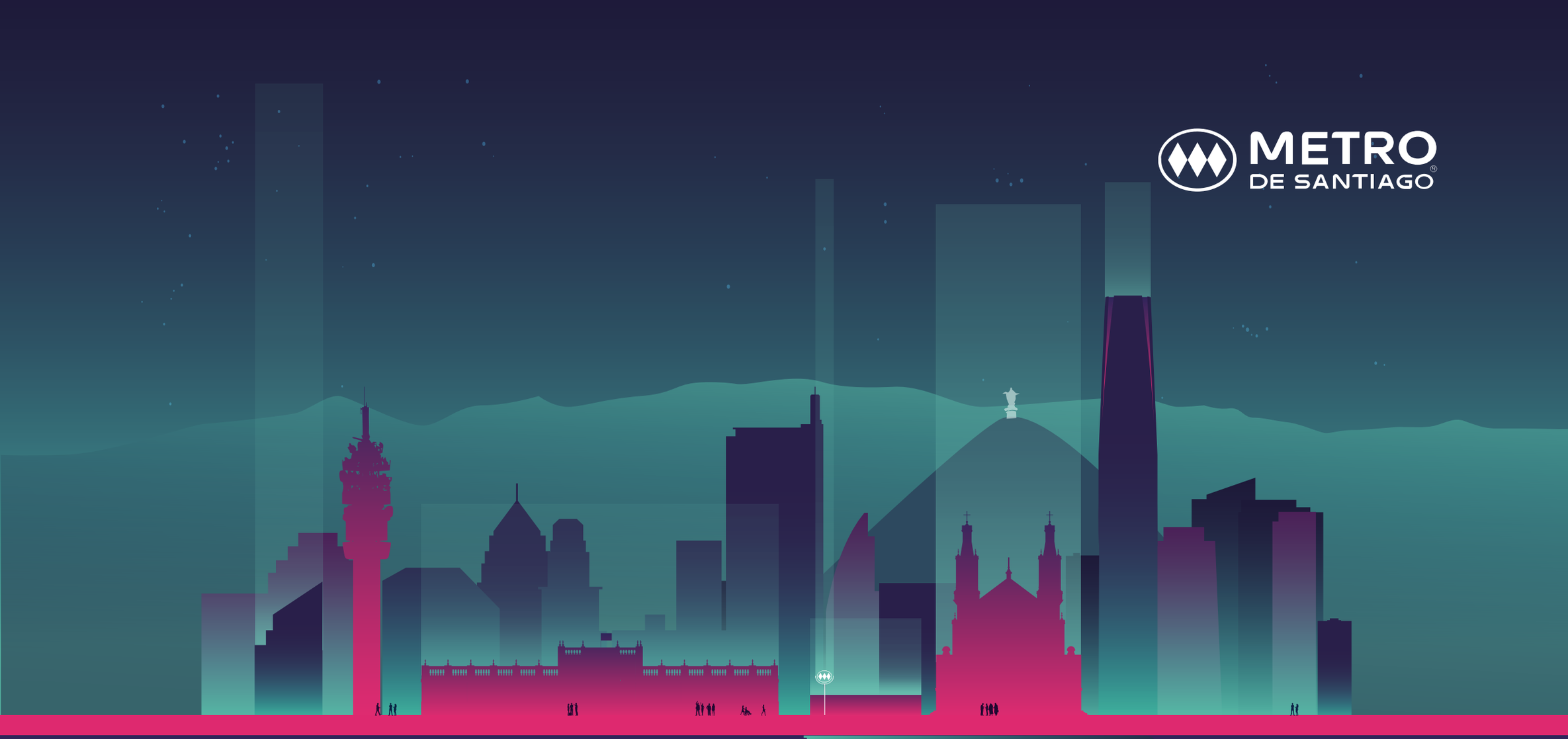
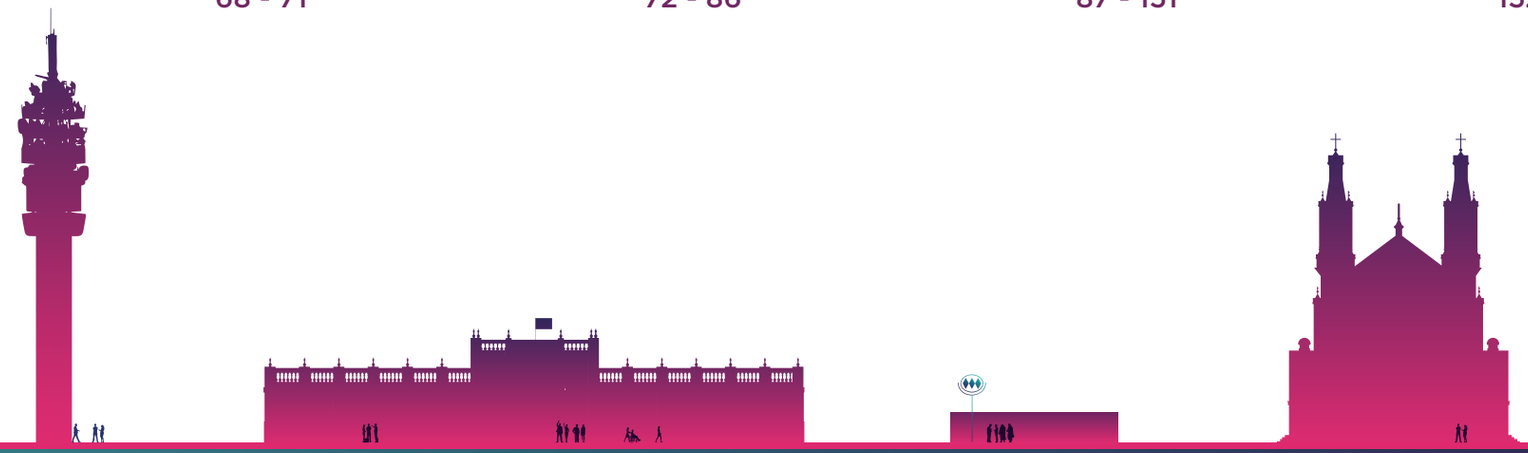
METRO DE SANTIAGO



Annual Report

2018

Contenido



1 Our Company

1.1 *Basic Corporate Identification*

Company Name: Empresa de Transporte de Pasajeros Metro S.A.

Business Name: Metro S.A.

Company Type: Sociedad Anónima

Address: Avda. Libertador Bernardo O'Higgins Nº 1414, Santiago

Tax ID No.: 61.219.000-3

National Securities Registry: Nº 0421, September 22 1992

Independent Auditors: Deloitte Auditores y Consultores Ltda.

Incorporation Documents

Law No. 18,772, published in the Official Gazette on January 28th, 1989, establishes the regulations to turn Dirección General de Metro, under the purview of Ministry of Public Works, into a public limited company. Act No. 18,772 was amended by Article 55 of Act No. 18,899, published in the Official Gazette on December 30th, 1989, and by Article 3º, letter a), of Act No. 19,046, published in the Official Gazette on February 20th, 1991.

Incorporation Papers: public deed dated January 24th, 1990 executed before Raúl Undurraga Laso, Notary Public.

An excerpt thereof was published in the Official Gazette on January 25th, 1990, and amendments were published in the Official Gazette on January 26th, 1990.

Registration: The Company was registered on January 25th, 1990 on page 2,681, under No. 1,427 of the Trade Registry at the Santiago Office of Property Registration.

Addresses

Corporate Headquarters

Corporate Headquarters: Avda. Libertador Bernardo O'Higgins Nº 1414

City: Santiago de Chile

Municipal District: Santiago

Phone Number : 2 2937 3000 – 2 2937 2000

Website: www.metro.cl

E-mail: equipocomunicaciones@metro.cl

Repair and Maintenance Shops

Neptuno: Avda. Dorsal Nº 6252
Municipal District: Lo Prado
Phone: 2 2937 2490

Lo Ovalle: Callejón Lo Ovalle Nº 192
Municipal District: San Miguel
Phone: 2 2937 2975

San Eugenio: San Eugenio Nº 997
Municipal District: Ñuñoa
Phone: 2 2937 2979

Puente Alto: La Balanza Nº 1018
Municipal District: Puente Alto
Phone: 2 2937 7357

Cerrillos: Av. Presidente Salvador Allende N° 1945
Municipal District: Cerrillos
Phone: 2 2937 8618

Los Libertadores: El Molino N° 2021
Municipal District: Quilicura
Phone: S/N

1.2 *Our History*

In 2018, Metro commemorated its 50th anniversary. The underground train has grown and expanded alongside Santiago and its inhabitants, and has become part of its history. In 2018 Metro broke all rider records recording more than 721 million rides (5.2% more than in 2017). Line 6 carried 39 million passengers, amounting to 15.8% more than the forecast.

1968

On October 24th, Eduardo Frei Montalva, President of the Republic, signed the decree that gave birth to Metro de Santiago. The project was left in the hands of the Office of Public Works' Planning Department.

1969

On May 29th, works began on the San Pablo–La Moneda section of Line 1 and the Neptuno Workshop, marking the beginning of a subway network that originally consisted of five lines for a total length of approximately 80 kilometers.

1975

September 15th, Metro de Santiago officially opened its doors and began operations on lines running between the San Pablo and La Moneda stations.

1977

The month of March marked the delivery of the first network expansion project: the continuation of Line 1 up to the Salvador Station.

1978

Line 2 from the Los Heroes to Franklin Stations was opened, resulting in an additional six stations on December 21st that same year up to Lo Ovalle Station.

1980

Expansion works on Line 1 were completed up to the Escuela Militar station, resulting in a total network of 25 kilometers.

1987

On September 15th, two new stations were added: Santa Ana and Mapocho. The name of the latter was subsequently changed due to the remarkable discovery of the remains of the Cal y Canto Bridge during ensuing excavations.

1989

In January, Act 18,772 was enacted, whereby Dirección General de Metro, so far under the purview of the Ministry of Public Works, became a public limited company, whose shareholders were Corporacion de Fomento de la Producción (Corfo) (Chilean economic development agency) and the State, represented by the Ministry of Finance.

1993

The first MetroArte project was formalized by public art exhibitions at Metro stations. The first show, entitled “Interior Urbano” by Hernán Miranda, was placed on display at the Universidad de Chile station.

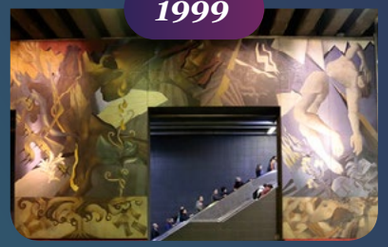
1996

By way of an agreement between the Council on Libraries, Archives and Museums (Dibam) and Metro de Santiago, the BiblioMetro initiative took off. Over the last twenty-two years it has become the second most important public library in the country.

1997

The first section of Line 5 was opened in April, running from Vicuña Mackenna Av. Stop No. 14 (Bellavista de La Florida station) up to Plaza Italia (Baquedano station), for a total length of 10.3 kilometers.

1999



In accordance with its commitment to make the most diverse artistic expressions available to all Chileans, Metro de Santiago created the MetroArte Cultural Trust (Corporación Cultural MetroArte).

2000

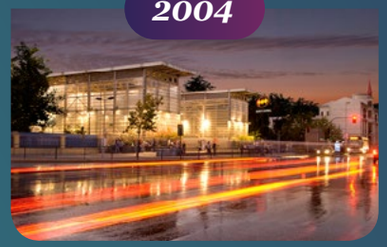
Three new stations running through Santiago’s historic district were opened on March 21st on Line 5: the Bellas Artes, Plaza de Armas and Santa Ana stations, connecting Line 5 with Line 2. The New Austrian Tunneling Method (NATM) was used on this project. NATM consists of building midway stations and main stations by way of tunnels without having to surface, which minimizes

inconveniences for the community and makes for more efficient construction. By then Metro´s daily rider count was close to a million passengers, throughout its 40.4 km and 52 stations.

2002

The company announced the construction of Line 4 to Puente Alto.

2004



On March 31st, the westbound expansion of Line 5 was opened, thereby adding two new stations, Cumming and Quinta Normal. Two new stations named Patronato and Cerro Blanco on the northbound track of Line 2 began operations on September 8th, and the El Parrón and La Cisterna stations on Line 2's southbound track began operations on December 22nd. This expansion process also involved intermodal or hub stations that improved the connectivity between the underground train and other means of transportation, mainly buses.

2005

On November 25th, the Cementerios and Einstein stations were commissioned on Line 2's northbound track. Meanwhile, on November 30th, the first section of Line 4 was opened. It comprised an underground stretch between the Tobalaba and Grecia stations and an elevated railway between Vicente Valdés and Plaza de Puente Alto.

2006

The last section of Line 4 was opened in March, finally connecting the Puente Alto and Tobalaba stations. Up until then, that was the longest stretch of the entire subway system running 24.7 kilometers with 22 stations, connecting the districts of Providencia, Ñuñoa, La Reina, Peñalolén, Macul, La Florida and Puente Alto.

The Line 4A opening was conceived as a supplement to Line 4, which allowed Metro to connect lines 2 and 4 as of that year. Finally, the section between the Dorsal and Vespucio Norte stations was added in order to complete the Line 2 expansion to date.

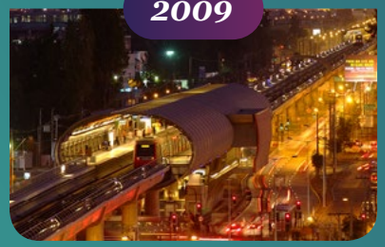
2007

The capital's new transit system, Transantiago, was inaugurated in 2007, bringing Metro's ridership from 331 million annual rides to over 600 million.

2008

The Vespucio Norte intermodal station was inaugurated, and the first bicycle storage racks (BiciMetros) were installed, and the SubCentro underground shopping district was opened at the Escuela Militar Station. In terms of operations, Metro Expreso extended its service hours along Line 4 and the system was also implemented on Line 5. Green and Red routes were launched in 2007, and that same year, the Chilean Transportation Engineering Society presented Metro with an award for the best Transportation System Intervention, in recognition of this measure.

2009



In November, the company inaugurated the San José de La Estrella Station (in La Florida district) on Line 4.

2010

Three new stations: Manquehue, Hernando de Magallanes and the Los Dominicos terminal were added to the eastern end of the line. The first section of Line 5 expansion up to Pudahuel entered into operation, adding five new stations: Gruta de Lourdes, Blanqueado, Lo Prado, San Pablo and Pudahuel.

2011

Line 5 expansion was opened in February with seven new stations: Barrancas, Laguna Sur, Las Parcelas, Monte Tabor, Del Sol, Santiago Bueras and Plaza de Maipú, for a total of 8.6 kilometers.

2012

Metro began working on Lines 6 and 3. Citizens were involved in the process as required by the Environmental Impact Declaration for Shafts and Drives. As a clear sign of service improvement and as per citizen demands, the first trains with air-conditioning started operating on Line 1 during the second semester.

2013

Metro takes over the administration of the prepaid card (bip!) for the entire transit system citywide. In December 2012, the company signed a contract with the Ministry of Transportation and Telecommunications appointing Metro as the sole operator of the bip! Card until 2019. Transantiago Financial Administrator (AFT) originally performed this task.

2014

In November, the company announced the Public Transit Investment Plan, which included the Line 2 Expansion Project (extending the line to El Bosque) and the Line 3 Expansion Project (extending the line to Quilicura), for an additional 8.9 kilometers of network.

2015

Metro launched its improvement plan announced back in late 2014. The plan's purpose was to decrease its failure rate, nearly cutting in half the number of high-impact failures while also reducing the wait time these failures involved for the customer riding experience.

2016

This year marked the start up of the communications-based train control system (CBTC) on Line 1, which increased by 12% the number of trains available on the network's most heavily used line.

2017

In November, Metro began operations on Line 6, which connects the Cerrillos and Providencia districts by way of 10 stations along 15 kilometers and a mere 20-minute ride. This marked Chile's first fully automated line.

In June, President of Chile Michelle Bachelet announced the construction of yet another new line (Line 7), connecting Renca and Vitacura.

2018

During his annual state address, President of the Republic Sebastián Piñera announced the construction of two new lines (8 and 9) plus an extension of Line 4 to Bajos de Mena in Puente Alto, with which the Metro Network would stretch to 32 districts in the Santiago Metropolitan Region. In November, President Piñera began the final phase of Line 3 test run. Line 3 has 18 stations that connect Quilicura and La Reina in roughly 30 minutes.

In January the company hit a milestone when it began operating 60% of its power mix with Non-Conventional Renewable Energy (NCRE) as a result of the El Pelícano (solar power) and San Juan Aceituno (wind power) projects.

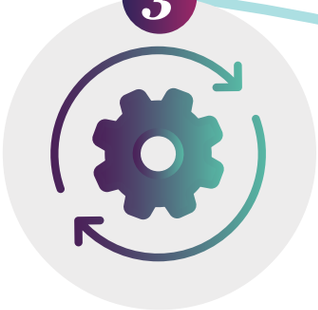
Beginning in September, Line 2 passengers bean enjoying the first new NS16 trains that were assembled in Chile by the French company Alstom. They are equipped with AC, connected cars, more handrails and grip handles, and other benefits.

1.3 *Metro's Strategic Priorities*

Metro defined the following five strategic areas of action for 2018.

1. Better quality of life through a satisfactory **RIDING EXPERIENCE**

2. Developing profitable **NON-FARE SERVICES**



3. Doubling the **NETWORK'S GROWTH RATE** to contribute to the integrated mass public transit system

4. Guaranteeing **FINANCIAL, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY**, and community relations

5. Fostering **PEOPLE'S DEVELOPMENT** in a setting marked by collaboration and happiness

1.3.1 *Mission, Vision & Values*

Mission & Vision

The company's mission and vision are defined as follows:

Mission

As a leading player in the integrated mass public transit system, **sustainability** and **efficiently guarantee** a **reliable** and **safe travel experience** that contribute to making the city a better.

Vision

Our vision is to be a company that all citizens can be proud of.

Our Values

Our values are based on five core principles and will help us reinforce the decisions and actions adopted by everyone working a the company; they are complementary in nature and reflect who we are as Metro personnel and what we aspire to become.

These values are summarized as follows:

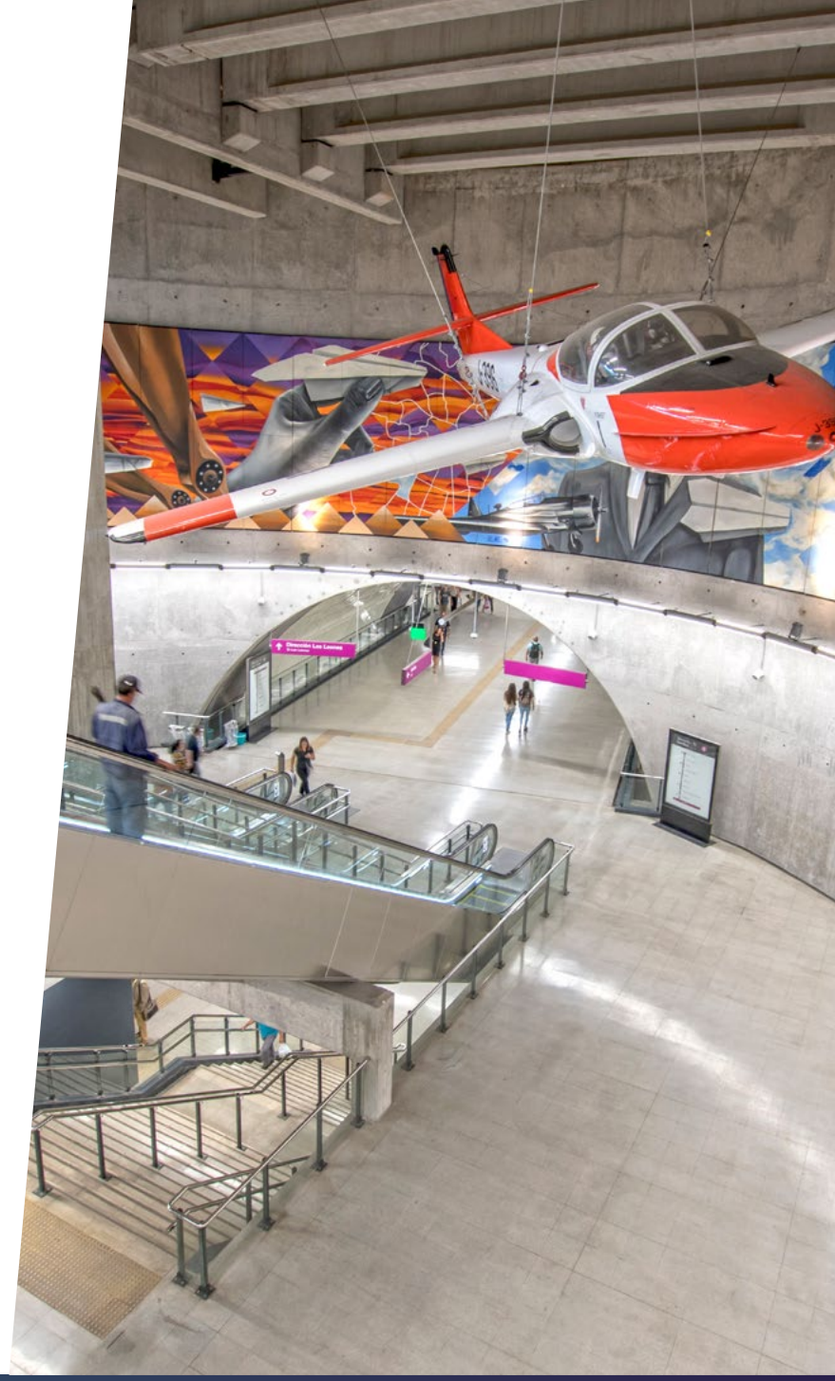
Customer Focus: We strive to be one of the best service-based companies in the country.

Safety and security: Your safety comes first.

Operational Excellence: Predictable, safe and efficient processes.

Collaboration: By working together we learn and progress quicker.

Transparency: Is at the core of all our actions.



1.4 *Industrial Sector*

The company mainly operates in the Greater Santiago passenger mass transit market, which consists of users looking for a quick and safe way to get around the city. At present, more than 60% of all public transportation trips in Santiago involve Metro.

1.5 *Activities and Businesses*

1.5.1 *Corporate Objective*

Law No 18,772 from 1989, passed by way of an amendment to Article 55 of Law No. 18,899 and Article 3, Paragraph A, of Law No. 19,046 from 1991, contains the regulations governing changes that transformed Metro into a public limited company. In accordance with said regulations, the Empresa de Transporte de Pasajeros Metro S.A. was established in a public deed dated January 24th, 1990 executed before Santiago Notary Public Raúl Undurraga Laso, the Chilean Treasury and the Corporación de Fomento de la Producción (CORFO).

On November 30th, 2015, Law No. 20,877 was published in the Official Gazette, providing for improvements to the fare-based public passenger transit system, and authorizing Metro S.A. to expand its scope to business to include the provision of street-level transit services by bus or by any other vehicle technology.

The Company's corporate objective as to carry out all activities pertaining to passenger transit service on metropolitan railways or other supplementary electric means, and the provision of street-level transit services by bus or by any other vehicle technology, in addition to activities connected to such lines of business thereby entitling Metro to set up or take part in companies and perform any action or operation related to its social purpose. However, pursuant to that which is set forth under Article 2, Law No. 18,772, the company shall not give up nor transfer any ownership rights over its main line of business which are the transportations services it currently renders on the Metro de Santiago tracks or tracks built exclusively by this company.

Regarding street level transportation services, the company may provide public passenger transit services under a concession for use of tracks as provided under Law No. 18,696 or another modality, directly or indirectly through a related company or subsidiary, under the terms established in the paragraph hereinabove.

On October 29th, 2016, Law No. 29,950 was published in the Official Gazette, authorizing the expansion of Metro S.A.'s business scope to include issuing and operating means of payment backed by advanced payment.

- **Transportation:** Passenger transit on Lines 1, 2, 4, 4A, 5 and 6 of Metro's network.
- **Non-fare Related Business:** Non-fare business corresponds to activities other than transportation and accounted for 19% of the company's total income in 2018.

  Metro also engages in non-fare related businesses in order to enhance our riders' experience. In addition to providing products and services that are greatly appreciated by our passengers and the community, these businesses add to the company's financial sustainability.

  Metro S.A. groups its non-fare related businesses into the three large categories described below:

  a) **Passenger Traffic Businesses:** These are understood as non-fare services and products catering to passengers, such as the following:

i) **Advertising Space**: This activity turns Metro into a means of communication both broad in scope and high in frequency. Metro makes use of its infrastructure to launch commercial and public service advertising campaigns that reach an audience of over 2.5 million passengers daily (on weekdays). This business includes static, dynamic and digital advertising platforms where passengers can learn about information campaigns developed by and advertising firms and content developers. As of 2018, Massiva S.A. became the advertising firm in charge of this activity on the platforms, following a public bid in which it was awarded the contract which entails refreshing every single advertising structure including setting up a network of digital advertising structures that also broadcast operational announcements to passengers.

ii) **Retail:** Metro has more than 10,000 square meters of commercial space, which is broken down into 400 stores and other modules that cater to passengers' shopping and consumer needs. These are primarily food, services, convenience stores, bakeries, drug stores, and others. In 2018, close to an additional 2,000 square meters of advertising space (equal to 30 stores) was opened up on Line 6 once it was inaugurated.

iii) **Telecommunications:** Metro has commercial agreements with the four operators present in the Santiago market to provide mobile phone services to its passengers on all Metro lines. Mobile phone services are available at stations and in the tunnels using 4G networks. Additionally, Metro has outdoor phone service coverage, data transmission, and Wi-Fi hotspots throughout its facilities.

iv) **Vending Machine:** Due to the limited space available at Metro stations, providing automated product and service vending machines has been an ongoing challenge. This line of business consists of more than 350 ATMs located throughout the entire Metro network, in addition to public telephones, vending machines selling water, snacks, drinks, soft drinks, dairy products, and other automated machines for paying bills and etc. These machines are available at every single Metro station.

b) **Land Leases:** This business is aimed at turning a profit from residual land and by integrating Metro stations with nearby real-estate projects, while also taking into consideration variables that enhance surrounding areas and the cityscape. A public tender was launched in 2018 to award a contract for leasing residual land and land located over Metro stations.

c) **Operating Businesses:** these businesses are related to the transit infrastructure operations, i.e., today Metro operates six intermodal terminals that provide urban (Transantiago), rural and inter-urban transit services.

Metro also has other non-fare businesses, such as:

International Consulting: This line of business was developed as a result of expertise the company has gained over more than 40 years of service. Metro provides support to public and private entities in charge of operating rail systems and integrating Public Transit systems. Metro provides integrated strategic and technical consulting services for all project development stages ranging from design to start up and operations. Since

2012, Metro de Santiago has consulted on projects that foster integrated and sustainable public transit systems.

Payment Methods: Renders services as provided under the contract entered into by and between the M of T and T and Metro, for the issuance of the metro Access card, its post-sale services and operation of the Santiago public mass transit system's access card (Bip! Card) loading network.

This sales channel is responsible for manufacturing and selling the bip! card in its various formats including the Tarjeta Nacional Escolar (Student Discount Card) and the Tarjeta Adulto Mayor (Senior Discount Card). This group manages the bip! card reloading network at underground and street-level brick and mortar, self-service and remote channels. Underground channels consist of Metro ticket counters and the self-service automated card sales and loading network, while street-level channels are comprised of the following points of sale:

At 2018 year-end, the Street-level Network for the Sale of Transport Quotas and Means of Access consisted of more than 2,900 loading points located at Centros Bip!, Puntos Bip!, supermarket service centers, and self-service machines, as follows:

- 2,121 bip! sites on the Full Carga, Servipag and ServiEstado networks.
- 86 bip! centers on the Servipag, ServiEstado and Full Carga networks (including 10 service points on the Central Train network).
- 244 retailers with loading sites at supermarkets (Unired and Walmart).
- 542 self-service kiosks (Globe).

Likewise, the Underground Network for the Sale of Transport Quotas and Means of Access is made up of 136 stations, as follows:

METRO RETAIL NETWORK
((# STATIONS)

LINE 1	27	LINE 2	22
LINE 4	23	LINE 4A	6
LINE 5	30	LINE 6	10
LINE 3	18	TOTAL	136

1.5.2 *Network Operation*

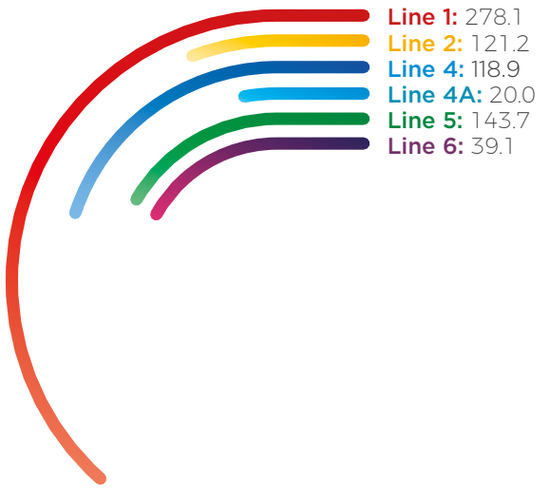
Ridership

In 2018, network ridership totaled 721.0 million rides, representing a 5.2% increase over 2017 figures. Thirty point nine percent (30.9%) of all rides took place during peak hours while 69.1% took place during non-peak hours. As a result, the underground train continues to be the leading player in the capital city's mass transit system.

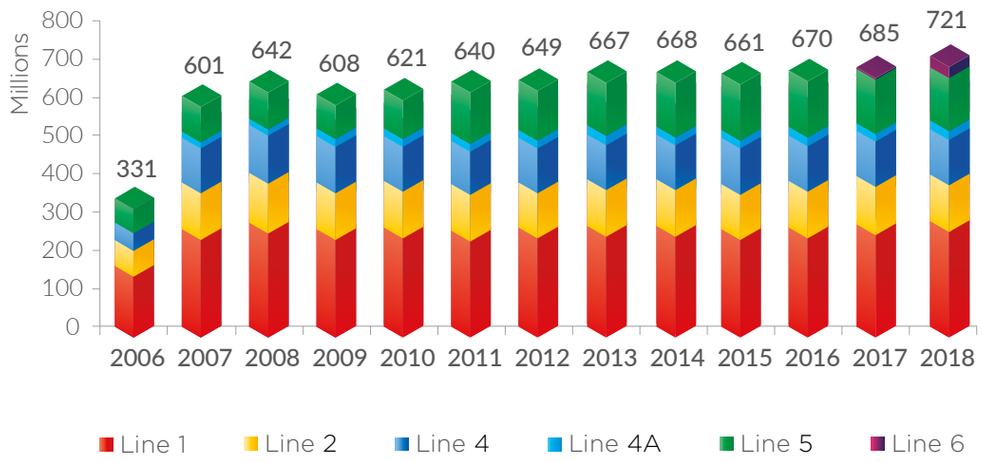
The 2018 ridership breakdown is as follows: Line 1: 38.6%; Line 2: 16.8%; Line 4: 16.5%; Line 4A: 2.8%; Line 5: 19.9%; and Line 6: 5.4%. Mean ridership per weekday in 2018 amounted to 2,5 million rides.

Metro ridership has undergone an 81% increase since implementation of the Santiago Mass Transit System in 2007.

2018 RIDERSHIP BY LINE
(Millions of Passengers)



2018 RIDERSHIP BY LINE
(Millions of Passengers)



Transit Market

As far as kilometers are concerned, in 2018 more than 147.4 million car/kilometers were recorded on the network.

Meanwhile, the index of train breakdowns per million cars/kilometers of trains, with an impact greater than five minutes (regardless of the time of day), amounted to 0.71 breakdowns/MMCkm, down 17% from last year. Moreover, in 2018 there were 13% fewer failures classified as failures with a high impact on operations (energy, track and system failures) than in 2017 both in terms of recurrence and time impact on our users. Regarding breakdowns that had an impact on our users (measured as minutes per passenger affected), the 2018 index was 33.6% higher than the 2017 figure, primarily due to the startup of Line 6.

1.5.3 *Vendors*

The following is a list of Metro's top vendors in 2018:

2018 TOP VENDORS

Nº	Vendor Name	MCh$
1	Piques y Túneles S.A.	50,535
2	Alstom Transport S.A.	31,826
3	Ferrovial Agroman Chile S.A.	31,287
4	Construcciones y Auxiliar de Ferrocarriles S.A.	28,545
5	Total Sunpower El Pelícano Spa	22,505
6	Enel Distribución Chile S.A.	18,521
7	CAF Chile S.A.	14,678
8	Strukton Arrigoni Spa.	14,079
9	Thales Canada Transportation Solutions	12,267
10	Alstom Chile S.A.	10,528
11	San Juan S.A.	10,379
12	Consorcio El-Ossa S.A.	9,657
	TOTAL	**254,808**

1.5.4 *Customers*

Metro's main customers are riders on Lines 1, 2, 4, 4A, 5 and 6, as well as the companies advertising throughout the network through Massiva S.A.—a company that markets advertising space on trains and at stations—and lessees of store and retail space at stations. Additionally, since 2013 all passengers using bip! cards are among our customers.

1.5.5 *Trademarks & Patents*

As of December 31, 2018, the company owns 251 registered trademarks and one request for renewal corresponding to the following brand names registered under various classes with the National Industrial Property Institute of Chile, as follows:

a) Denominative Trademarks (37 denominations, corresponding to 114 registered trademarks and 1 request for renewal under processing)

"Bici Metro"; "Metro Bici"; "Club Metro"; "Metro Club"; "Cuentos Metro"; "Cuentos en el Metro"; "Cuentos Urbanos"; "Cuentos Urbanos de Metro"; "Cuentos Urbanos en el Metro"; "Metrocuentos"; "Metro Cuentos Urbanos"; "El Ferrocarril Metropolitano"; "El Metro te cuida, cuida el Metro"; "Metro"; "Metro a Metro"; "Metro Chile"; "Metro-Chile"; "Metro de Santiago"; "Metro Red"; "Metroboutique"; "Metrobus"; "Metromatico"; "Metropublicidad"; "Metrovisión"; "Multired"; "Multitrans"; "Red de Clientes Metro"; "Te llevo bajo la piel"; "Te-Guio"; "Cachapp"; "Metropago"; "Pagapp", "Pagú"; "T-Paga"; "Wiiz", "Línea Cero", "Cargactiva".

b) Figurative Trademarks (Labels) (one label corresponding to two registered trademarks)

c) Mixed Brands (38 labels, corresponding to 119 registered trademarks)

"Red Bip!"; "Carga Fácil"; "Conozcámonos"; "El Metro en la Cultura"; "Metro en la cultura"; "Metro"; "Metro a Metro" (three different designs); "Metro Bici" (two different designs); "Metro de Santiago"; "Metro S.A."; "Metroarte"; "Metrobus"; "Metrociudadano"; "Metrocultura"; "Metroexpress"; "Metroinforma" (two different designs); "Metronet"; "Metrored" (two different designs); "Metroservicios"; "Metrotaxi"; "Metrotren"; "Metrotv"; "Multired"; "Multitrans"; "Música a un metro"; "Santiago matemático un desafío entretenido"; "Te llevo bajo la piel"; "Ventana Cultural" (two different designs); "Metroeventos", "Línea Cero" (two different designs); "RedMetro".

d) Slogans (four slogans, corresponding to 16 registered concepts)

1	EL METRO TE CUIDA CUIDA EL METRO
2	METRO CIUDADANO PASA POR TI
3	METRO DE SANTIAGO, PASA POR TI
4	METRO PASA POR TI

Patents for Inventions

In 2018, Metro continued to process its patent applications in Venezuela for invention patents related to Tarjeta Multivía ("A Security and Control Device that records loading and electronic charging of fares on a contactless card with a pre-set amount in a Passenger Transit System").

Patent applications submitted in other countries for the same invention were granted in the United States, (Registration No. 7,229,016, February 9th, 2007); Mexico (Registration No. 253570, December 3rd, 2008); Peru (Registration No. 5070, August 22th, 2008); Argentina (Registration No. AR048314B1, June 14th, 2010); and, finally, in Ecuador toward the end of 2011 (Registration No. PI-11-2072, on September 30th, 2011).

In Chile, a patent was granted on August 11th, 2009 under Patent Registration No. 45,663, thereby completing the patent application process for the invention entitled, "System and Method used for Detecting Brushes or Negative Contacts for Train Positioning on a Railway Track, specifically for trains with rubber tires."

A patent was previously granted on December 31th, 2008, under Patent Registration No. 44,277, which completed the patent application process for the invention of a "tire pressure control system for drive rubber tires as well as horizontal guiding wheels on metropolitan trains".

1.5.6 *Property & Equipment*

The company is the sole owner of all the facilities and equipment it utilizes in performing its activities, such as: stations, tunnels, rolling stock, tracks, electrical equipment, tools, spare parts, retail space and buildings, etc., and they are located in the Metropolitan Region.

Buildings owned by Metro are, among others:

1) **Corporate Building and SEAT.** The Company's headquarters are located on an 35,289-m^2 plot with close to 33,781 m^2 of built building floor area on the corner of Lord Cochrane Street and 1414 Alameda Ave., right above La Moneda Metro Station, in the District of Santiago.

2) **Workshops and Rail Yards for Train Maintenance and Storage.** The following facilities make up the total surface area of 670,231 m^2:

a) **L1 Neptuno Workshop:** Located at #6252 Dorsal Ave., Lo Prado, with a total surface area of 220,455 m^2.

b) **L2 Lo Ovalle Workshop**: Located at #1001 Lo Ovalle Ave., San Miguel District, with a total surface area of 54,038 m^2.

c) **L4 Intermediate train yards:** Located at #3652 Américo Vespucio Sur Ave., Peñalolén District, with a total surface area of 59,486 m^2.

d) **L4 Puente Alto Workshop:** Located on Avenida Nemesio Vicuña, Puente Alto District, with a total surface area of 104,000 m^2.

e) **L5 San Eugenio Workshop:** Located at #1290 Vicuña Mackenna Ave., Ñuñoa District, with a total surface area of 50,560 m^2.

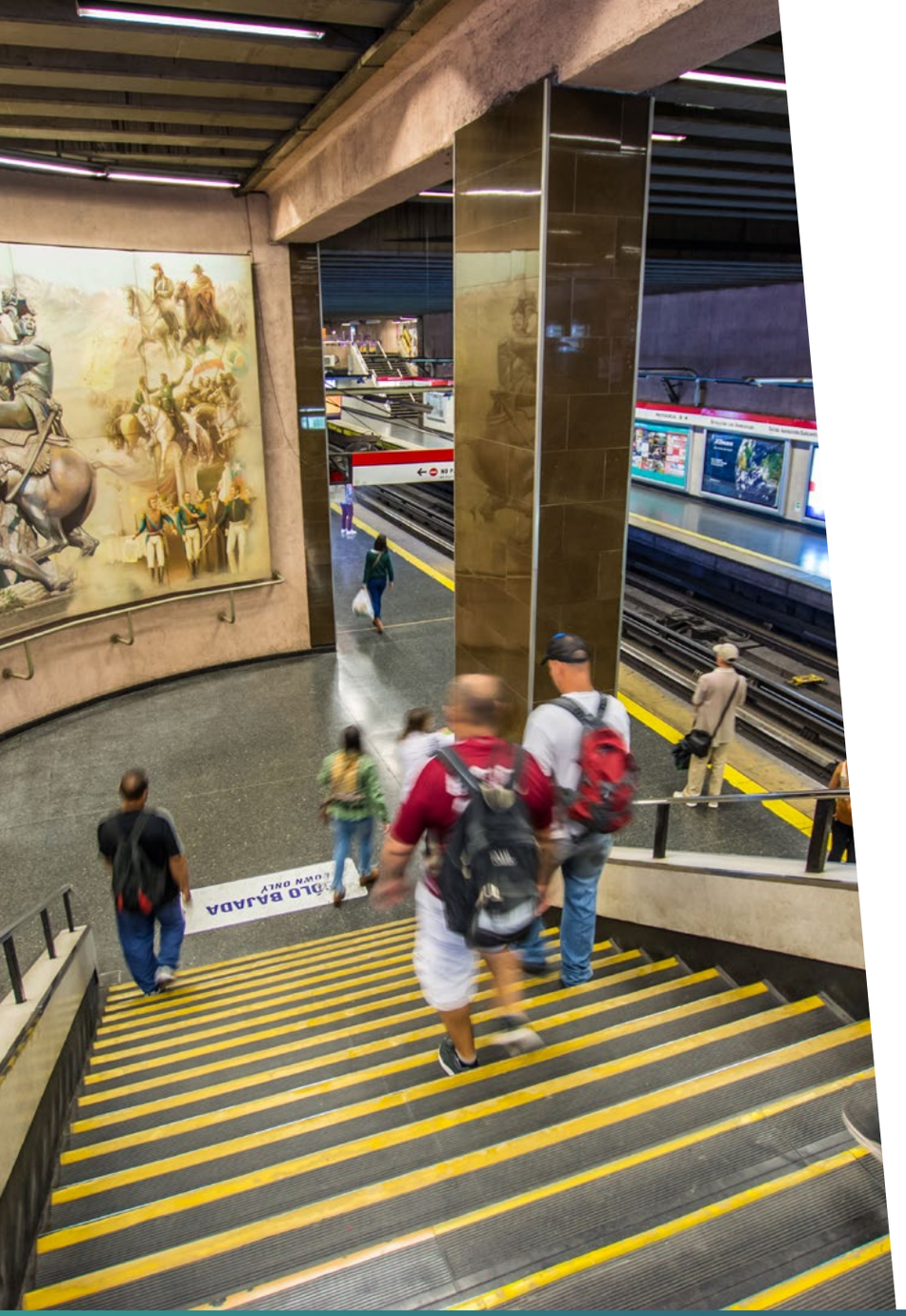
f) **L6 Cerrillos Workshop:** Located at #1945 Av. Pdte. Salvador Allende, Cerrillos District, with a total surface area of 47,886 m^2.

g) **L3 Los Libertadores Workshop:** Located on the corner of Av. Américo Vespucio and Los Libertadores Highway (Route CH 57), Quilicura District, with a total surface area of 133,806 m^2.

Today, Metro's network covers 118 kilometers, and consists of 118 stations. It also has seven types of trains, the difference being the kind of rolling undercarriage (rubber-tired or steel-on-steel) and the assembly date. Metro has a total fleet of 1,180 cars, all of which operate in the Metropolitan Region.

Following the start of Line 3 in January 2019, 22 kilometers and 18 new stations have been added to the network for a total of 140 kilometers and 136 stations.

.



1.5.7 *Insurance*

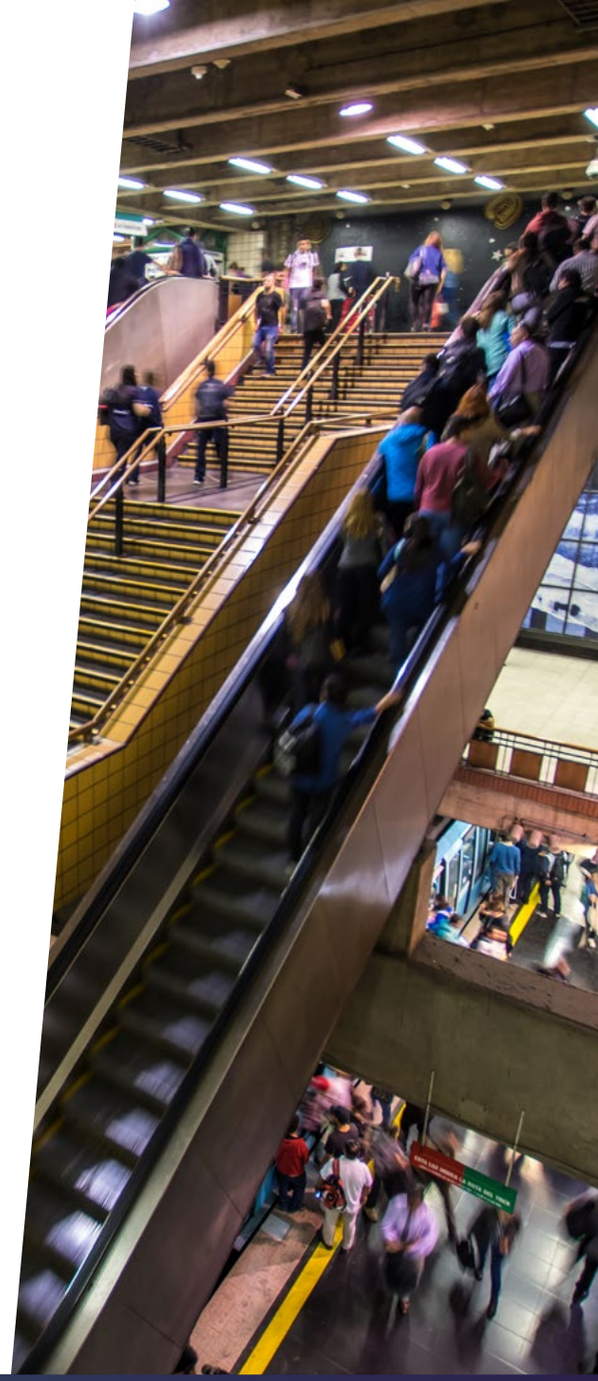
Metro S.A. currently has several valid insurance policies described below: a **general liability insurance** policy is held with Compañía QBE Chile Seguros Generales S.A.; **fire and additional risks insurance** policy covering the Main Administrative Building, Metro S.A Offices on Miraflores, Neptuno Workshop, Lo Ovalle Workshop, San Eugenio Workshop, Puente Alto Workshop, Cerrillos Workshop, Intermediate Rail Yards Line 4, Vasconia Warehouse, Pajaritos Intermodal Station, Vespucio Norte Intermodal Station, Estación del Sol Intermodal Station, La Florida Intermodal Station, and Lo Ovalle Intermodal Station, with additional earthquake risk coverage only for Edificio Casona and General Management Offices is held with Mapfre Seguros Generales de Chile S.A.; a **Life Insurance Policy for Senior Management** at Metro S.A. is held with Compañía Metlife Chile Seguro de Vida S.A.; a **Passenger Accident Insurance** Policy is held with Bice Vida Compañía de Seguro S.A.; a **Life Insurance Policy for Private Security Guards** is held with Compañía Metlife Chile Seguro de Vida S.A.; a **Floating Insurance Policy for Transporting Cargo** is held with Compañía Seguros Generales Suramericana Sura S.A.; and a **Personal Accident and Travel Assistance policy** is held with Chubb Seguros Chile S.A.

Metro S.A. also keeps the following current and valid policies for Projects on Lines 3 and 6 covering specific risks pertaining to those works: a **Fully Comprehensive Construction and Assembly Insurance** Policy is held with Compañía Liberty Seguros Generales S.A..

1.5.8 *Contracts*

The company has entered into various contracts with third parties, the most significant of which are described as follows:

- Contracts with electric power distributors: Enel Distribución Chile S.A.; El Pelicano Solar Power Company S.P.A.; San Juan S.A.; Transelec S.A.
- Contract with Massiva S.A. for leasing advertising space at Metro stations and on trains.
- Contract with Banco Santander Chile for checking accounts and other banking services.
- Contract with Banco del Estado de Chile for Metro's Financial Investment Portfolio Management.
- Contract for network hardware maintenance, user support and network administration with Integración de Tecnologías ITQ Ltda. and an ERP SAP Financial and Accounting Support contract with Novis S.A., among others.
- Contracts with cleaning and maintenance service providers for workshops, trains, stations, tracks and buildings, and other services: Servicios de Aseo y Jardines Maclean Ltda.; Consorcio Rojas Sinel S.A.; Alstom Chile S.A.; CAF Chile S.A.; ISS Servicios Integrales Ltda.; Thyssenkrup Elevadores S.A.; Siemens S.A.; Valoriza Facilities S.A; Consorcio Syro S.A.; Bitelco Diebold Chile Ltda.; Faiveley Transport Chile Ltda., among others.
- Contracts with catering service providers, security guards, telephone operators, auditing and other general services: Support Services Ltda.; Eulen Seguridad S.A.; Valores Seguros S.P.A.; Entel PSC Telecomunicaciones S.A.; Deloitte Auditoría y Consultores; Dimacofi S.A.; Compass Catering S.A., among others.
- Contracts with underground-level Points of Sale operators: EME Servicios Generales Ltda., Consorcio GSI SPA e Ingeniería en Electrónica Computación y Medicina S.A.
- Contracts with vendors operating the Street-level sales channel: Soc. de Recaudación y Pagos de Servicios Ltda. (Servipag): Fullcarga Chile S.A.: BancoEstado Centro de Servicios S.A.



1.6 *Financial Activities*

The company has checking accounts at Banco Santander Chile, Banco de Chile, Banco BICE and Banco del Estado de Chile, in order to facilitate payment of its obligations with different vendors for goods and services, as well as with its workforce. The company's main financial assets are term deposits and repurchase agreements (fixed income securities), the details of which are provided in the company's financial statements. Local banks with credit ratings equal to or higher than N1+ and AA- for short and long-term deposits, respectively, manage these operations, or they are managed by brokerage firms that are jointly or severally liable with those banks, and by international banks with a credit rating equal to or higher than A1 or equivalent. As of December 31, 2018, all financial investments are carried out in accordance with the Financial Investment Policy set forth by Metro S.A., which in turn is pursuant to regulations provided for by the Ministry of Finance to that effect. As of December 31, 2018, the company's financial investment portfolio is managed by the Banco del Estado de Chile, as a third party.

Risk Rating

In 2018, Metro received an international risk rating of A+ by Standard & Poor's and A by Fitch Ratings. The company's local risk rating is AA+ by Humphreys and AA+ by Feller-Rate.

1.7 *Risk Management*

Metro is exposed to a variety of market-related risks in addition to risks that are inherent to its activities. Accordingly, Metro has set up in-house units to devise strategies aimed at minimizing these risks and the potential adverse effects arising thereof.

According to its corporate Risk Policy, Metro supports the gradual application of Risk Management as an additional tool to aid the company in meeting its mission, vision and strategic objectives, which are aimed at reducing the impact of performance-related difficulties when they arise, thereby preventing an ensuing loss in value and risks from occurring.

In keeping with this concept, Metro's risk management activities are handled by the company's senior management who are vested in corporate risk management measures, in determining what is necessary for their implementation, and in periodically reviewing the progress of this process.

Formally, senior management will support and foster the involvement of staff at all levels required to ensure the success of this process.

At a strategic level, risk management policies are supervised and approved by the Board of Director's Audit and Risk Committee at its monthly meetings. Moreover, Metro underscores that its Risk Management process boosts the company's value since:

- It is a systematic process that allows for follow-ups and audits to precisely exemplify the company's compliance with external and board requirements.
- It allows for setting comprehensive priority actions and controls that are specifically designed to ensure that the objectives of each process are met.
- It creates a culture in which in every staff member is aware of the risks and therefore tries to identify, assess and manage them actively.
- It allows for explicitly applying risk management measure to organization-wide processes under a common methodological approach and language.

In 2018, the risk management plan focused primarily on updating the risk matrices defined for Metro's critical risks.

At Metro, risk management begins with the Strategic Planning process, which is periodically reviewed. Senior management use the most recent planning process input to define strategic risks as those that could affect the company's ability to meet its strategic objectives.

Framed by ISO 31000 and COSO ERM methodological frameworks, these risks constitute the starting point for defining critical processes, as well as levels of risk exposure and acceptance. Treatment plans with deadlines and individuals assigned have been drawn up to mitigate these risks. They also include indicators to monitor performance at each risk level. The Planning and Development Management group heads up this process.

Risks identified are based on 62 business processes that are related to train and station operations; maintenance; communications management; environmental management; project management; new line and extension construction works; risk prevention and occupational health; human resource management; financial planning; non-fare businesses; methods of payment; supplies and compliance.

The strategic risks are as follows:

a) Breakdowns or failures with a serious impact on individuals and/or operations

Metro is a leading actor in the Santiago public transit system, responsible for the transit of 2.5 million people daily. Therefore, any failure, breakdown or accident on the network will have a major impact on the city.

Given the importance of maintaining stable operational continuity, several preventive and corrective actions are taken to mitigate risk. One of the most significant actions is preventive maintenance on rolling stock, systems and infrastructure. Preventive maintenance plans reduce the likelihood of there being failures that jeopardize network operations, and the safety of Metro personnel and riders.

The company is currently implementing a corrective and preventive maintenance pilot program in order to stay ahead of potential failures. This program consists of sensor-based monitoring and data analytics models capable of predicting failures before they even occur, which further decreases the likelihood of a there being a failure with an operational impact.

b) Natural or other phenomena that completely or partially interrupt operations

Metro has a great deal of equipment, systems and infrastructure that are exposed to natural phenomena, which could cause damage and therefore jeopardize operations. Since these events are beyond company control, Metro has several manuals, instructions, and procedures to deal with this type of catastrophe.

All of these procedures have been drawn up exhaustively, including simulations to determine how users and systems would behave in the event of an emergency. All protocols and procedures are contained in a document entitled EME-ETTV, which stands for Station, Train, Tunnel and Track Emergencies. This document is available to all personnel should they need to consult in order to lessen impact, in the event of an emergency. Moreover, these procedures are included in Metro personnel training and refresher courses to ensure that personnel know when to consult the EME-ETTV.

c) Strikes by operational personnel critical to Metro operations

Metro has over 4,000 employees, and, as such, it has four unions aimed at ensuring all staff members enjoy good working conditions. These unions have collective bargaining agreements that are reviewed every three years.

These collective agreements are negotiated by union representatives and Metro senior executives, and may be drawn out for several months until an agreement is reached given the wide variety of complex issues they address. In the event the parties are unable to reach an agreement, the outcome could be a strike that would potentially affect Metro's normal operations.

With a view to preventing these circumstances, Metro and union reps are engaged in ongoing discussions throughout the year, in keeping with an annual schedule of meetings aimed at maintaining transparent, trust-based relations.

Another initiative undertaken by Metro are the union representative and leader training sessions where the parties can resolve minor issues internally within Metro without the need to bring them before the union.

Regarding contractors, in 2017 the company set up a body to study and issue alerts to contractor companies on matters such as labor, legal issues and safety indicators.

d) Terrorist Attacks

Similar to all other major metros around the world, there is a great deal of passenger traffic on the Santiago Metro at specific points along the network during operating hours, making the network a target to terrorist attacks. As a result, and due to previous attempted terrorist attacks on Metro's network, the company takes preventive measures when suspecting a terrorist attack.

If an object is discovered on a train or at a station, Metro assumes one of two possible scenarios: the object was either accidentally or intentionally left behind. Under the second scenario, one can also assume there are two possibilities: the object was left behind intentionally either to get rid of it or to cause an effect or damage.

In fact, in 2014 two bomb were detonated on the network: one took place in the commercial center under the Escuela Militar station resulting in 14 injuries; while the other one occurred on a Line 1 train arriving at the Los Dominicos terminal station; fortunately no one was injured during this last episode. As a result of these events, Metro decided to draft a Security Plan involving various measures such as replacing trashcans with clear trash bags, stepping up the number of security guards, opening a police station at the Baquedano station, conducting frequent perimeter searches around Metro facilities, and upgrading the CCTV system.

e) Expansion Projects on Time, on Budget and in Scope

Metro has grown at an unprecedented speed, building three lines at the same time (Lines 7, 8 and 9), while also expanding four existing lines (Lines 2, 3, 4 and 6).

Growing at this speed involves facing new and unknown risks such as: financial risk related to borrowing, volatile exchange rates that could affect the Income Statement and building capacity.

As a result of the above, Metro has taken certain risk-mitigation measures such as boosting the construction cost effectiveness by way of economies of scale with suppliers; resorting to financing measures that do not jeopardize Metro's income; and finding new solutions to construction challenges in order to speed up construction works, i.e., using tunneling boring machines.

Moreover, Metro has entered a new phase of modernization in regards to project control making it more effective and efficient through an early warning system for when projects face delays in physical and/or financial milestones, or by taking preventive measures in time so as to avoid delays in project schedules.

f) Approval for Project Development

Metro has had to face sundry challenges during this growth period, ranging from legal, environmental, and governmental to community-related challenges that the Company has had to manage efficiently so as to not jeopardize previously agreed to project deadlines. As a result, Metro has implemented a Stakeholder Relations Plans with a view to keeping the channels of communication with authorities, communities, media, etc., permanently open, so that issues, when arising, may be resolved quickly and effectively.

g) Designing Processes and Projects based on Good Socioenvironmental Practices

The Metro de Santiago infrastructure consists of 140 kilometers of tracks and 136 stations, plus seven workshops and train depots, which involves a great deal of responsibility in terms of keeping its socio-environmental impact as low as possible. This is crucial since they are located in an urban setting and may directly affect the community.

Metro works tirelessly to provide a clean transit solution that constitutes a contribution to the city; to this end, the company has implemented several initiatives such as its Environmental Management System, which lays down the processes that Metro must keep in place in order to maintain environmental control. Another example are the new projects Metro is involved in, which always take into consideration potential environmental impacts.

Metro is currently conducting a quarterly review of the socio-environmental risks posed by its construction and operational projects. To this end the company has assigned a team of individuals focused on stakeholder relations in the affected areas. There are working committees and other discussion groups that are committed to finding solutions that meet stakeholder needs, demands and expectations.

h) Financing Investment Projects

Given that Metro is undertaking several large-scale projects at the same time, it runs the risk of not having sufficient capital to finance its projects. Accordingly, the company issues bonds on the domestic and international markets. Thus far these have been very well received by the markets, which assists the company in securing the sustainability it requires to finance its projects. Moreover, Metro has a system to prioritize projects deemed relevant to the company so that it is able to simulate different financing and project implementation scenarios.

i) Changes to Regulations or Government Policies

As a public corporation, Metro is regulated, like all other companies in this category, and, as such, it is subject to regulatory and legislative changes that could affect it. However, it is also peculiar in that it is owned by the State, making it subject to legislation governing public entities. The latter makes it even more susceptible to regulatory or policy changes that could have an impact on its organizational structure, rules governing tariffs (rates), borrowing rates, among other aspects.

j) Operating Income and Hedging Operating Costs

Metro's main source of revenue is its technical fare, which is paid out in keeping with an agreement entered into with the Ministry of Transport and Telecommunications. This fare is determined by way of a polynomial that includes Metro's most important cost-related aspects, so that Metro's operating costs are in balance with its revenue. This provides the company with financial sustainability in the short-, mid-, and long-term.

This fare is negotiated every three years in order to update costs and ensure Metro is able to cover its operations and financial obligations, and replenish its assets.

k) Significant On-The-Job Accidents

Because a large percentage of Metro employees are operational staff, the company is exposed to occupational hazards that could potentially be serious for its collaborators. As a result, the company has prevention plans in place and has worked closely with the Chilean accident prevention organization (Mutual de Seguridad) to launch campaigns aimed at reducing on-the-job accidents among its employees and contractors.

Accordingly, the company has implemented an Occupational Health and Safety Policy broken down into five main areas with guidelines so that workers can identify, evaluate and control risks, while fostering an accident prevention culture, promoting safe and healthy work habits, complying with legislations, and aspiring to performance excellence. Regarding the culture of safety, the objective is to train personnel, gather information on accidents, brainstorm with workers, and involve the company in shaping a set of behaviors and mindsets regarding how to prevent on-the-job risks currently faced by workers.

l) Loss of Information and *Know How*

Metro has 42 years of experience in passenger transit operations, over which time there have been several demographic changes to the market and to the public transit system, new technologies has become available, government policies have evolved as well as customer satisfaction demands. As a result, Metro has gained highly specific technical know how which often resides in a single individual or small group of workers. This makes it possible for the Company to identify critical positions but at the same time it causes difficulties for the company in terms of filling these positions because of the imminent risk of losing information when workers leave the company. Moreover, not all the information is stored under a central repository available to workers; the latter, coupled with the risk that the worker will leave the company, gives way to the risk of duplicating certain positions.

Metro has implemented knowledge management plans, to address this risk so that the know how does not lie with individuals but is instead handled by a document management system that consolidates all relevant information.

Furthermore, the company has plans governing backups of key information and systems in order to prevent valuable company information from being lost.

Additionally, for expansion projects and other infrastructure improvements the company has a document management system that stores all the necessary project documentation.

Apart from the critical risks stated by the company in its Strategic Planning process, Metro is exposed to a variety of market-related, economic-financial risks or others, including the ones we have identified below:

Regarding passenger demand, strategies must take into consideration Chile's economic activity, its unemployment and inflation rates, as well as other relevant factors. In terms of Metro's technical fare, its purpose is to cover the company's long-term costs, which consist of operating costs, asset replenishment for assets with a service life equal to or less than 40 years, and debt servicing. The technical fare is updated on a monthly basis by way of a polynomial, which reflects variations in the variables making up the company's long-term cost structure (CPI, dollar, euro, price of power and electric power). This allows for a natural indexation to cost variations resulting from an increase in any one of the variables making up the polynomial.

Financial Risks: This category includes market, liquidity and credit risk.

The Company has instituted a Financial Risk Hedging Policy to reduce its exposure to exchange rate and interest rate fluctuations relative to its financial debt. In keeping with this policy, the company engaged in Cross Currency Swap (CCS) operations in the amount of MMUSD 40 during the January-December 2018 period, amounting to a final balance of MMUSD 300 on December 31 2018.

In addition to the above, it is worth noting that the polynomial indexation used to update Metro S.A.'s technical fare includes the US Dollar and Euro as well as other variables, which constitute a "natural hedge" for long-term cash flow.

Regarding liquidity, income from tariffs associated with Metro passenger transportation is discounted daily from the funds collected by the Company's Methods of Payment Division, generating the liquidity necessary to cover the Company's commitments. Additionally, the Company has duly approved bank credit lines, which reduces liquidity risk.

There is very little credit risk arising from accounts receivables or commercial debtors, in connection with income from retail space leases, advertising or invoices due, since this income only represents 19% of the company's regular income. The remaining 81% comes from the technical fare, and there is very limited delinquency related to this type of debtor.

Likewise, the company's Financial Investment Policy establishes the level of exposure to financial asset risk that the company is allowed to accept. The purpose of this policy is to reduce risk by diversifying the portfolio and by setting maximum investment levels permitted per bank, in addition to taking into consideration lender banks' minimum credit risk ratings.

Capital Risk: Regarding capital management, Metro aims to have an optimal capital structure by reducing its costs and ensuring long-term financial stability, in addition to overseeing the fulfillment of its debt-related financial obligations and covenants.

Year after year Metro holds a Special Shareholders' Meeting in order to capitalize on Treasury and Corfo contributions linked to its expansion projects. Additionally, the company controls its capital structure by keeping a watchful eye on its financial leverage position.

Electric Power Supply Risk: In the event of a power outage, Metro has power supply systems directly connected to two points on the Central Interconnected System (SIC) supplying Lines 1, 2, 5 and 6, as well two other connection points supplying Line 4. Moreover, these power supply systems are redundant and designed according to redundancy criteria, in other words, they work in "stand by" mode so that when one goes off line the other one immediately comes on line, providing the system with constant back up so that it can

maintain ongoing power supply for normal network operations.

In terms of the power supply for Lines 1, 2, 5 and 6, in the event of a power outage on the SIC's main grid, by definition, the power utility company's first priority involves restoring power to the government district in downtown Santiago. The latter makes it possible for Metro's network to simultaneously resume operations since Metro's power supply comes from the same supply source.

1.8 *Investment Plans*

1.8.1 *Investment and Financing Policies*

Metro de Santiago allocates significant resources to studies and investment projects aimed at expanding our network in addition to the upkeep of and improvements to our current infrastructure. Investments in network expansion seek to consolidate Metro as the leading player in the capital city's public transportation system, whereas our investments on maintenance and infrastructure improvements are earmarked for the following areas: improving the quality of our services; bolstering operational safety and stability; preserving and maintaining our facilities and grounds; and updating, renewing and modernizing technology used by our equipment and systems, all with a view to better serve our customers.

In 2018, Metro financed its infrastructure and equipment improvements and renewals with resources from operations. Regarding network expansions, however, generally speaking Metro finances imported equipment and parts through borrowed funds, which are paid back through increases in Metro's technical fare, whereas domestically-obtained components—consisting of infrastructure, civil works and other expenses, in addition to entry import duties and tariffs placed on imported goods—have been financed by Treasury and CORFO capital contributions, which are subsequently capitalized.

1.8.2 *Metro's Development Plan*

- **Construction of New Lines 6 and 3**

  Once Line 6 was opened in November 2017, the company turned its attention to completing the civil works and final fittings for the 18 stations making up Line 3, along with assembling necessary equipment and conducting system-wide tests in preparation for Line 3 start up, scheduled for January 12, 2019.

  As part of the above Metro implemented its second automatic line, adding 22 kilometers of track running on the state-of-the-art technology, which will boost the quality of life of more tan one million Santiago residents and expand the underground rail services to three new districts.

- **Expansion of Lines 2 and 3**

  In 2018, the Line 2 expansion project made progress in several key areas, specifically: the detail engineering for shafts, drives, tunnels, and workshops; the environmental permitting process required to obtain the Environmental Qualification Resolution (RCA, in Spanish) in August; expropriation of land needed to execute the works and carry out archaeological activities, which are slated for completion in 2019. This expansion project entails adding 5.1 kilometers and four new stations (Riquelme, Observatorio, Lo Martínez and Hospital El Pino) to the existing Line 2.

  With regard to the Line 3 expansion project, in 2018 the company focused its efforts on the various stages involved in the environmental permitting process, expropriations, and the archaeological work still underway. This expansion projects entails adding 3.8 kilometers and three new stations (EFE Quilicura, Lo Cruzat y Plaza de Quilicura) to the existing Line 3.

  As far as the projects' progress as of December 31, 2018 is concerned, physical progress was at 9% for Line 2 and 17% for Line 3.

- **Line 7**

  Line 7 will connect (underground) seven of the Santiago Metropolitan Region's most rapidly growing and populated districts (Renca, Cerro Navia, Quinta Normal, Santiago, Providencia, Las Condes and Vitacura), benefiting an estimated 1.365 billion inhabitants.

  The project began in 2018 when the company submitted the paperwork to the Ministry of Social Development to apply for the health feasibility permit, which was granted in May. With this permit in hand the Company was able to commence the project's main activities, involving an investment of more 2.5 billion US dollars and scheduled for start up in 2026.

  At the end of December 2018, physical progress on the Line 7 project was at 0.33%, which mostly consisted of basic engineering for civil works, preliminary studies on soil mechanics and aero photogrammetry of the land to determine where to draw the route in its entirety.

Parallel to the progress listed above, the company has been meeting with the local governments and communities that will benefit from the new line, in addition to conducting surveys on the land planned for station location.

All of the above is part of the company's efforts to gather documentation required for the Environmental Impact Study, which will be conducted in 2019, and approval of the design phase, which will allow Metro to move on to the next phase in the project.

- **Lines 8 and 9 & Line 4 Expansion**

In his 2018 annual account of public affairs, Chilean President Sebastián Piñera announced the construction of several Metro network expansion projects, i.e., two new Lines (8 and 9) and a Line 4 expansion project, for a total investment of more than four billion US dollars.

Line 8 will consist of 19 kilometers of tracks and 14 stations, connecting the Providencia, Ñuñoa, Macul, La Florida and Puente Alto districts, starting at the Los Leones Station and connecting up to Line 1 at Mall Plaza Tobalaba, passing along the Los Leones – Macul and Av. La Florida sections.

Line 9 will consist of 17 kilometers of track and 12 stations, connecting Santiago, San Joaquín, San Miguel, La Granja, San Ramón and La Pintana districts, passing along the Santa Rosa section, starting at the Santa Lucía Station and ending up at Av. Gabriela both on Line 1.

Line 4 expansion entails adding Bajos de Mena to the network, plus three new stations and 4 kilometers of track southwest of the Plaza de Puente Alto Station in the same district.

1.8.3 *Operations-Related Projects*

Throughout 2018 Metro continued to press forward with projects aimed at improving its existing network. These initiatives are described below:

- **New Access Points at the Tobalaba Station**

  At present, the Tobalaba Station eastbound train platform is finally operating after the company successfully completed improvement works in 2018. These involved civil works and final works on the pedestrian tunnels connecting to the platform, which cuts down the time it takes passengers to exit the station and helps decongest the station.

  The start up of these works was broken down into three stages (in May, October 2018 and January 2019).

- **Intermodal Los Libertadores**

  The Los Libertadores Intermodal project will be located in the Quilicura District and will directly connect Line 3's Los Libertadores terminal station to the three main highways that connect the City of Santiago to areas located north of the city.

  In 2018, the company began the civil works on the Intermodal Station. This involved taking material possession of the land needed for construction, and obtaining the environmental permits required.

  The main works carried out during the period included building ticket counters and related services, and the platforms for city and intercity buses. Moreover, the engineering for the tensile structure that will cover the intermodal station is complete, and the structure is currently being built. By the end of the year, 29% of the project had been completed.

- **Universal Access Program**

  Progress on the Universal Access Program in 2018 is as follows:

  - Line 1 Elevators: elevators located at the Alcántara, El Golf, La Moneda, República, Santa Lucía and Unión Latinoamericana stations were made available to customers.

    Furthermore, the elevators located at the Pedro de Valdivia and Universidad de Santiago stations have been made partially available to customers. The company expects to compete this project in 2019 by commissioning the elevators at the Estación Central and San Alberto Hurtado stations.

  - Line 2 Elevators: elevators were commissioned at the El Llano, Parque O´Higgins, Toesca, Departamental, Santa Ana and Lo Vial stations in 2018, while the Lo Ovalle station elevator will be commissioned in 2019.

  - Line 5 Elevators: in 2018 the company began work on the elevators located at the Bellas Artes, Parque Bustamante, Santa Isabel, Rodrigo de Araya, Carlos Valdovinos, Camino Agrícola, San Joaquín, Pedrero and Mirador stations, and commissioned Santa Ana station elevators in September.

  - Configurable bidirectional doors for individuals with reduced mobility on Line 1, 2 & 5: This initiative consists of enabling these doors at 98 Metro stations in order to provide an independent access control point to

individuals with reduced mobility so that they can use Metro services. They will enter the network through configurable bidirectional doors installed at control points at existing stations. In 2018, once the company obtained permission to begin this project it started working on the technical specifications required to continue the work in 2019.

- Reserved Space on Trains: This project consists of setting aside spaces on the NS-74, NS-93, AS-02 and NS-04 trains for use by individuals with reduced mobility in wheelchairs. These reserved spaces will leave an open space on each train car and will include features to assist users in getting around. In 2018, Metro received approval to begin this project, which will continue throughout 2019.

- **Integrating NS16 Trains**

The NS16 train integration project consists of the assembly, installation, and start up of 35, seven-car trains, earmarked to replace NS-74 trains on Lines 2 and 5.

The NS16 trains will be equipped with air conditioning, passenger aisles between cars, emergency communication systems to speak with the driver, dynamic passenger information systems, areas reserved for passengers with reduced mobility, among other attributes.

The first underground train completely assembled in Chile made its debut on Line 2 on Thursday, September 13, 2018. This train was assembled at the Neptuno Workshop using parts from France, Spain, China, India and Brazil. Train NS-16 (the 2016 Santiago Rubber Wheel Train project) began running along the tracks between the La Cisterna and Vespucio Norte Stations.

The project continues working on more new trains.

- **High-Impact Failure Management Program**

This program consists of implementing short-, mid- and long-term actions in the maintenance, operations and passenger communications areas with a view to reducing the number of operational failures and the time it takes to get train service back up and running, when failures occur.

The High-Impact Failure Management Program continued throughout 2018. Most of the projects are in the midst of being implemented and are moving along according to schedule, which has allowed the company to meet a great deal of its strategic goals for the year.

- **Security Plan**

Construction was completed on the 60th Police Station located at the Baquedano Station. Inaugurated on October 11th, the station is staffed by over 100 police officers that have been exclusively assigned to provide services to passengers on the Metro network.

Moreover, Metro continued working on improving its closed circuit television (CCTV) system at stations, thereby boosting system coverage by installing additional cameras on platforms and mezzanines, replacing older cameras with an expired useful life, and setting up a fixed screen and camera system near turnstiles. These efforts are aimed at improving passengers' perception of safety, reducing fare evasion and aggression towards guards posted in said areas.

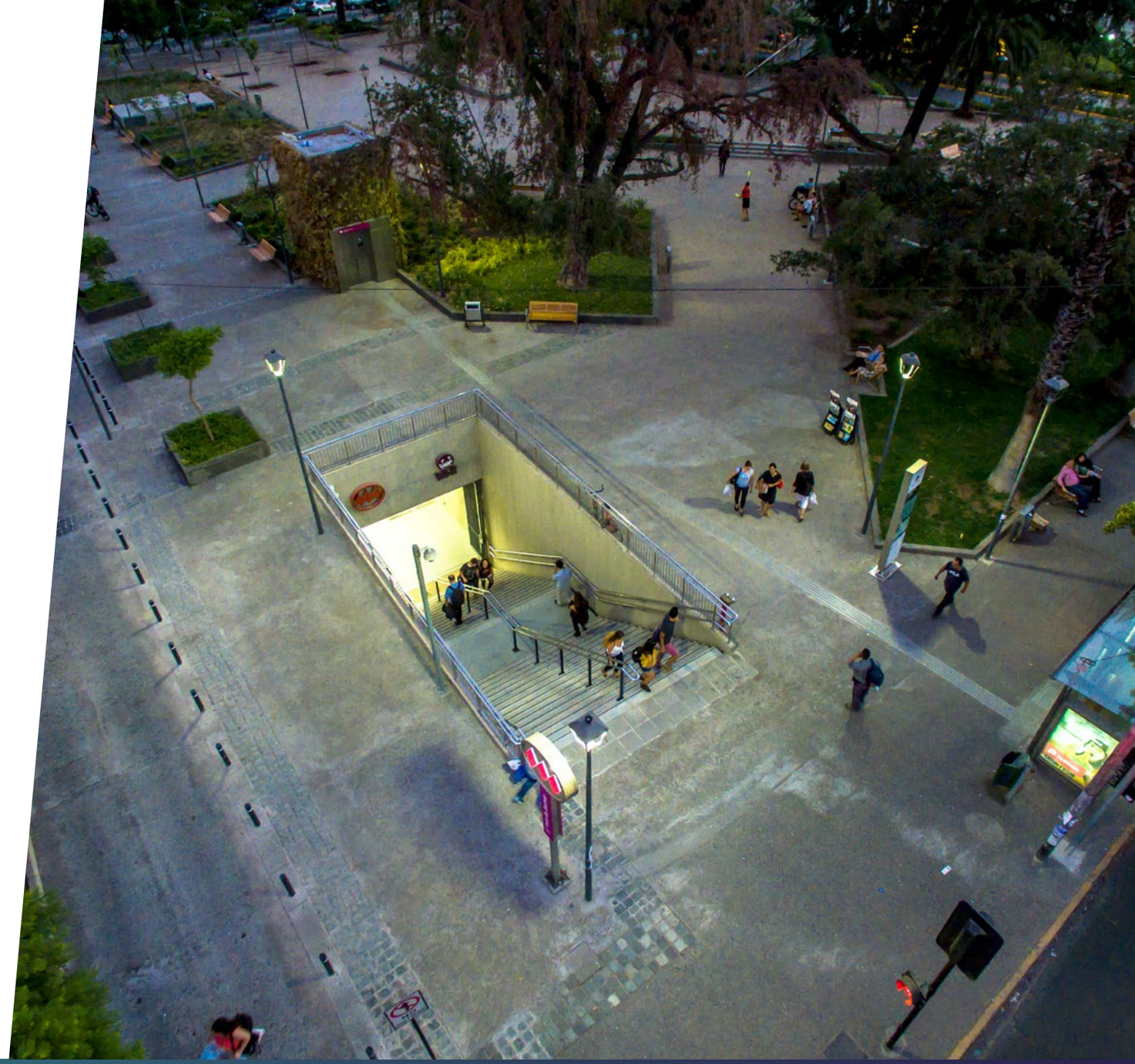
Additionally, the company made progress on implementing its perimeter anti-intrusion system and improvements to CCTV systems at workshops and depots, thereby setting up better intrusion barriers to prevent acts such as graffiti on trains.

- **Environmental Mitigation Activities**

  In 2018, the company made progress on the basic engineering, scope definition, and solution optimization components of a project to build Non-Hazardous Industrial Waste (RINP) Salvage Yard at the Neptuno, Puente Alto, and San Eugenio Workshops and the Quillin Intermediate Depot.

  In 2018, the company obtained permission to begin the prefeasibility stage of its noise mitigation project in its workshops (Intermediate Depots in Quillin, Puente Alto and San Eugenio). An international tender process was held and completed in November with a contract awarded to begin work in 2019.

  In 2018, the company began civil works on the Teniente Cruz viaduct noise pollution solution (Line 5), especially for the tunnel section. Work on the Barrera and Rampa Norte sections is scheduled to begin in 2019.



2 Corporate Governance

2.1 *Description of the Organization*

Metro de Santiago's administration is managed by a Board of Directors comprised of a chairman, vice chair and five board members. Twenty-seven regular board meetings were held in 2018.

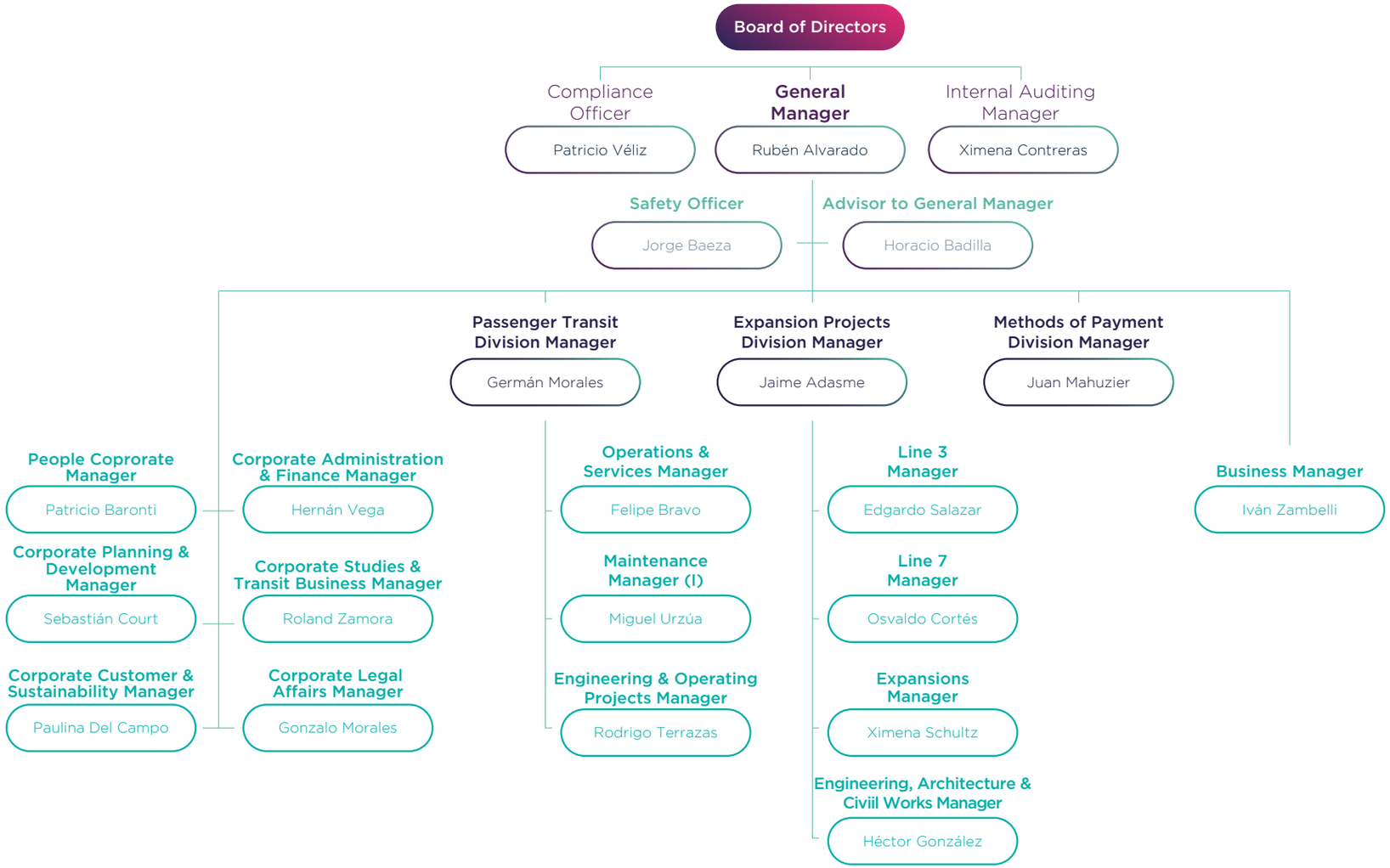
Metro's General Manager, the Office of Internal Comptroller and the Compliance Officer are under the Board of Director's purview.

At year-end 2018, the General Manager was in charge of managing the Company through six Corporate Management Groups, and three large Divisions, to wit: Passenger Transit Division, Expansion Project Division, and the Methods of Payment Division. The Corporate Management Groups include: People, Administration and Finance, Planning and Development, Studies and Transit Business, Customers and Sustainability, and Legal Affairs.

Falling under the purview of the Passenger Transit Division are the following management groups: Operations and Services, Maintenance, Engineering and Operations Projects; while Line 7, Line 3, Expansions and Engineering, Architecture and Civil Works Management groups are under the Expansion Projects Division.

Also, the Business Management group, the Information Security Officer and the General Manager's Advisor directly report to the General Manager.

2.2 *Organizational Chart (As of December 31, 2018)*



2.3 *Board of Directors*
as of December 2018

Chairman of the Board	Louis de Grange Concha	Civil Industrial Engineer	12.487.883-7
Vice-Chair	Nicole Keller Flaten	Journalist	15.636.164-K
Board Member	Karen Poniachik Pollak	Journalist	6.379.415-5
Board Member	Germán Concha Zavala	Attorney	10.381.528-2
Board Member	Arturo Gana de Landa	Commercial Engineer	4.432.093-2
Board Member	Juan Carlos Herrera Maldonado	Civil Industrial Engineer	10.023.113-1
Board Member	Luz Granier Bulnes	Commercial Engineer	7.040.317-K

Advisor to the Board

Internal Auditing Manager	Ximena Contreras Duff	Accountant & Auditor	7.061.013-2

Changes to the Board

There were some changes to the makeup of the Board of Directors in 2018. On January 22nd, Marcela Munizaga was appointed member of the board, replacing Claudio Soto. Vladimir Glasinovic submitted his resignation as board member on March 27 and was replaced by Louise de Grange Concha. At the 27th Regular Shareholders' Meeting held on April 23th, 2018, Louis de Grange Concha, Germán Daniel Concha Zavala, Arturo Carlos Gana de Landa, Juan Carlos Herrera Maldonado, Luz Elena Granier Bulnes, Nicole Marie Keller Flaten and Karen Paulina Poniachik Pollak were appointed to the board.

Lastly, at Board Meeting No. 943 held on April 23th, 2018, members agreed to appoint Louis de Grange Concha as Chairman of the Board and Nicole Keller as Vice Chair.

Advisory Services Outsourced to Auditing Firms

During the January 1st—December 31st, 2018 period, the following auditing firms were paid for services rendered as follows:

COMPANY NAME	SERVICES	FEES (Ch$)
KPMG Auditores Consultores Limitada.	2017 Financial Statement Auditing Services	122,658,063
	Business Management Advisory Service	24,144,513
	2017 Financial Statements Auditing (special requirement by CORFO)	8,494,570
	Propyme Seal Certification Maintenance	2,509,869
Total		**157,807,015**
Deloitte Auditores y Consultores Ltda.	Legal and tax assistance to the Wellbeing Fund	5,090,826
Total		**5,090,826**
PricewaterhouseCoopers Consultores, Auditores SpA	Implementation of two components of Metro's Environment Management System	25,844,195
Total		**25,844,195**
EY Audit SpA	Diagnostic and Implementation of Standard IFRS 9, 15, 16	29,313,684
Total		**29,313,684**
BDO Auditores Consultores Ltda.	Auditing of Financial/Accounting Management of Sales Channel	16,201,698
Total		**16,201,698**

Regarding other advisory services, neither the Board of Directors nor Board Committees hired other services directly in 2018.

Directors Committees

There are four Directors' Committees as follows:

- **Project Management Committee:** this committee is in charge of reviewing the status of new expansion and line projects.
- **Operating Committee:** this committee addresses the company's strategic and managerial aspects pertaining to business development, encompassing operational and service-related topics, planning and control, engineering and technology, human resources and commercial affairs.
- **Audit and Risk Committee:** this committee oversees internal auditing and issues opinions regarding the independent auditing of the company's financial statements, as well as reviewing the risk matrix and treatment plans. (*) As of July, this committee was no longer referred to as the Audit, Finance and Risk Committee.
- **Technical Committee:** this committee conducts in-depth reviews on complex technical matters related to projects under development.

The abovementioned is merely an example and does not entail a complete description of all functions performed by the committees, which address sundry issues affecting the company as they develop. In 2018, the board committees were made up as follows:

2018 Board of Directors Committees* (as of December 2018)

Project Management (# of Meetings: 11)	Operating (# of Meetings: 12)	Auditing & Risks (# of Meetings: 12)	Technical (# of Meetings: 12)
Louis de Grange Concha (Pdte.)	Juan Carlos Herrera Maldonado (Pdte.)	Luz Granier Bulnes (Pdte.)	Louis de Grange Concha (Pdte.)
Luz Granier Bulnes	Louis de Grange Concha	Louis de Grange Concha	Nicole Keller Flaten
Karen Poniachik Pollak	Arturo Gana de Landa	Nicole Keller Flaten	Karen Poniachik Pollak
Juan Carlos Herrera Maldonado	Karen Poniachik Pollak	Germán Concha Zavala	Arturo Gana de Landa
Germán Concha Zavala	(*) In July the Audit, Finance and Risk Committee changed its name to the Audit and Risk Committee.		

Patricio Véliz Möller was the Secretary of the Board of Directors and Board Committees until Meeting No. 957, after which point Gonzalo Morales Moreno took over this role beginning on November 12th, at Meeting No. 958

2017 Board of Directors Committees

Project Management (# of Meetings: 10)	Operating (# of Meetings: 12)	Auditing, Finance & Risk (# of Meetings: 12)	Technical (# of Meetings: 15)
Vicente Pardo Díaz (Pdte.)	Vladimir Glasinovic Peña (Pdte.)	Carlos Mladinic Alonso (Pdte.)	Vicente Pardo Díaz (Pdte.)
Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo
Paulina Soriano Fuenzalida	Vicente Pardo Díaz	Paulina Soriano Fuenzalida	Paulina Soriano Fuenzalida
Carlos Mladinic Alonso	Karen Poniachik Pollak		Carlos Mladinic Alonso
Karen Poniachik Pollak			Karen Poniachik Pollak
Vladimir Glasinovic Peña			Vladimir Glasinovic Peña

Patricio Velez Möller was the Secretary of the Board of Directors and Board Committees.

2.4 *2018 Senior Executives*

Position	Name	Profession	I.D. #	Date Appointed
General Manager	Rubén Alvarado Vigar	Civil Chemical Engineer	7.846.224-8	29/09/2014
Expansion Projects Division Manager	Jaime Adasme Araya	Civil Constructor	7.535.688-9	01/06/2012
Passenger Transit Division Manager	Germán Morales Gaarn	Civil Engineer in Mining	5.849.974-9	01/12/2016
Methods of Payment Division Manager	Juan Felipe Mahuzier Herrera	Civil Industrial Engineer	9.089.556-7	02/04/2018
Corporate Administration & Finance Manager	Hernán Vega Molina	Commercial Engineer	6.373.587-6	01/03/1997
People Corporate Manager	Patricio Baronti Correa	Psychologist	12.636.901-8	01/12/2014
Corporate Planning and Development Manager	Sebastián Court Benvenuto	Civil Engineer in Mathematics	15.779.884-7	01/12/2016
Corporate Studies ad Transit Business Manager	Roland Zamora Vega	Civil Industrial Engineer	9.395.145-k	05/07/2011
Corporate Customer and Sustainability Manager	Paulina del Campo Fuentes	Journalist	10.636.751-5	03/09/2018
Corporate Legal Affairs Manager	Gonzalo Morales Moreno	Attorney	8.866.936-3	01/01/2008
Operations and Services Manager	Felipe Bravo Busta	Civil Industrial Engineer	10.567.676-K	01/06/2016
Maintenance Manager (I)	Miguel Urzúa Brito	Civil Industrial Engineer	13.702060-2	26/10/2018
Engineering and Operations Projects Manager	Rodrigo Terrazas Michell	Electronics Engineer	9.516.705-5	29/06/2018
Business Manager	Iván Zambelli Klenner	Commercial Engineer	5.993.203-9	26/10/2015
Line 3 Manager	Edgardo Salazar Figueroa	Civil Engineer	5.818.212-5	02/01/2014
Line 7 Manager	Osvaldo Cortés Amar	Civil Structural Engineer	7.046.146-3	01/03/2018
Expansions Manager	Ximena Schultz Soriano	Civil Industrial Engineer	15.383.528-4	01/03/2018
Engineering, Architecture & Civil Works Manager	Héctor González Garrido	Civil Engineer	7.188.061-3	25/07/2014
Internal Auditing Manager	Ximena Contreras Duff	Auditor & Accountant	7.061.013-2	13/02/2017

Metro's senior executives and board members do not hold any shares of company capital since the Chilean State is the company's sole shareholder.

Changes to the Managerial Team

In order to face the new and considerable challenge involved in growing and expanding the Metro network, the company promoted Ximena Schultz from Deputy Manager of Scheduling to Manager of Expansion. Along these same lines, Osvaldo Cortés left the Line 3 Management Group to head up Line 7 Construction.

On April 2nd, 2018, Juan Felipe Mahuzier Herrera joined Metro as Manager of the Methods of Payment Division, and on September 3, 2018, Paulina del Campo Fuentes joined the ranks as Manager of Customers and Sustainability.

On June 29th, 2018, the Automated Line Implementation Management Group (part of the Passenger Transit Division) was absorbed by the Engineering and Operational Projects Management Group, headed up by Rodrigo Terrazas.

On October 26th, 2018, Carlos Ríos Bustamante, formerly in charge of the Maintenance Management Group, left the company. Miguel Urzúa Brito (Deputy Manager of the Rubber Train Maintenance Management Group) was temporarily assigned to this position.

2.4.1 *Board Compensation*

The following tables contains a 2017-2018 comparison of compensation paid to board members for services rendered, in thousands of Chilean pesos:

- **2018 Compensation or Allowances**

  The following corresponds to allowances and board member compensation for attending each board meeting, and includes monthly lump sums for attending Board Committees.

2018 COMPENSATION OR ALLOWANCE (IN THOUSANDS OF PESOS)

2018 Board Members	Fixed Compensation	Variable Compensation	Total
Louis de Grange Concha	81,061	473	81,534
Nicole Keller Flaten	9,371	4,365	13,736
Juan Carlos Herrera Maldonado	6,176	4,129	10,305
Karen Poniachik Pollak	7,237	6,744	13,981
Germán Concha Zavala	6,176	4,129	10,305
Arturo Gana Landa	6,176	4,129	10,305
Luz Granier Bulnes	6,176	4,129	10,305
Rodrigo Azócar Hidalgo	38,195	0	38,195
Paulina Soriano Fuenzalida	1,865	4,434	6,299
Vicente Pardo Díaz	1,244	3,491	4,735
Carlos Mladinic Alonso	1,244	3,491	4,735
Vladimir Glasinovic Peña	904	2,616	3,520
Marcela Munizaga Muñoz	1,021	3,490	4,511
Total	**166,846**	**45,620**	**212,466**

- **2017 Compensation or Allowances**

2017 COMPENSATION OR ALLOWANCE (IN THOUSANDS OF PESOS)

2017 Board Members	Fixed Compensation	Variable Compensation	Total
Rodrigo Azócar Hidalgo	119,281	0	119,281
Paulina Soriano Fuenzalida	5,825	13,038	18,863
Juan Carlos Muñoz Abogabir	971	2,566	3,537
Vicente Pardo Díaz	3,884	10,264	14,148
Karen Poniachik Pollak	3,884	10,264	14,148
Carlos Mladinic Alonso	3,884	10,264	14,148
Claudio Soto Gamboa	3,020	7,697	10,717
Vladimir Glasinovic Peña	2,589	6,842	9,431
Total	**143,338**	**60,935**	**204,273**

Travel, Per Diem & Other Stipends

In 2018, disbursements for travel expenses amounted to ThCh$534 (compared to ThCh$6,093 in 2017).

In 2018, disbursements for per diems amounted to ThCh$910 (compared to zero disbursements in under this line item in 2017).

Senior Executives

The General Manager's 2018 compensation amounted to ThCh$229,086 (ThCh$215,778 in 2017) while compensation received by other managers (18 senior executives) totaled ThCh$2,764,838 (ThCh$2,108,528 for 14 senior managers in 2017).

During the first quarter of each year, managers are entitled to an individual annual bonus calculated on the basis of company results and individual performance during the previous calendar year, subject to annual approval by the company's Board of Directors

2.4.2 *Summary of Shareholder and Board Committee Remarks and Proposals*

Neither shareholders nor board committees issued requests to submit remarks or proposals to this Annual Report.

3 Ownership & Shares

3.1 *Ownership*

Two shareholders, to wit, Corporación de Fomento de la Producción (CORFO), the majority shareholder, and the Chilean Treasury, represented by the Ministry of Finance, own the Company. Metro does not have any joint action agreements.

Regarding capital increases, at the Special Shareholders' Meeting held on December 28th, the following was agreed:

- To increase subscribed and paid-in capital through the capitalization of fiscal contributions in the amount of ThCh$75,672,487, par value, earmarked for funding Metro Network expansion projects and improvements and servicing the debt, by issuing 10,109,002.111 series A shares to be subscribed and paid by the Treasury and Corfo on a prorated basis according to their interests and share in the company.

On December 11st, 2018, Corfo paid the contributions agreed to on September 24, 2018.

On September 24th, 2018, at the Special Shareholders' Meeting, the following was agreed:

- To increase subscribed and paid-in capital through the capitalization of fiscal contributions in the amount of ThCh$97,500,000, par value, by issuing 3,320,844,687 series A shares to be subscribed and paid by Corfo no later than December 31st, 2018.

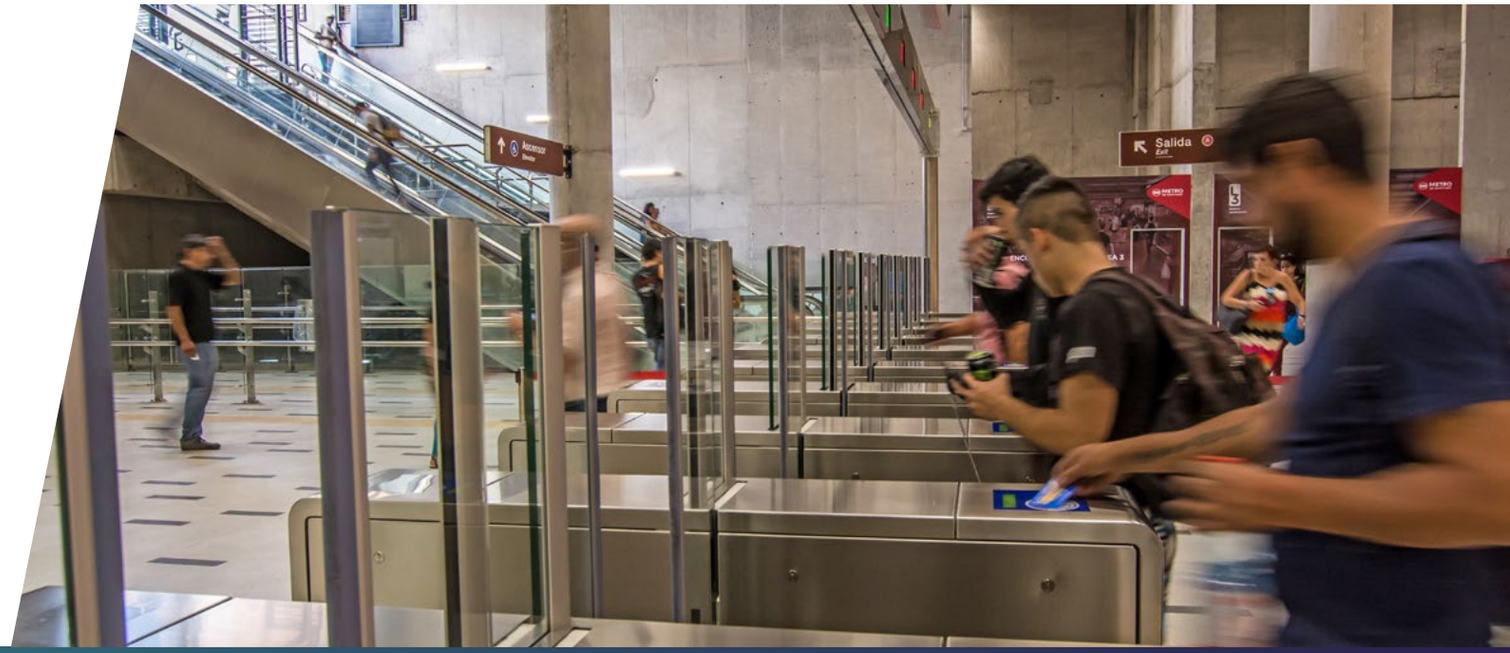
Series A stock corresponds to the initial capital and capital increases subscribed and paid by the Chilean Treasury and the Corporación de Fomento de la Producción, and they shall not be transferred. Series B stock correspond to capital increases, and may be held by other shareholders.

As of December 31st, 2018, the company's equity consisted of a total of 80,172,231,944 Series A and 19,163,677,063 Series B, no-par value, registered shares, 65,357,477,359 of which are held by Corporación de Fomento de la Producción and 33,978,431,648 by the Chilean Treasury.

As of December 31st, 2017, the company's capital stock consisted of a total of 66,742,385,146 Series A and 19,163,677,063 Series B, no-par value, registered shares, 55,385,920,183 of which are held by Corporación de Fomento de la Producción and 30,520,142,026 by the Chilean Treasury.

As of December 31st, 2018 shareholders' company ownership was broken down as follows:

SHAREHOLDERS	# of Shares (Millions)			% Share
	Series "A"	Series "B"	Total	
Corporación de Fomento de la Producción	53,254.01	12,103.47	65,357.48	65.79%
Treasury, represented by the Ministry of Finance	26,918.22	7,060.21	33,978.43	34.21%
TOTAL	**80,172.23**	**19,163.68**	**99,335.91**	**100.00%**



3.2 *Dividend Policy*

The company's dividend policy is defined under its Articles of Incorporation and the Chilean Corporation Law, which provide that each fiscal year at least 30% of the company's net profit must be distributed and that said policy shall be reviewed annually. The purpose of the latter is to assess certain topics such as the existence of hefty investments; important projects underway, or, in general, any other circumstances that may constitute grounds for adopting a decision other than the abovementioned policy.

The company's dividend policy is in accordance with current legislation in that at least 30% of annual net profits must be earmarked for cash dividend distribution, except when otherwise agreed to by a unanimous vote of issued shares by the Shareholders' Meeting.

At the Regular Shareholders' Meeting held on April 23th 2018, shareholders agreed to not distribute company profits or issue dividends.

4 Subsidiaries, Related Companies & Investments in Other Companies

A. Transporte Suburbano de Pasajeros S.A. (TRANSUB S.A.)

Metro S.A. has only one subsidiary, Empresa de Transporte Suburbano de Pasajeros S.A (Transub S.A.).

In a public deed issued January 30th, 1998, by and between Empresa de Ferrocarriles del Estado and Empresa de Transporte de Pasajeros Metro S.A., at the Santiago Offices of Notary Public Francisco Rosas Villarroel, Empresa de Transporte Suburbano de Pasajeros S.A. was duly incorporated. The subsidiary's corporate information is as follows:

- **Company Identification and Type:** La Empresa de Transporte Suburbano de Pasajeros S.A., also hereinafter referred to as "Transub S.A.," is an unlimited duration, stock corporation, domiciled in the City of Santiago.
- **Subscribed and Paid-in Capital:** The company's subscribed and paid-in capital amounts to Ch$30,000,000 (thirty million pesos), divided up into one series of thirty thousand, no-par value registered shares.
- **Corporate Social Purpose and Scheduled Activities:** The company's was founded in order to meet the urban transportation needs of passengers and earn a profit from its assets through complementary activities and services.
- **Board Members and General Manager:** The following members sit on the company's Board of Directors: Hernán Vega Molina, Ignacio Tapia Hortuvia and Roland Zamora Vega on behalf of Metro S.A.; and Alejandra Dagnino Elissetche and Cecilia Araya Catalán, on behalf of EFE.

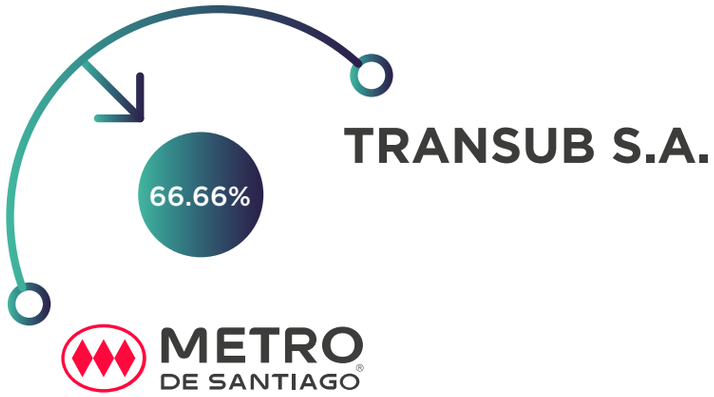
Given that Transub S.A. is not an active entity, its Board Members and General Manager do not receive compensation for any of the board meetings they must attend.

Board of Director and General Management Positions:

- **Chairman:** Hernán Vega Molina
- **Vice-Chair:** Cecilia Araya Catalán
- **Interim General Manager:** Augusto Lucero Alday

- **Share Percentage:** Metro S.A. holds a 66.66% ownership share in its subsidiary.
- **Parent Company Board Members and Managers:** Hernán Vega Molina is Metro S.A.'s Corporate Administration and Finance Manager; Ignacio Tapia Hortuvia is the Assistant Finance Manager; Roland Zamora Vega is the Corporate Studies and Transit Business Manager; and Augusto Lucero Alday is Metro S.A.'s Senior Legal Advisor.
- **Commercial Relations with the Subsidiary:** There have never been any commercial relations between the parent company and its subsidiary.
- **Acts and Contracts Entered into with the Subsidiary:** There haven't been any acts or contracts entered into with the subsidiary.
- **Percentage of Investment in Assets:** The company's investment in the subsidiary amounts to 0% of Metro S.A.'s assets (the subsidiary has a negative net worth and is therefore valued at Ch$1 on Metro S.A.'s books).
- **Ownership Relationship between Subsidiaries and Related Companies:** Metro S.A. does not have an ownership relationship with the other subsidiaries. Metro does not have any related companies.

There is a direct ownership relationship between Metro S.A. and Transub S.A., in which Metro S.A. is the direct owner, as illustrated below:



B. Metro SpA

Metro SpA, a joint stock Company, is Metro S.A.'s other subsidiary.

In a public deed issued June 28th, 2018, signed by Empresa de Transporte de Pasajeros Metro S.A., at the Santiago Offices of Notary Public Raúl Undurraga Laso, Metro SpA was duly incorporated as a joint stock company. The subsidiary's corporate information is as follows:

- **Company Identification and Type:** Metro SpA is an unlimited duration, joint stock corporation, domiciled in the City of Santiago.
- **Subscribed and Paid-in Capital:** The company's subscribed and paid-in capital amounts to Ch$24.981.082 (twenty-four million, nine hundred eighty-one and eighty-two pesos) divided up into one series of one thousand, no-par value registered shares of equal value.
- **Corporate Purpose and Scheduled Activities:** The company's was founded in order to provide education, to set up, take part in and contribute to companies that engage in the issuance and operation of methods of payment, pursuant to that which is provided under Law 20,950 and its regulations, providing non-banking entities the authority to issue said methods of payment.
- **Board Members and General Manager:** Empresa de Transporte de Pasajeros Metro S.A hold exclusive authority over the subsidiary's administration, legal representation and use of corporate name. Rubén Alvarado Vigar and Felipe Mahuzier Herrera are the sole individuals appointed with this authority, which they may exercise individually.

  Given that it is not an active entity the company's executives do not receive any compensation.
- **Share Percentage:** Metro S.A. holds a 100% ownership share in its subsidiary.
- **Parent Company Board Members and Managers:** Rubén Alvarado Vigar is Metro SpA's General Manager, and Juan Felipe Mahuzier Herrera is the Manager of the Methods of Payment Management Division.
- **Commercial Relations with the Subsidiary:** There have never been any commercial relations between the parent company and its subsidiary.
- **Acts and Contracts Entered into with the Subsidiary:** There haven't been any acts or contracts entered into with the subsidiary.
- **Percentage of Investment in Assets:** The company's investment in the subsidiary amounts to 0% of Metro S.A.'s assets.
- **Ownership Relationship between Subsidiaries and Related Companies:** Metro S.A. does not have an ownership relationship with the other subsidiaries. Metro does not have any related companies.

There is a direct ownership relationship between Metro S.A. and Metro SpA, in which Metro S.A. is the direct owner.

5 Personnel

Company personnel constitute one of Metro's main pillars, and, accordingly, the organization understands that providing personnel with the appropriate career development opportunities is key to a successful administration.

5.1 *Staffing*

Year (as of December)	2014	2015	2016	2017	2018
Automated Line Agents				36	99
Drivers	1,036	1,007	966	865	874
Managers	55	57	59	69	69
Section Heads	219	232	242	271	250
Station Heads	419	415	422	408	410
Operational Staff	155	204	235	270	302
Professionals	465	490	540	624	618
Supervisors	202	210	226	267	286
Maintenance Technicians	339	378	358	395	427
Technical & Admin Staff	326	330	391	408	537
Security Guards	414	507	568	691	804
Total	**3,630**	**3,830**	**4,007**	**4,304**	**4,676**

5.2 *Education & Training*

In 2018, the company took some important steps forward in terms of talent development, for example, Metro opened its Talent Academy in June 2018. The Academy consists of a modern building where Metro will hold all of its employee education and training activities.

At the same time, Metro continued working on raising its standards and aligning the various strategies it applies to hiring, training and personnel development, in order to better leverage all the strategic pillars and objectives, as well as the cross cutting skills that guide the organization, within the framework of Metro's Talent Academy.

Starting with hiring, the company has placed emphasis on inclusion, on attracting new talent and on the Metro brand name as an employer.

Regarding inclusion, Metro has entered into partnerships with organizations devoted to integrating disabled individuals and immigrants into the labor market. As part of a parallel initiative, and with support from the *Mutual de Seguridad*, Metro designed a comprehensive model to adequately integrate disabled individuals at Metro. This model takes into consideration the company's organizational culture, the need to publicize this initiative and to build awareness among the company's various areas and teams, and support for new workers when they join company ranks, and following up on this process.

Moreover, in terms of gender parity, the company has observed a steady increase in the number of women hired over the last three years. This is due to actions taken by the Hiring Area aimed at reinforcing efforts to recruit females for open positions at Metro. It is worth noting that in 2018, Metro joined the Gender Parity Initiative, a public/private alliance driven by the World Economic Forum and the Inter-American Development Bank.

In terms of attracting new talent, the purpose of the "New Talent Attraction Program" is to look for and find the best students to fill professional internships at the company.

Given Metro's strong presence at the leading university and digital job fairs—which include on line job platforms—in 2018, the company received 650 applications to the Program, which ended up hiring a total of 55 youngsters for the job openings. The number of openings nearly tripled from one year to the next, which emphasized this alternative as one of Metro's outlets for identifying talent early on.

The company has done well in the area of branding Metro as an employer. The 2018 Merco Talent study ranked Metro among the top 100 companies in terms of its ability to attract and retain talent in Chile. Metro was ranked 28 in the general ranking, up 40 points from last year, and ranked 2nd in the transport category.

Corporate Training

In 2018 this area focused on how to best define and implement the organization's training programs. To this end, the company relied on the Lean and continuous improvement models it employs to achieve excellence, all with a view to designing a training model that is closely aligned with the organization's strategic objectives. These efforts were instrumental in the company meeting 90% of the 2018 program objectives outlined for specific area trainings.

With regard to Company-wide and E-learning courses, the program met 100% of its 2018 goals, which included providing sundry courses such as Effective Negotiation and High-Impact Presentations.

Regarding regulatory courses (legally mandated for all workers), the company's Cybersecurity Area launched an Information Security course, and lent a hand in organizing training related to Inclusion for Disabled Individuals.

Moreover, in keeping with annual tradition, close to 300 new workers took part in an Operational Integration program which constitutes a key process for all new Metro hires as an opportunity to align them early on with corporate values, cultures and strategic objectives.

A total of 150 corporate scholarships were awarded under the Academic Scholarship Program, which provides funding for technical and university studies, as well as specialization courses for workers as a means to hone their skills and make the organization stronger.

In 2018, the Corporate Training delivered a total of 48,127 hours of training.

Technical Training

Back in late 2017 the company redesigned its training areas in order to expand the scope and standardize the Technical Area's training and education programs, which were designed for operational positions and scheduled for implementation in 2018.

Worker attendance at training courses grew by 171%, for a total of 26,111 training hours.

A total of 1,419 workers updated their knowhow, including drivers, station heads, Control Command Post (CCP) regulators, and other operational positions. By expanding the scope of number and types of workers included in the training, the company had to increase its offer by 167% compared to 2017.

The Talent Academy joined forces with Inacap to certify a group of Traffic Instructors. This move was part of the area's efforts to improve and standardize the quality of the area's processes. The certified technical skills are Metro-proprietary and -specific, and, as such, this step constitutes a relevant milestone for the sustainability of knowledge management.

The Operations Management Group conducted a driver certification process involving 216,581 hours of training during which 109 new drivers, 128 private security guards and a significant number of other operations-related staff members were trained.

Line 3 start up gave way to a unique challenge; Metro had to organize 10 in-house training courses in automatic line operations for 98 individuals and a total of 35,728 hours.

Moreover, in 2018 Metro put into operations a model NS16 train (the first ever assembled in Chile), which involved training Line 2 drivers.

The Maintenance Management Group also conducted a total of 34,941 hours of training, up 43% from 2017. This division continued working on defining the specific technical skills required for its Electric Power & Systems and Rubber Tires subdivisions. They successfully completed and

formalized the training curricula for technicians, supervisors and technical contract inspectors in the Electric Power & Systems and Rubber Tire Train subdivisions.

The final tally for total technical training hours per person in 2018 was 89 in the Operations and Services Management Group and 40 Maintenance Management Groups.

Organizational Development

As part of the "Collaborative Management" culture program launched in 2015, over time Metro has set up and developed several leadership teams fostering collaborative relations between workers and inter-area teams while instituting a series of Lean-method aligned practices. To this end, the company held specific workshops for leaders, along with interdisciplinary integration and deliberation workshops that touched up cultural aspects taken into consideration when defining and instituting crosscutting skills, work climate studies and other tools and messages applicable across the board to human resources development.

Ninety percent (90% or 338 leaders) of all supervisors in the Operations and Maintenance Management Groups completed the collaborative management skills building course in 2018.

Moreover, according to the 2018 Metro Work Climate survey the level of satisfaction was 70% and the level of participation was 81%, which, statistically speaking, constitutes an increase in terms of the workers' perspective of company-wide and local efforts to improve the workplace. These figures also speak to how much the organization believes in the survey and its impact on company administration year after year.

5.3 *Labor Relations*

During the 2018 period and within the context of labor relations undertaken the by People Management group and union organizations, the company reached an early collective bargaining agreement with the Company's Union of Professional and Technical Workers. The parties entered into a collective work agreement that shall be in effect from July 1st, 2018 until June 30th, 2021. This process involved 1,919 company workers, equal to 42% of the entire workforce to date.

Worth pointing out is that the unionization rate remained stable at 95% approximately. This is a testament to the stable labor relations, which make it possible to engage in successful bargaining processes based on ongoing dialogue and mutual trust.

Quality of Life:

In 2018 the HR Management's Quality of Life program continued implementing the Metro Life Program, with a view to fostering self-care and healthy lifestyles. Four thousand forty-three workers (4,043) received care under this program which offers a variety of services, ranging from vaccinations (1,865 administered), preventive tests (1,308), medical and nutritional counseling for workers at risk of developing cardiovascular disease (610 visits), and (260) visits to the Medical Service Oversight Office.

In addition to the above, the company has an Employee Assistance Program aimed at drug and alcohol use prevention and control. The company also trained 50 new managerial and supervisory hires on this matter in 2018.

Metro also has a Wellbeing Fund, which is a company benefit available to all workers with open-ended contracts. In order to access these benefits workers must pay a monthly fee (and the company matches workers' contribution by five to one). Membership benefits include reimbursement for medical and dental services, medical and low-interest loans, and a variety of different discounts at dental care facilities, drug stores, eye care stores, clinics and hospitals. In 2018 the Wellbeing Fund's membership amounted to 4,388 individuals.

In order to create more awareness among employees as to the program's benefits and publicize them further, Metro created a benefits website (*"Mis beneficios"*). This was a joint effort spearheaded by the Quality of Life area and the workers unions and implemented through the Wellbeing Fund. The website provides workers with a single window to learn about all the company benefits, and guide users through questions and concerns.

For the fourth consecutive year, in 2018 the Wellbeing Fund sponsored an organization wide event in order to report to workers on detailed aspects of Metro's business in 2017. This year the Company wanted to put a spin of the event by emphasizing diversity and inclusion while

launching a new special dependents policy under which couples married under civil union, in same sex relationships and male spouses, among others, are included as beneficiaries.

In another area, with a view to encouraging the participation of workers and their family members in company events and a healthy lifestyle through recreational, sports and educational activities, Metro sponsors the Recreation and Sports Program. The most outstanding sports activities sponsored through the program in 2018 were: the men's and women's Tennis Tournament for 31 workers; and the Fitness Program with an average monthly attendance of 113 individuals and 91 hours (1,095 hours yearly). Metro also sponsored a therapeutic massage and hydration stand for runners at the Santiago Marathon, reaching out to 103 individuals (workers and families alike).

The most noteworthy recreational activities held in 2018 for our workers and their families were as follows the Winter and Summer Vacation program for workers' children serving 302 children; the Children's Day Festivities with a turnout of 551 individuals; the My Family Visits the Metro Day for which 163 individuals came out; Saint Valentine's Day celebration with a total of 380 participants; the Christmas Party with a grand total of 3,822 guests including workers and their families; and the New Year's Eve Party whose number of guests totaled 1,512 workers.

Furthermore, in 2018 the company held the an Environmental Model contest entitled "Finding magic in recycling" in which 17 children participated and the 12 winning models were showcased in a calendar given out as a gift to each worker.

For the first time ever, in 2018 the company launched Quality of Life Week which entailed a benefits and healthy lifestyles fair offering massages in the work place and free healthy snacks. All of these activities were carried out in tandem with a communications campaign to inform workers of the various benefits and programs offered by the area.

Celebrations were also held for our workers on Mother's and Father's Day, Independence Day, besides our annual year-end outings. Also, the company held a ceremony in recognition of 273 workers who have been with the company for ten to 45 years.

Another initiative sponsored by the Quality of Life area is Más Cerca de Ti (Closer to you), a program aimed at providing workers with on site social support. Under this initiative the company provides assistance to workers facing difficult situations affecting their and their families' quality of life, marking its presence in important times. In 2018, 853 workers received support (on average 71 per month) and 14 integration talks were given under this initiative.

Moreover, in 2018 the Quality of Life area spearheaded the Disabled Persons Inclusion Plan, which aims to create awareness regarding hiring and supporting disabled workers, thereby fostering a culture of inclusion.

External Services:

The purpose of the External Services area is to manage and validate the compliance of collaborating companies in areas such as labor issues, social security and contracts, with a preventive, collaborative and active approach based on the values and strategic plans identified by Metro.

In 2018, the area conducted 1,042 labor certifications spread out over the year. IRC Verificadora, an INN-accredited certification company, certified a total of 7,543 workers, 64 companies and 91 contracts under the subcontracting regime. This labor certification system aims to ensure all labor and social welfare-related obligations are met while also exercising our right to full information disclosure as the principal company.

Furthermore, the area worked on an annual oversight plan aimed at conducting in situ assessments of working conditions. In 2018 the oversight program assisted a total of 9,672 workers, including Line 6 & 3 Project workers. Area staff and contract administrators drew up improvement plans on the basis of these assessments.

Moreover, in order to ensure companies are meeting their contractual obligations as provided by the subcontracting regime, a daily review is conducted on the profile of contractor workers joining Metro services. In 2018 a total of 5,233 contractor workers were authorized.

Finally, a follow up assessment was performed on contractor companies' collective bargaining processes. In 2018 Metro engaged in eight collective bargaining processes with its service providers. New, three-year collective agreements were signed with all of the companies.

6 Social Responsibility & Sustainable

6.1 *Diversity on the Board of Directors*

i. Makeup by Gender

Men	Women
4	3

ii. Makeup by Nationality

Chileans	Foreigners
7	0

iii. Makeup by Age Group

<30	[30, 40]	]40, 50]	]50, 60]	]60,70]	>70
0	1	2	3	0	1

iv. Makeup by Seniority

< 3 year	[3, 6]	]6, 9[	[9,12]	> 12 Years
6	1	0	0	0

6.2 *Diversidad en Diversity among Senior Management & Reporting Officers*

i. Makeup by Gender

Men	Women
16	3

ii. Makeup by Nationality

Chileans	Foreigners
19	0

iii. Makeup by Age Group

<30	[30, 40]	]40, 50]	]50, 60]	]60,70]	>70
0	3	3	6	7	0

iv. Makeup by Seniority

< 3 year	[3, 6]	]6, 9[	[9,12]	> 12 Years
3	9	1	1	5

6.3 *Diversity in the Organization*

i. Makeup by Gender

Men	Women
3,670	1,006

ii. Makeup by Nationality

Chileans	Foreigners
4,523	153

Country	Total
Venezuela	124
Spain	5
Colombia	9
France	1
Peru	4
Paraguay	1
Ecuador	1
Canada	1
Brazil	1
Argentina	4
Bolivia	1
Germany	1

iii. Makeup by Age Group

<30	[30, 40]	]40, 50]	]50, 60]	]60,70]	>70
943	1,898	981	517	326	11

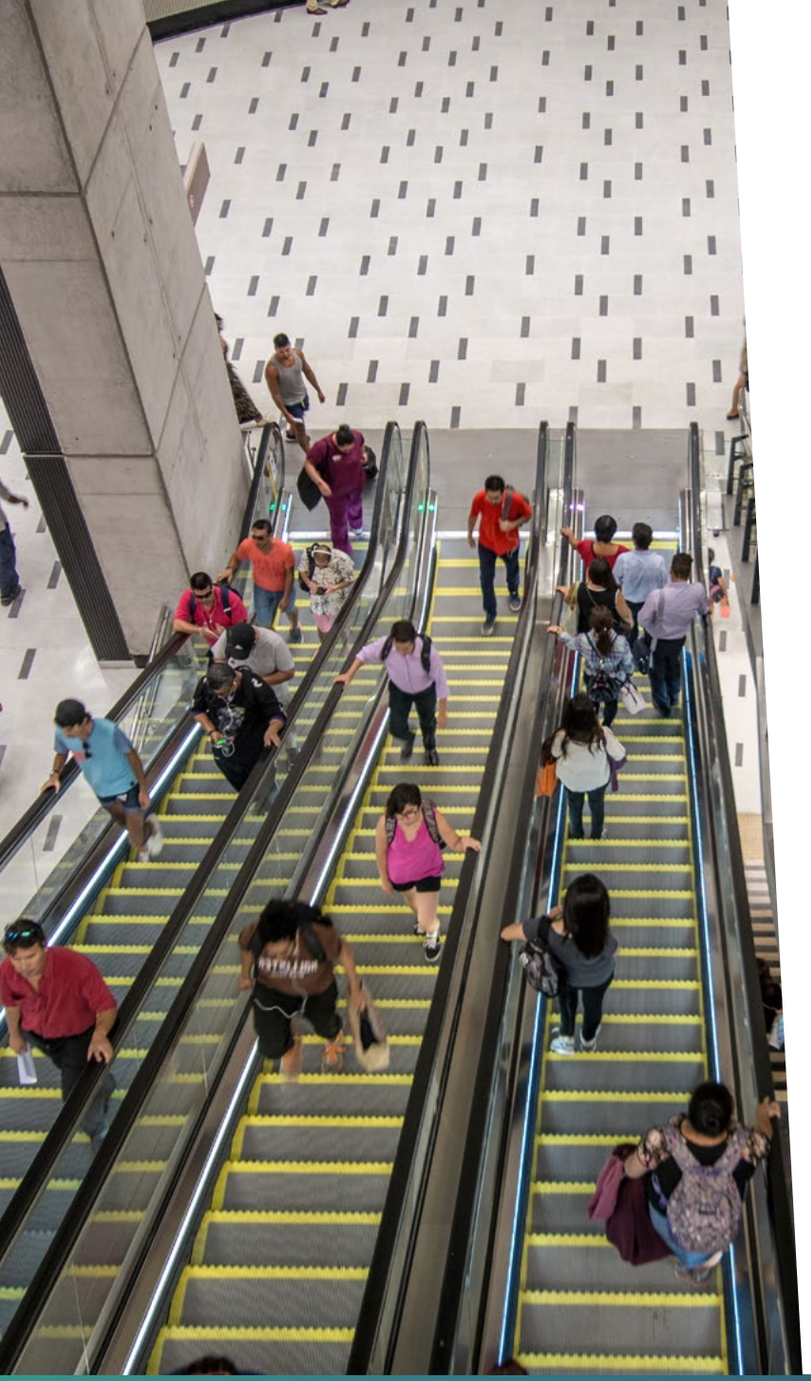
iv. Makeup by Seniority

< 3 years	[3, 6]	]6, 9[	[9,12]	> 12 years
1,765	778	419	756	958

6.4 *Salary Gap by Gender*

Position Type	Average Percentage of Base Pay Earned by Women vs. Men in 2018
Automated Line Agents	100%
Drivers	100%
Managers	83%
Heads	86%
Station Heads	99%
Operational Personnel	83%
Professionals	90%
Supervisors	109%
Maintenance Technicians	94%
Technical & Admin Staff	94%
Security Guards	93%

Material Facts



For the period covering January 1st to December 2018

1. By way of Publication No. 020 dated January 8th, Board Members present at the Board of Directors meeting held on January 8th unanimously voted to agree to call a Special Shareholders' Meeting to be held on January 25th, at 11:00 am, at Corporate headquarters, in order to rule on amendments to the company bylaws that refer to Board compensation.

   This body in a timely fashion will issue an agenda with the matters to be addressed at the meeting.

2. By way of Publication No. 044 dated January 23rd, the company reported that at the Board Meeting held on January 22nd, the Board of Directors agreed to appoint Marcela Munizaga Muñoz to replace board member Claudio Soto Gamboa following his resignation on October 11, 2017.

3. By way of Publication No. 046 dated January 26th, the Company reported that the 38th Special Shareholders' Meeting held on January 25th agreed to replace existing article twenty-three of the company bylaws, thereby providing for a new system to determine board member compensation.

4. By way of Publication No. 167 dated March 27th, the Board of Directors agreed to accept the resignation submitted by Vladimir Nicolás Glasinovic Peña and appoint Louis de Grange Concha as board member.

5. By way of Publication No. 189 dated April 3rd, the company reported that at the Board Meeting held on March 27th, the Board of Directors agreed to call a Special Shareholders' Meeting for April 23rd at 11:00 am at corporate headquarters.

6. By way of Publication No. 208 dated April 23th, 2018 the company reported that the 27th Regular Shareholders' Meeting adopted the following agreements:

   a. The 2017 Fiscal Year Annual Report, Balance Sheet and Consolidated Financial Statements, Independent Auditors' Report, including Notes to the Consolidated Financial Statements as well as Board expenses as stated in the Annual Report were approved.

   b. The Regular Shareholders' Meeting agreed that neither profits nor dividends would be distributed.

c. The dividend policy was agreed to.

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

e. Board Member compensation was defined.

f. Deloitte Consultores y Auditores Limitada was confirmed as the independent auditing firm for fiscal year 2018.

g. The *La Nación* newspaper was designated the official gazette for summons issued by the Shareholders' Meeting.

7. By way of Publication No. 209 dated April 23rd, the company reported that at the Board Meeting held on April 23rd, the Board of Directors agreed to appoint Louis de Grange Concha Chairman of the Board and Nicole Keller Flaten as Vice Chair.

8. By way of Publication No. 435 dated August 28th, Board Members present at the Board of Directors meeting unanimously voted at the meeting held today to agree to call a Special Shareholders' Meeting of the company to be held on September 24th, at 11:00 am, at Corporate headquarters, in order to rule on the capitalization of fiscal contributions in the sum of Ch$97,500,000,000.

9. By way of Publication No. 454 dated September 3rd, the company reported that Board Members present at the Board of Directors meeting held on August 27th voted to agree to call a Special Shareholders' Meeting of the company to be held on September 24th, at 11:00 am, at corporate headquarters, in order to rule on the following matters:

   a. To increase the subscribed and paid-in capital to date by capitalizing fiscal contributions up to Ch$97,500,000,000, par value, by issuing shares, the number, series, value and other conditions of which will be determined by the Shareholders'' Meeting, and will be entirely subscribed and paid for by CORFO, using fiscal resources provided for under Public Sector Budget Law 2,053 for 2018 and under Exempt Decree No. 571 issued by the Ministry of Finance on December 20th, 2017, which approved Metro's 2018 Budget.

   b. To amend and/or replace standing and transitory articles of the Company's Bylaws, as necessary, to reflect the new amount of share capital, ownership structure and how the shares are distributed, subscribed and paid for, pursuant to resolutions issued by the Shareholders' Meeting.

   c. To adopt the agreements necessary to move forward, fine-tune and legalize that which is resolved in reference to the matters addressed.

10. By way of Publication No. 466 dated September 24th, the company reported that at the 39th Special Shareholders Meeting the following agreements were adopted:

   a. To increase the subscribed and paid-in capital to date by capitalizing fiscal contributions in the amount of Ch$ 97,500,000,000, par value, earmarked for financing Line 2 and 3 expansion projects, and investments in Metro network improvements, by issuing 3,320, 844,687 series A shares to be subscribed and paid by CORFO at Ch$29.36 pesos per share no later than December 31st, 2018. Company ownership is now as follows: 65.79% is held by the Corporación de Fomento de la Producción and 34.21% held by the Chilean Treasury.

b. To replace standing article five and transitory article one of the Company's By-Laws in order to reflect the newly authorized capital and share breakdown, and the manner in which they are published, subscribed and paid.

11. By way of Publication No. 572 dated November 27th, Board Members present at the Board of Directors meeting held on November 26th unanimously voted to agree to call a Special Shareholders' Meeting of the company to be held on December 28th, at 11:00 am, at Corporate headquarters, in order to rule on the capitalization of fiscal contributions in the sum of Ch$275,672,487,556.

    This body in a timely fashion will issue a table listing the matters to be addressed at the meeting.

12. By way of Publication No. 614 dated December 28th, the company reported that the 40th Special Shareholders Meeting was held on this date as announced and the Board of Directors adopted the following agreements:

    a. To increase the subscribed and paid-in capital to date by capitalizing fiscal contributions in the amount of Ch$75,672,487,556, par value, earmarked for financing Lines 6 and 3, Line 2 and 3 expansion projects, investments in improvements to Metro's current network, and servicing the debt by issuing 10.109.002.111 series A shares, subscribed and paid by CORFO and the Chilean Treasury prorated to their share in the company, at Ch$27.27 each share. Company ownership is now as follows: 65.79% is held by the Corporación de Fomento de la Producción and 34.21% held by the Chilean Treasury.

    b. To replace standing article five and transitory article one of the Company's By-Laws in order to reflect the newly authorized capital and share breakdown, and the manner in which they are published, subscribed and paid.

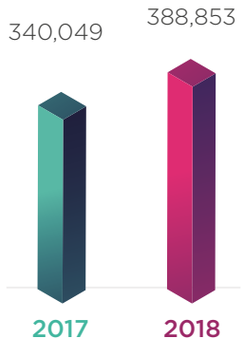
8 Financial Adminstration

Summary of Company Results

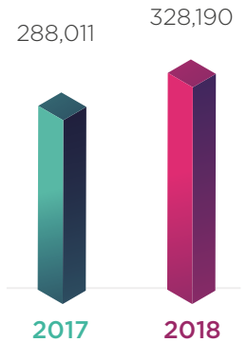
In 2018, Metro remained steadfast in the ranking of global metros able to finance their own operations, in addition to a portion of their own investment plans, as explained below:

Income from Regular Activities as of December 2018 totaled MCh$388,853, up 14.4% from 2017, primarily due to higher revenue from transport services related to 36 million more rides and a higher technical fare resulting from the startup of Line 6, and more variables making up the adjustable rate polynomial.

ORDINARY REVENUE MCH$



COST OF SALES MCH$



Cost of sales amounted to MCh$328,190, up 14% from 2017, due to greater expenses primarily in maintenance and depreciation.

As a result of the above, Metro's 2018 gross earnings amounted to MCh$60,663.

Administrative expenses totaled MCh$44,427, 10% more than 2017.

While 2018 EBITDA amounted to MCh$106,191, which was 19.6% greater than the previous year's figure.

Interest expense on financial debt was booked for the sum of MCh$63,967, which is 17.8.% higher than the 2017 figure. However, indexation unit results came in at a loss of MCh$28,484, due to a 2.86% increase in the UF during the year.

In 2018, the company recorded a MCh$123,479 loss in foreign exchange translation due to a 13.02% increase in the dollar value during the year (from Ch$614.8 per dollar at 31 December 2017 to Ch$694.8 per dollar at 31 December 2018).

As a result of the above, at 31 December 2018 the company booked a loss of MCh$175,875, compared to the MCh$14,855 in profit recorded for 2017.

At 31 December 2018, the company's total assets amounted to MCh$5,211,270, i.e., an 8.3% increase over the previous year.

8.1 *Financial Statement Reporting*

The following reports are attached hereto: Classified Consolidated Statement of Financial Position, Consolidated Income Statements by Function, Consolidated Statement of Changes in Net Equity, Consolidated Cash Flow Statement, Notes to the Consolidated Financial Statements, and Independent Auditors' Report.

8.2 *Analysis of Consolidated Financial Statements*

The purpose of this document is to provide an analysis of the company's financial and economic position at December 31st, 2018, including an analysis of the company's financial structure and main trends as illustrated in the charts attached hereto comparing the company's Financial Statements for fiscal years ending December 31st, 2017 and 2018, and the Consolidated Income Statements for fiscal years ending 2017 and 2018, expressed in thousands of Chilean pesos.

8.2.1 *Statement of Financial Position*

At December 31st, 2018, total assets and liabilities-net equity amounted to ThCh$5,211,269,888, representing a 8.3% or ThCh$397,511,120 increase over the December 2017 figure.

The fixed assets portion of total assets is clearly more predominant. In fact, at December 31st, 2018 line item property, plant and equipment, and investment properties amounted to 90.7% of the Company's total assets. Furthermore, current assets and the rest of non-current assets account for 7.5% and 1.8% respectively of total assets.

Net property, plant and equipment and investment properties (commercial space and other assets under lease) at December 31, 2018 amounted to 6.3% (ThCh$281,748,533) more than the December 2017 figure, as a result of assets purchased in the amount of ThCh$374,028,904 related to Metro's network expansion projects, primarily Line 3, 6 and Line 2 and 3 expansions, including works under development for ThCh$336,592,039, rolling stock for ThCh$14,657,494, land for ThCh$12,956,156, civil works for ThCh$9,038,190, machinery and equipment for ThCh$766,149 and buildings for ThCh$18,606. The latter is offset by expenses under depreciation associated with Company assets in the amount of ThCh$89,273,150, and to a lesser degree by asset removal for ThCh$1,277,666, and short-term spare part transfers in the amount of ThCh$884,222. Moreover, investment properties decreased by ThCh$296,218.

Current assets as of December 2018 increased by 19.9% (ThCh$65,196,840) over the December 2017 figure, and changes are due primarily to increases in other current financial assets in the amount of ThCh$38,835,536, resulting from a greater (ThCh$37,962,999) investments in time deposits of 90 days or more, am increase in derivative operations interests receivable in the amount of ThCh$861,217, and financial leasing installments for ThCh$11,320.Cash and cash equivalents increased to a lesser extent in the amount of ThCh$12,870,564, due to a higher level of investments in time deposits less than 90 days, an increase in commercial debtors and other accounts receivables of ThCh$6,229,699, ThCh$5,678,878 more in inventory, and ThCh$1,119,142 and ThCh$463,021 more in other non-financial assets and current tax assets, respectively.

Non-current assets (excluding property, plants and equipment and investment properties) increased by ThCh$50,565,747 (125.9%) primarily due to ThCh$54,975,554 in better performance of other financial assets non-financial assets, as a result of the new advertising contract entered into by Metro and Massiva S.A. for an guaranteed annual sum of, as provided for under the contract. To a lesser degree, intangible assets other than goodwill increased by ThCh$456,477. The latter is offset by worse performance in non-financial assets in the amount of ThCh$4,528,915, primarily due to land for new lines (Line 2 expansion train depots) and accounts receivable for ThCh$337,369.

Regarding total liabilities, most of the changes were booked in equity which increased by ThCh$197,297,460, as a result of a ThCh$373,172,487 capital increase resulting from Treasury contributions received throughout 2018; these changes are offset

by an increase in accrued losses resulting from the 2018 final loss of ThCh$175,875,037. Other increases were booked non-current liabilities in the amount of ThCh$178,441,438 and current liabilities in the amount of ThCh$21,772,222.

Regarding current liabilities, this line item changed due to increases in the following items: other financial liabilities for ThCh$36,324,592, as a result of new short-term installments and interest on loads and bonds reaching their maturity date; other non-financial liabilities in the amount of ThCh$6,427,500 and employee benefits for ThCh$1.764,394, in spite of a drop in commercial accounts payable and other accounts payable for ThCh$21,805,465 and ThCh$948,799 in other provisions.

Non-current liabilities fluctuated due to a spike in other financial liabilities in the amount of ThCh$122,903,347, resulting from the following increases: ThCh$60,933,780 in interest-accruing loans; ThCh$68,459,122 in public debt obligations; ThCh$68,459,122 in bonds; and ThCh$16,431 in others. These differences are offset by ThCh$6,505,986 less in derivative operations. Other non-financial liabilities increased by ThCh$51,628,599 as a result of the new advertising contract entered into by Metro and Massiva S.A. for a guaranteed annual sum, as provided for under the contract. Accounts payable to related companies also rose by ThCh$3,500,000 due to new resources from the Chilean Treasury earmarked for Metro network expansion and improvement projects and debt servicing, and to a lesser extent due to ThCh$803,625 in accounts payable. A drop in current employee benefits in the amount ThCh$394,133 offsets these increases.

Non-current liabilities (ThCh$2,131,940,304) are made up of 51.8% (ThCh$1,105,356,871) in foreign currency obligations, and 48.0% (ThCh$1,022,344,138) in adjustable national currency obligations and 0.2% (ThCh$4,239,295) in non-adjustable national currency obligations. Foreign currency obligations includes debt with financial banks and institutions (interest accruing loans) for ThCh$425,286,270 and public debt for ThCh$680,070,601; while line item adjustable national currency obligations is made up of ThCh$954,333,846, in public debt (bonds), ThCh$12,797,234 in non-current provisions for employee benefits, other non-financial liabilities for ThCh$54,793,619 and withholdings and others for ThCh$419,439. The non-adjustable national currency item consists of Chilean Treasury contributions for Metro expansion projects in the amount of ThCh$3,500,000 and ThCh$739,295 in accounts payable.

Regarding liquidity indicators, net working capital totaled a positive ThCh$110,988,595, ThCh$43,424,618 more than the December 2017 figures. Current liquidity changed from 1.26 to 1.39 times and the acid test or quick ratio did not change. It remained stable at 0.59. All of the abovementioned changes are the result of a ThCh$5,196,840 increase in current assets and ThCh$21,772,222 in current liabilities.

Regarding debt indicators, the total debt/equity ratio dropped from 0.85 to 0.86 times, the short-term borrowing rate dropped from 11.73.% to 11.66%, and the long-term borrowing rate changed slightly from 88.27% to 88.34%.

8.2.2 *Statement of Comprehensive Income*

At December 31st, 2018, the Company booked a gross profit (total revenue minus cost of goods sold) of ThCh$60,663,166, ThCh$236,388,003 in losses from other revenue other than cost of goods, amounting to an after-tax loss for the period of ThCh$175,724,837. In addition to the latter, the Company booked ThCh$150,190 in losses under other comprehensive income, therefore the 2018 Fiscal Year Total Comprehensive Loss totaled ThCh$175,875,027.

At December 31st, 2018, operating income amounted to ThCh$388,852,814, representing an increase of ThCh$48,803,736, equivalent to14.4%, over the 2017 period. The following is a list of the main line items undergoing increases: Income from passenger transit services for ThCh$41,268,384, explained by a price increase in the mid-fare (Ch$37.4), compared to December 2017, resulting from a fare increase due to the start of Line 6 on November 2, 2017 and increases in the variables making up the indexation polynomial, primarily inflation. Moreover, at December 2018 the total number of rides had increased by 35,943 thousand (5.25% higher than the same date in 2017), resulting from the start up of Line 6. To a lesser extent revenue from sales channels and other operating income increased by ThCh$653,624 and ThCh$272,327, respectively.

Cost of goods sold (ThCh$328,189,648) increased by 14% (ThCh$40,178,365) when compared to December 2017, primarily the result of an additional ThCh$14,060,187 in operating and maintenance costs, ThCh$12,845,693 in depreciation and amortization, ThCh$9,468,864 in personnel expenses, ThCh$3,763,399 in cost of energy, and ThCh$40,222 in general administrative costs.

Regarding operating and maintenance costs, changes are due to higher expenses corresponding to spare parts and materials, services related to elevator/escalator contractors, stations, tracks and other maintenance contracts, primarily associated with a heavier train load, higher average value of the trains, and start up of Line 6.

Changes in depreciation expenses are explained by the operational startup of Line 6-related assets.

Energy expenses increased due to greater consumption related to the startup of Line 6 and higher average prices compared to December 2017.

Other income apart from gross profit underwent a loss of ThCh$236,388,003 as a result of the negative impact of ThCh$123,478,609 in exchange rate differences, ThCh$63,967,097 in financial expenses (interest on external credit and bonds), ThCh$28,484,104 in index-adjusted unit, ThCh$43,892,991 in general administrative costs, ThCh$1,862,850 in other expenses by function, and ThCh$533,916 in depreciation and amortization. The latter was offset by the positive impact of ThCh$13,697,843 in other profits (present value of swap and VAT), ThCh$8,905,844 in interest income (income from financial investments), and other income by function in the amount of ThCh$3,227,877. In addition the above, loss from foreign currency translation difference was due to an 13.02.% devaluation of the Chilean peso to the dollar (from 614.75 in December 2017 to 694.77 in December 2018), which resulted in a greater loss in

the 2018 Income, primarily as a result of liabilities in dollars.

Compared to the same period in 2017, income other than gross profit had ThCh$198,951,601 more in losses. This is primarily due to the following: higher loss in foreign currency translation difference of ThCh$196,016,119 and in results by adjustable units of ThCh$11,559,020; and, to a lesser degree, greater financial costs of ThCh$9,657,979, other expenses by function of ThCh$888,935, administrative costs of ThCh$4,040,889, and ThCh$549,120 less in financial income. This was offset by the positive effect of a ThCh$23,022,953 drop in other losses, an ThCh$737,429 increase in other income by function, and ThCh$79 less in administration depreciation and amortization.

8.2.3 *Statement of Changes in Equity*

There isn't any information to disclose regarding differences in book values and economic values or market values that are worth mentioning, except for differences that may appear under fixed assets, given the particular nature of the Company's assets, such as tunnels, tracks, stations and other civil works.

8.2.4 *Statement of Cash Flow*

Cash Flow from Operations

At December 31st, 2018, the Company's total net cash flow from operations was positive at MCh$123,129,800 meanwhile in the same period in 2016 it was also positive with MCh$109,639,090. Positive cash flow corresponds to payments from sale of goods and services in the amount of MCh$375,021,318, MCh$45,249,409 greater than the December 2017 figure. This line item represents the Company's main operating income (passenger transit services, sales channels and non-fare income or leases) and, to a lesser extent, other revenue from operational activities in the amount of MCh$13,479,111, which includes primarily interest on financial investments less than 90 days and revenue from operations.

Negative cash flow from operations is composed of payments to suppliers for goods and services in the amount of MCh$166,030,269, payments to and on behalf of employees for MCh$92,545,045, and other payments for operational activities for the sum of MCh$6,795,315, for payments made in connection with contract guarantees, taxes and other operational payments.

Compared to the same period in 2017, operating cash flow from operations are the same in nature, thereby reflecting a MCh$13,490,710 increase in the net positive cash flow, as a result of MCh$49,387,851 in positive cash flow and MCh$35,897,141 in negative cash flow.

Cash Flow from Financing Activities

Net cash flow at December 31st, 2018 was positive and amounted to MCh$320,952,254, similar to last year's positive cash flow which totaled MCh$517,206,702. At December 2018, there was cash flow in the amount of ThCh$373,172,487 from long-term loans, which corresponded to a capital increase from fiscal contributions received during 2018; cash flow from loans to related companies in the amount of ThCh$3,500,000 corresponding to Treasury contributions for Metro network expansion and improvement projects and debt servicing; ThCh$ 3,515,563 in cash flow from long-term loans, and other cash payments were received in the amount of ThCh$9,865,323 from Cross Currency Swap operations.

Furthermore, included in cash flow expenses are credit payments (external credit and public debt bonds) for MCh$48,044,845, MCh$69,948,816 in interest payments (external credit and bonds) and other cash expenditures in the amount of MCh$1,107,458.

Compared to the same period last year, positive net cash flow dropped by ThCh$196,254,448 as a result of ThCh$335,371,295 less in cash flow revenue, which was offset by ThCh$139,116,847 less in cash outlays. Cash flow revenue includes proceeds from long-term loans in the amount of ThCh$375,879,228 and other cash outlays for ThCh$37,668,508, despite a ThCh$3.500.000 increase in loans to related companies and ThCh$74,676,441 in resources from shares issued. The company recorded fewer cash outlays because of a ThCh$114,129,326 drop in loan payments and other cash expenses

which decreased by ThCh$42,491,486, despite ThCh$17,503,965 more in interest payments.

Cash Flow from Investment Activities

At December 31st, 2018, investment activities booked a net negative cash flow of ThCh$433,174,873, which was also negative in 2017 for a total of ThCh$588,504,281. Positive cash flow is composed of other equity income or debt instruments from other entities in the amount of ThCh$462,118,234, corresponding to redemption of investments in time deposits greater than 90 days and ThCh$812,040, in sales of property, plants and equipment; whereas negative cash flow is made up of purchases of property, plan and equipment in the amount of ThCh$372,473,580, primarily associated with Line 3 projects and Line 2 and 3 expansions and interest payments for ThCh$31,427,607 (finance cost of international bonds and foreign credit), plus other payments related to the acquisition of other entities' debt instruments in the amount of ThCh$ 492,186,342 and to a lesser extent intangible asset purchases for the sum of ThCh$17,618.

Net negative cash flow decreased by ThCh$155,329,408 when compared to the same period in 2017, as a result of the positive effect of: ThCh$96,466,369 less in purchases of property, plant and equipment, ThCh$191,009,232 more in interest on other entities' debt instruments with other entities (redemptions of investments greater than 90 days, and to a lesser extent, ThCh$841,377 more in paid interest.

Net Difference in Cash and Cash Equivalents

At the start of fiscal year 2018, the Company's beginning balance of cash and cash equivalents (financial investments no greater than 90 days) was equal to ThCh$152,240,118, and the final balance of cash and cash equivalents at December 31st, 2018 was ThCh$165,110,682. As a result, the net difference in cash and cash equivalents for the period was positive in the amount of ThCh$12,870,564.

Compared to the same period in 2017, the Company's beginning balance of cash and cash equivalents was equal to ThCh$118,298,953, and the final balance of cash and cash equivalents was ThCh$152,240,118. As a result, the net difference in cash and cash equivalents for the period was positive in the amount of ThCh$33,941,165. At December 31st, 2018, the effect of the exchange rate difference on cash and cash equivalents was positive in the amount of ThCh$1,963,383, as a result of a 13.02% increase in the exchange rate, primarily the dollar rate. At the same date during the previous period, the effect was negative in the amount of ThCh$4,400,346.

8.2.5 *Analysis of Market Risk*

The Company faces several risk factors inherent to the activities carried out as part of public passenger transit services, in addition to risk related to the changing conditions of economic and financial markets, Acts of God, and others.

Fare Structure

The Company is part of the Santiago Integrated Public Mass Transit System, Transantiago, and its fare-related income is based on the number of transported passengers effectively validated and the remuneration or technical fare originally set forth in Annex No. 1 of the Terms of Tender for the Use of Tracks in the City of Santiago.

Subsequently, on December 14th, 2012, the Company signed a new Transportation agreement, which replaced Annex No. 1 referred to hereinabove and set a flat fare of Ch$302.06 per validated transported passenger, using the September 2012 fare as the basis. This fare is updated monthly pursuant to the indexation polynomial, under this agreement, which considers changes to the variable making up the Company's long-term cost structure (CPI, USD, Euro, the price of electric power and energy). The latter allows the company to have a natural hedge against cost variations resulting from increases of some of the variables making up the polynomial.

Passenger Demand

Passenger transportation demand is derived from the other economic activities and as such increased by 35.94 million rides (5.3% increase over the 2017 figure) during the january-december 2018 period. This is primarily explained by the startup of Line 6 operations in November 2017.

Interest Rate and Exchange Rate Risk

In order to reduce its exposure to changes in exchange rates and interest rates on its financial debt, the Company has a Financial Risk Hedge Policy. According to said policy, the Company carried out derivative operations in the form of cross currency swaps for a total of MMUSD 40 during the January-December 2018 period, amounting to a balance of MMUSD 300 at December 31, 2018 (MMUSD 260 at December 31, 2017).

In addition the latter, the indexation polynomial used to update Metro S.A.'s technical fare takes into consideration several variables, including the US dollar, euro, and others, making it a natural hedge for long-term cash flow.

Liquidity risk and Financial Liabilities Structure Risk

Income from fare 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 accounts for 81% of total revenue.

Generally speaking, the Company's debt structure consists primarily of bonds and long-term bank credit, aimed at ensuring financial stability and improving the fit of the Company's asset maturity terms.

Credit Risk

The risk of accounts receivable arising from commercial activities (passenger transportation) is limited, since 81% of the revenue received by the Company is received daily in cash, whereas the

remaining 19% corresponds to income not related to the main business.

Credit risk consists primarily of accounts receivables or commercial debtors in connection with income from retail space leases, advertising or due invoices, and delinquency due to these types of debtors is low. Moreover, there aren't any customers who have a significant outstanding balance in Accounts Receivable.

The level of exposure of financial assets (cash and short-term investments) to risk is established in 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.

Electric Power Supply Risk

The Company's commodities risk factors include the supply of electric energy it requires for its operation and the need for service continuity, in the event of possible supply interruptions. In this respect, the Company has a supply system that allows it to decrease exposure in the event of a power outage by having two points of direct connection to the National Electric Power Coordinator, which supply Lines 1, 2, 5 and 6, as well as two points for supplying Line 4. In addition, the following should be noted:

- The electric energy supply systems are redundant and in the event either fails, there is always a back up to ensure the Company maintains the energy supply for the operation of the network in a normal manner.
- The operating control systems are designed with redundant criteria, i.e. they operate on stand-by, therefore in case of absence of one of the systems, the other begins operating immediately, maintaining the normal operation of the network.
- In the case of Lines 1, 2, 5 and 6, if there is an interruption on the National Electric Power Coordinator, the distribution company has defined replacement of the supply that feeds the civic neighborhood of Santiago as a first priority, which allows the Metro network to have energy almost immediately, since Metro is supplied by the same sources.

At present, three companies supply Metro with electric power, to wit, San Juan, Total Sunpower El Pelicano and Enel. The first two companies (wind and photovoltaic power generators) signed 15-year contracts with Metro on May 19, 2016 for the supply of 60% of Metro's electric power needs. While Enel—a distributor company—signed a contract with Metro in September 2015 for 40% of Metro's hourly power. This contract expires in December 2023

8.2.6 *Comparative Consolidated Statements of Financial Position*

Concepts		December 2018 MCh$	December 2017 MCh$	Changes	
				MCh$	%
Assets:					
Current Assets		392,411,522	327,214,682	65,196,840	19.9
Property, plant, equipment and Investment Properties		4,728,129,490	4,446,380,957	281,748,533	6.3
Non-Current Assets		90,728,876	40,163,129	50,565,747	125.9
Total Assets		**5,211,269,888**	**4,813,758,768**	**397,511,120**	**8.3**
Liabilities / Total Debt:					
Current Liabilities		281,422,927	259,650,705	21,772,222	8.4
Non-Current Liabilities		2,131,940,304	1,953,498,866	178,441,438	9.1
Total Liabilities / Total Debt		**2,413,363,231**	**2,213,149,571**	**200,213,660**	**9.0**
Net Equity:					
Share Capital		3,455,533,978	3,082,361,491	373,172,487	12.1
Other Reserves		33,378,961	33,378,961	0	
Retained Earnings (Losses)		(690,995,637)	(515,120,610)	(175,875,027)	(34.1)
Non-Controlling Interests		(10,645)	(10,645)	0	0.0
Total Net Equity		**2,797,906,657**	**2,600,609,197**	**197,297,460**	**7.6**
Total Net Equity and Liabilities		**5,211,269,888**	**4,813,758,768**	**397,511,120**	**8.3**
Liquidity and Debt Indicators:					
Net Working Capital (Current Assets (-) Current Liabilities)	MCh$	110,988,595	(67,563,977)	43,424,618	64.3
Current Liquidity (Current Assets / Current Liabilities)	times	1.39	1.26		10.3
Acid-Test (Quick) Ratio (Cash and cash equivalent / Current Liabilities)	times	0.59	0.59		0.0
Borrowing Ratio:					
Borrowing Ratio:	times	0.86	0.85		(1.2)
(Total Debt / Equity)	%	86.26	85.10		(1.4)
Percentage of short-term debt: (Current liabilities / Total debt)	%	11.66	11.73		(0.6)
Percentage of long-term debt: (Non-current liabilities / Total debt)	%	88.34	88.27		(0.1)

8.2.7 *Comparison of Consolidated Statement of Comprehensive Income by Function*

Concepts	December 2018 MCh$	December 2017 MCh$	Changes	
			MCh$	%
Total Ridership (millions of rides)	721,007	685,064	35,943	5.25
Total Paid Ridership (millions of rides)	720,137	684,451	35,686	5.21
Revenue				
Revenue from passenger transportation services	314,592,136	273,323,752	41,268,384	15.1
Sales Channel	47,942,984	41,333,583	6,609,401	16.0
Leases	17,948,658	17,295,034	653,624	3.8
Other	8,369,036	8,096,709	272,327	3.4
Total Revenue	**388,852,814**	**340,049,078**	**48,803,736**	**14.4**
Sales Cost				
Personnel	(73,863,838)	(64,394,974)	(9,468,864)	(14.7)
Maintenance and operating expenses	(72,043,372)	(57,983,185)	(14,060,187)	(24.2)
Purchase of energy	(47,594,362)	(43,830,963)	(3,763,399)	(8.6)
General Expenses	(45,267,674)	(45,227,452)	(40,222)	(0.1)
Depreciation and Amortization	(89,420,402)	(76,574,709)	(12,845,693)	(16.8)
Total Sales Expenses	**(328,189,648)**	**(288,011,283)**	**(40,178,365)**	**(14.0)**
Gross Profit	**60,663,166**	**52,037,795**	**8,625,371**	**16.6**
Other profit by function	3,227,877	2,490,448	737,429	29.6
Administrative Expenses	(43,892,991)	(39,852,102)	(4,040,889)	(10.1)
Administrative depreciation and amortization	(533,916)	(533,995)	79	0.02
Other expenses by function	(1,862,850)	(973,915)	(888,935)	(91.3)
Other Profit	13,697,843	(9,325,110)	23,022,953	246.9
Finance Income	8,905,844	9,454,964	(549,120)	(5.8)
Finance Costs	(63,967,097)	(54,309,118)	(9,657,979)	(17.8)
Foreign currency translation difference	(123,478,609)	72,537,510	(196,016,119)	(270.2)
Index-adjusted Unit	(28,484,104)	(16,925,084)	(11,559,020)	(68.3)
Income other than gross profit	(236,388,003)	-37,436,402	(198,951,601)	(531.4)
Profit (loss) before taxes	(175,724,837)	14,601,393	(190,326,230)	(1.303.5)
Income tax expenses				
Profit (loss)	(175,724,837)	14,601,393	(190,326,230)	(1.303.5)
Other comprehensive income				
Actuarial profit (loss) on defined benefit plans	(150,190)	253,223	(403,413)	(159.3)
Total comprehensive income	(175,875,027)	14,854,616	(190,729,643)	(1.284.0)

Concepts		December 2018 MCh$	December 2017 MCh$	Variations	
				MCh$	%
Borrowing rate					
Financial expenses spread: (Before-Tax profit (loss) and Financial income/expenses)	%	(177.72)	124.30		(243.0)
Income Indicators					
EBITDA Earnings before interest, tax, depreciation, amortization and special items)		(23,727,800)	144,616,924	(168,344,724)	(1,16.4)
Operating Income (*) (Gross profit less Administrative expenses and Administrative depreciation and amortization)		16,236,259	11,651,698	4,584,561	39.3
EBITDA (Operating Income plus Depreciation and amortization) (*)		106,190,577	88,760,402	17,430,175	19.6
EBITDA Margin (EBITDA / Regular income) (*)	%	27.31	26.10		4.6
(*)Pursuant to signed contracts					
Profit Indicators					
Operating profit (Operating income/Properties, Plant and Equipment)	%	0.34	0.26		30.8
Net Profit (Profit (Loss) / Average Equity)	%	(6.51)	0.60		(1,185.0)
Profit from shares (Profit (Loss) / Average shares)	%	(3.51)	0.32		(1,196.9)
Operating Shares Profit (Operating Income / Operating Shares Averages) (**)	%	0.35	0.28		25.0
Profit by shares (Profit (Loss) /No. of shares) 2018 – 99,335,909,007 shares 2017 – 85,906,062,209 shares	$	(1.77)	0.17		(1,141.2)

(**) Operating assets are Property, Plant and Equipment, and Investment Properties

9 Financial Statements

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

Consolidated Financial Statements

For the years ended as of December 31, 2018 and 2017

Contents

ThCh$	Figures expressed in thousands of Chilean Pesos
MCh$	Figures expressed in millions of Chilean Pesos
US$	Figures expressed in United States dollars
ThUS$	Figures expressed in thousands of United States dollars
MUS$	Figures expressed in millions of United States dollars
ThUF	Figures expressed in thousands of Unidades de Fomento (inflation-adjusted units)
Ch$	Figures expressed in Chilean pesos

Independent Auditor's Report

Deloitte.

Deloitte
Auditores y Consultores Limitada
Rosario Norte 407
Rut: 80.276.200-3
Las Condes, Santiago
Chile
Fono: (56) 227 297 000
Fax: (56) 223 749 177
deloittechile@deloitte.com
www.deloitte.cl

INFORME DEL AUDITOR INDEPENDIENTE

A los señores Presidente y Directores de
Empresa de Transporte de Pasajeros Metro S.A.

Hemos efectuado una auditoría a los estados financieros consolidados adjuntos de Empresa de Transporte de Pasajeros Metro S.A. y filiales, que comprenden los estados de situación financiera consolidados al 31 de diciembre de 2018, y los correspondientes estados consolidados de resultados integrales, de cambios en el patrimonio y de flujos de efectivo por el año terminado en esa fecha y las correspondientes notas a los estados financieros consolidados.

Responsabilidad de la Administración por los estados financieros consolidados

La Administración es responsable por la preparación y presentación razonable de estos estados financieros consolidados de acuerdo con las normas e instrucciones emitidas por la Comisión para el Mercado Financiero ("CMF") descrita en la nota 2.1 a los estados financieros consolidados. Esta responsabilidad incluye el diseño, implementación y mantención de un control interno pertinente para la preparación y presentación razonable de estados financieros consolidados que estén exentos de representaciones incorrectas significativas, ya sea debido a fraude o error.

Responsabilidad del Auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros consolidados a base de nuestra auditoría. Efectuamos nuestra auditoría de acuerdo con normas de auditoría generalmente aceptadas en Chile. Tales normas requieren que planifiquemos y realicemos nuestro trabajo con el objeto de lograr un razonable grado de seguridad que los estados financieros consolidados están exentos de representaciones incorrectas significativas.

Una auditoría comprende efectuar procedimientos para obtener evidencia de auditoría sobre los montos y revelaciones en los estados financieros consolidados. Los procedimientos seleccionados dependen del juicio del auditor, incluyendo la evaluación de los riesgos de representaciones incorrectas significativas de los estados financieros consolidados, ya sea debido a fraude o error. Al efectuar estas evaluaciones de los riesgos, el auditor considera el control interno pertinente para la preparación y presentación razonable de los estados financieros consolidados de la entidad con el objeto de diseñar procedimientos de auditoría que sean apropiados a las circunstancias, pero no con el propósito de expresar una opinión sobre la efectividad del control interno de la entidad. En consecuencia, no expresamos tal tipo de opinión. Una auditoría incluye, también, evaluar lo apropiadas que son las políticas de contabilidad utilizadas y la razonabilidad de las estimaciones contables significativas efectuadas por la Administración, así como una evaluación de la presentación general de los estados financieros consolidados.

Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionarnos una base para nuestra opinión de auditoría.

Opinión

En nuestra opinión, los estados financieros consolidados mencionados en el primer párrafo, presentan razonablemente, en todos sus aspectos significativos, la situación financiera de Empresa de Transporte de Pasajeros Metro S.A. y filiales al 31 de diciembre de 2018 y los resultados de sus operaciones y los flujos de efectivo por el año terminado en esa fecha, de acuerdo con las normas e instrucciones emitidas por la Comisión para el Mercado Financiero (CMF) descrita en Nota 2.1 a los estados financieros consolidados

Otros asuntos- estados financieros consolidados al 31 de diciembre de 2017

Los estados financieros consolidados al 31 de diciembre de 2017, preparados de acuerdo con las normas e instrucciones emitidas por la Comisión para el Mercado Financiero ("CMF"), fueron auditados por otros auditores, quienes emitieron una opinión sin salvedades sobre los mismos con fecha 12 de marzo de 2018.

Deloitte
Santiago, Chile
Marzo 25, 2019

Daniel Fernandez P.
RUT: 10.048.063-8

Contents

Consolidated Statements of Financial Position

As of December 2018 and 2017
(In thousands of Chilean pesos)

ASSETS	NOTE	12-31-2018	12-31-2017
Current Assets			
Cash and cash equivalents	4	165,110,682	152,240,118
Other current financial assets	10	187,303,313	148,467,777
Other current non-financial assets	11	6,870,615	5,751,473
Trade and other receivables, current	5	14,973,044	8,743,345
Current inventories	6	16,401,194	10,722,316
Current tax assets		1,752,674	1,289,653
Total current assets		**392,411,522**	**327,214,682**
Non-Current Assets			
Other non-current financial assets	10	58,237,285	3,261,731
Other non-financial assets, non-current	11	24,812,750	29,341,665
Accounts receivable, non-current		1,286,725	1,624,094
Intangible assets other than goodwill	7	6,392,116	5,935,639
Property, plant and equipment	8	4,705,488,071	4,423,443,320
Investment property	9	22,641,419	22,937,637
Total non-current assets		**4,818,858,366**	**4,486,544,086**
Total Assets		**5,211,269,888**	**4,813,758,768**

LIABILITIES AND EQUITY	NOTE	12-31-2018	12-31-2017
Liabilities			
Current Liabilities			
Other current financial liabilities	12	115,056,111	78,731,519
Trade and other payables	15	125,820,310	147,625,775
Other short-term provisions	19	795,662	1,744,461
Employee benefits, current	17	14,788,867	13,024,473
Other current non-financial liabilities	13	24,961,977	18,524,477
Total current liabilities		**281,422,927**	**259,650,705**
Non-Current Liabilities			
Other financial liabilities, non-current	12	2,059,719,311	1,936,815,964
Non-current accounts payable	15	1,130,140	326,515
Due to related companies, non-current	14	3,500,000	-
Employee benefits, non-current	17	12,797,234	13,191,367
Other non-financial liabilities, non-current	13	54,793,619	3,165,020
Total non-current liabilities		**2,131,940,304**	**1,953,498,866**
Total liabilities		**2,413,363,231**	**2,213,149,571**
Equity			
Share capital	20	3,455,533,978	3,082,361,491
Accumulated losses	20	(690,995,637)	(515,120,610)
Other reserves	20	33,378,961	33,378,961
Equity attributable to owners of parent		2,797,917,302	2,600,619,842
Non-controlling interests	20	(10,645)	(10,645)
Total equity		2,797,906,657	2,600,609,197
Total equity and liabilities		**5,211,269,888**	**4,813,758,768**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income by Function

For the years ended as of December 31, 2018 and 2017
(In thousands of Chilean pesos)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION PROFIT (LOSS)	NOTE	ACCUMULATED	
		01-01-2018 12-31-2018	01-01-2017 12-31-2017
Revenue	21	388,852,814	340,049,078
Cost of sales	21	(328,189,648)	(288,011,283)
Gross profit		60,663,166	52,037,795
Other income by function	21	3,227,877	2,490,448
Administrative expenses	21	(44,426,907)	(40,386,097)
Other expenses by function	21	(1,862,850)	(973,915)
Other income (expenses)	21	13,697,843	(9,325,110)
Finance income	21	8,905,844	9,454,964
Finance costs	21	(63,967,097)	(54,309,118)
Foreign currency translation differences	21	(123,478,609)	72,537,510
Profit (loss) from inflation-adjusted units	21	(28,484,104)	(16,925,084)
Profit (loss) before taxes		(175,724,837)	14,601,393
Income tax expense		-	-
Profit (loss) from continued operations		(175,724,837)	14,601,393
Income (loss) from discontinued operations		-	-
Income (loss)		(175,724,837)	14,601,393
PROFIT (LOSS), ATTRIBUTABLE TO:			
Owners of parent		(175,724,837)	14,601,393
Non-controlling interests		-	-
Profit (loss)		(175,724,837)	14,601,393

STATEMENT OF COMPREHENSIVE INCOME	NOTE	ACCUMULATED	
		01-01-2018 12-31-2018	01-01-2017 12-31-2017
Income (loss)		(175,724,837)	14,601,393
Other comprehensive income, before taxes, income (loss) from new measurements of defined benefit plans	21	(150,190)	253,223
Total other comprehensive income that will not be reclassified to profit or loss for the period, before taxes	21	(150,190)	253,223
Components of other comprehensive income that will be reclassified to profit or loss for the period, before taxes		-	-
Income (loss) from exchange rate differences, before taxes		-	-
Gains (losses) on cash flow hedges, before tax		-	-
Total other comprehensive income that will be reclassified to profit or loss for the period, before taxes		-	-
Other components from other comprehensive income, before taxes	21	(150,190)	253,223
Income taxes related to components of other comprehensive income that will be reclassified to profit or loss for the period		-	-
Total other comprehensive income	21	(150,190)	253,223
Total comprehensive income		(175,875,027)	14,854,616
Comprehensive income attributable to:			
Owners of parent		(175,875,027)	14,854,616
Non-controlling interests		-	-
Total comprehensive income		(175,875,027)	14,854,616

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Changes in Net Equity

For the years ended as of December 31, 2018 and 2017
(In thousands of Chilean pesos)

Items	Share capital	Other Reserves				Retained earnings (accumulated deficit)	Equity attributable to owners of parent	Non-controlling interests	Total net equity
		Other sundry reserves	Capital surplus	Reserves for gain (loss) on defined benefit plans	Total Other Reserves				
Opening balance 01-01-2018	**3,082,361,491**	**30,336,377**	**3,042,584**	**-**	**33,378,961**	**(515,120,610)**	**2,600,619,842**	**(10,645)**	**2,600,609,197**
Loss	-	-	-	-	-	(175,724,837)	(175,724,837)	-	(175,724,837)
Other comprehensive income	-	-	-	(150,190)	(150,190)	-	(150,190)	-	(150,190)
Comprehensive income	-	-	-	(150,190)	(150,190)	(175,724,837)	(175,875,027)	-	(175,875,027)
Issuance of stock	373,172,487	-	-	-	-	-	373,172,487	-	373,172,487
Increase (decrease) through transfers and other changes	-	-	-	150,190	150,190	(150,190)	-	-	-
Closing balance 12-31-2018	**3,455,533,978**	**30,336,377**	**3,042,584**	**-**	**33,378,961**	**(690,995,637)**	**2,797,917,302**	**(10,645)**	**2,797,906,657**
Opening balance 01-01-2017	**2,742,569,245**	**30,336,377**	**3,042,584**	**-**	**33,378,961**	**(529,975,226)**	**2,245,972,980**	**(10,645)**	**2,245,962,335**
Gain	-	-	-	-	-	14,601,393	14,601,393	-	14,601,393
Other comprehensive income	-	-	-	253,223	253,223	-	253,223	-	253,223
Comprehensive income	-	-	-	253,223	253,223	14,601,393	14,854,616	-	14,854,616
Issuance of stock	339,792,246	-	-	-	-	-	339,792,246	-	339,792,246
Increase (decrease) through transfers and other changes	-	-	-	(253,223)	(253,223)	253,223	-	-	-
Closing balance 12-31-2017	**3,082,361,491**	**30,336,377**	**3,042,584**	**-**	**33,378,961**	**(515,120,610)**	**2,600,619,842**	**(10,645)**	**2,600,609,197**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Cash Flows

For the years ended as of December 31, 2018 and 2017
(In thousands of Chilean pesos)

Consolidated Statements of Cash Flows (direct method)	01-01-2018 12-31-2018	01-01-2017 12-31-2017
Net cash flows provided by (used in) operating activities		
Collection from sales of assets and service renderings	375,021,318	329,771,909
Other collections for operating activities	13,479,111	9,340,669
Payments to suppliers for the provision of goods and services	(166,030,269)	(143,001,783)
Payments to and on behalf of the employees	(92,545,045)	(80,665,310)
Other payments for operating activities	(6,795,315)	(5,806,395)
Net cash flows from operating activities	123,129,800	109,639,090
Cash flows provided by (used in) investing activities		
Sale of property, plant and equipment	812,040	12,613
Purchases of property, plant and equipment	(372,473,580)	(468,939,949)
Purchases of intangible assets	(17,618)	(412,987)
Other collections to acquire equity or debt instruments of other entities	462,118,234	271,109,002
Other payments to acquire equity or debt instruments of other entities	(492,186,342)	(359,686,730)
Interest paid	(31,427,607)	(30,586,230)
Net cash flows used in investing activities	(433,174,873)	(588,504,281)
Net cash flows provided by (used in) financing activities		
Amounts from issuance of shares	373,172,487	298,496,046
Loans from related entities - Contribution from the Chilean Treasury	3,500,000	-
Amounts from long-term loans	53,515,563	429,394,791
Other collections of cash	9,865,323	47,533,831
Repayment of loans	(48,044,845)	(162,174,171)
Interest paid	(69,948,816)	(52,444,851)
Other cash outflows	(1,107,458)	(43,598,944)
Net cash flows provided by financing activities	320,952,254	517,206,702
Net increase in cash and cash equivalents before effect of changes in the exchange rate	10,907,181	38,341,511
Effects of variations in the exchange rate on cash and cash equivalents	1,963,383	(4,400,346)
Net increase in cash and cash equivalents	12,870,564	33,941,165
Cash and cash equivalents at the beginning of the period	152,240,118	118,298,953
Cash and cash equivalents at the end of the period	165,110,682	152,240,118

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements as of december 31, 2018 and 2017

(In thousands of Chilean pesos)

1. Company Profile

Empresa de Transporte de Pasajeros Metro S.A., (hereinafter also referred to as the Company) is a Chilean state-owned company created by Law 18,772 on January 28, 1989 as the legal successor to the Dirección General de Metro, as a result of which all the assets and liabilities of the latter were transferred to the Company.

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

The Company is registered on the Register of Securities under number 421 and is subject to the supervision of the Financial Market Commission (referred to as CMF).

The Company's corporate purpose is to carry out all the activities associated with passenger transportation in metropolitan railways or other complementary electrical vehicles, and the provision of ground transportation services by buses or vehicles of any technology, as well as activities related to such line of business.

These Consolidated Financial Statements are presented in thousands of Chilean pesos (unless expressly stated otherwise) since this is the functional currency of the primary economic environment in which the Company operates.

2. Summary of significant accounting policies

The main accounting policies adopted in preparing these Consolidated Financial Statements, as required by IAS 1, are based on International Financial Reporting Standards (hereinafter "IFRS") in effect as of December 31, 2018, and have been applied on a consistent basis to all accounting periods presented in the Consolidated Financial Statements.

2.1. Basis of preparation

The Consolidated Financial Statements comprise the Consolidated Statement of Financial Position as of December 31, 2018 and 2017; the Consolidated Statements of Comprehensive Income for the years ended as of December 31, 2018 and 2017 and the Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the years then ended, prepared in accordance with the standards and instructions issued by the Financial Market Commission. These standards and instructions require the Company to comply with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), except for certain IFRS standards. Through Ruling No. 6158 dated March 5, 2012, the Company was authorized by the Financial Market Commission to exceptionally apply International Public Sector Accounting Standard 21 (hereinafter "IPSAS 21"), instead of IAS

36. Please see Note 2.8 for further details regarding this exception.

The Management of the Company is responsible for the information contained in these Consolidated Financial Statements, which have been approved by the Board of Directors on March 25, 2019, with the Management being authorized to publish them.

The Consolidated Financial Statements have been prepared on the basis of historical cost. In general, the historical cost is based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this price is observable or estimated using another valuation technique. The Company considers the characteristics of the assets and liabilities if the market participants take those characteristics at the time of fixing the price of the asset or liability at the measurement date.

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

It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed 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

The Consolidated Financial Statements include the financial statements of the Parent Company and of the entities controlled by the Company. Control is achieved when the Company has:

- Power over the investee.
- Exposure, or rights, to variable returns from involvement with the investee.
- The ability to use power over the investee to affect the amount of those returns.

The Company evaluated control based on all facts and circumstances and the conclusion is re-evaluated if there is an indication that a change has occurred in at least one of the three conditions detailed above.

Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.) and Sociedad Metro SpA are consolidated from the date on which control of these entities was transferred to the Company. Consolidation includes the financial statements of the Parent company and its subsidiaries, which comprises all assets, liabilities, income, expenses and cash flows of the subsidiaries, once adjustments and eliminations for intra-group transactions have been made.

The non-controlling interest in the consolidated subsidiaries is presented under shareholders' equity, in non-controlling interests, in the Consolidated Statement of Financial Position and in income (loss) attributable to non-controlling interest in the Consolidated Statements of Comprehensive Income.

Empresa de Transporte Suburbano de Pasajeros S.A. is in an organization and start-up period, has not yet registered any activity since its inception to the present date and was consolidated under the instructions of General Ruling No.1819 issued by the Financial Market Commission on November 14, 2006.

On June 28, 2018, according to registration No. 3,907 / 2018 by public deed, it was agreed to establish the Metro SpA Company, with a capital amount up to the sum of TCh$24,981, equivalent to UF 920, divided into 1,000 registered shares,

Tax ID Number	Company name	Ownership percentage 12-31-2018			Ownership percentage 12-31-2017		
		Direct	Indirect	Total	Direct	Indirect	Total
96.850.680-3	Transub S.A.	66.66	-	66.66	66.66	-	66.66
76.920.952-2	Metro SpA.	100.00	-	100.00	-	-	-

with no par value and of the same and only series, domiciled in the city of Santiago, Chile.

The ownership in these subsidiaries is not subject to joint control.

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

Non-controlling interests - Non-controlling interests in the Consolidated Statement of Financial Position are presented, within equity, separately from the equity of the owners of the parent company.

2.3 Foreign currency transactions

2.3.1. Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the reporting entity operates (the "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 indexation units

Foreign currency and indexation unit transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies 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 classified as measured at fair value through profit or loss are presented as part of the profit or loss in fair value.

2.3.3. Foreign currency translations

Assets and liabilities in foreign currency and in Unidades de Fomento (an inflation-linked unit of account used in Chile referred to as UF), are presented at the following exchange and translation rates and closing values, respectively:

Date	USD	EUR	UF
12-31-2018	694,77	794,75	27,565.79
12-31-2017	614,75	739,15	26,798.14
12-31-2016	669,47	705,60	26,347.98

US$ = US dollar
EUR = Euro
UF = Unidad de Fomento (an inflation-linked unit of account)

2.4 Property, plant and equipment

All property, plant and equipment are initially stated at acquisition cost, plus all costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating for its intended use.

Subsequently they are stated at historical cost less accumulated depreciation and impairment losses, which, if any, are recorded in the consolidated statement of comprehensive income.

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

The cost of 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 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 additions, modernization or improvements that represent an increase in productivity, capacity, efficiency or extension of the useful lives of assets are capitalized as an increase of the cost of the corresponding assets.

Substitutions or renovation of assets that increase their useful lives, or their economic capacity, are recorded as an increase in the value of the respective assets, and the substituted or renovated assets are derecognized in the accounting.

Periodic expenses for maintenance, conservation and repair are recognized directly in profit or loss as costs of the period in which they are incurred.

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

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

Amortization (depreciation) of property, plant and equipment according to IAS 16 must be recorded separately for each significant part that makes up 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 items that form it.

Residual values, where they are defined, and useful lives of assets are reviewed and adjusted prospectively in each statement of financial position, so that the remaining useful lives are consistent with the asset's current service use and effective use.

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

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

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

2.5 Investment property

The Company's investment property includes real estate (land and buildings) held to earn rentals or for capital appreciation as a result of possible future increases in their market prices.

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.

Reclassification of a property within, or outside of, the investment property category requires performing an assessment of whether the involved property meets, or has ceased to meet, the definition of investment property, and this must be backed up by observable evidence that a change in use has occurred.

As of the date of issuance of these financial statements, the above modification has not had any substantial impact of the Company's consolidated financial statements, since the Company has not conducted any reclassification of a property within, or outside of, the investment property category.

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

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

2.6. Intangible assets other than goodwill

2.6.1. Easements

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

2.6.2. Computer software

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

Expenses related to in-house developing and maintaining computer programs do not qualify for capitalization and are expensed when incurred.

2.7. Finance income and expenses

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

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

2.8. Losses due to impairment of non-financial assets

Since the Company is a state-owned entity, its business model is focused on serving the public and puts emphasis on providing social benefits.

It has an operating, services and infrastructure operation model, which means that its main source of income is established through a technical fare determined by the authority that does not cover recovery of its assets.

This business model defined by its shareholders, the Ministry of Finance and the Corporación de Fomento de la Producción, referred to as CORFO, goes against the concept of economic profitability of assets, as per IAS 36, where the value in 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 Financial Market Commission to apply IPSAS 21 instead of IAS 36, a standard specific rule for State-owned entities which hold non-cash-generating assets. Through Ruling 6158 dated March 5, 2012 the Financial Market Commission authorized the Company to apply IPSAS 21 to assess the impairment of its assets.

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

This standard defines the value in use of a non-cash generating asset as the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using the Depreciated Replacement Cost Approach or the Restoration Cost Approach.

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

2.9. Financial assets

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

2.9.1. Financial assets at amortized cost

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

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

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

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

2.9.2. Financial assets at fair value through other comprehensive income

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

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

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

2.9.3. Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights on the financial assets' cash flows have expired, or when all the risks and rewards of ownership of the financial asset are substantially transferred to some other entity. If the Company does not transfer substantially all the risks and rewards of ownership and continues to exercise control over the transferred asset, the asset is accounted for against an associated liability for the amounts that must be paid. If the Company substantially retains all the risks and rewards of ownership of the financial asset, the Company still recognizes the financial asset and also a liability for the received cash flows.

2.10. Inventories

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

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

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

2.11. Trade and other receivables

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

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

Trade receivables are presented net of the provision for uncollectible accounts and losses are recognized as a charge to the Consolidated Statement of Comprehensive Income.

The Company applied a simplified approach to recognize expected credit losses throughout the life of the asset for its trade and other accounts receivable, as required by IFRS 9.

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 and with no restrictions on their use.

2.13. Share capital

The Company´s share capital are the 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. Financial liabilities

Financial liabilities are classified either as financial liability "at fair value through profit and loss" or as "other financial liabilities".

a. Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities are classified at fair value through profit or loss when they are held for trading or are designated at fair value through profit and loss.

IFRS 9 largely preserves the existing requirements of IAS 39 for the classification of financial liabilities. However, under IAS 39 all changes in the fair value of liabilities designated as FVTPL are recognized in profit or loss, whereas under IFRS 9 these changes in fair value are generally presented as follows:

i) the amount of the change in fair value that is attributable to changes in the liability 's credit risk is presented in the other comprehensive income; and

ii) the remaining amount of the change in fair value is presented in profit or loss.

b. Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest rate method, in which interest expense is recognized on the basis of effective interest rate.

The effective interest rate corresponds to the method of calculating the amortized cost of a financial asset or liabilities and of allocating the interest income (expense) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows receivable or payable (including all costs on points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial instrument. All the Company's long-term bank liabilities and financial liabilities are accounted for under this method.

Derivative Financial Instruments

The Company uses derivative financial instruments to manage its exposure to volatility risks in interest rates and exchange rates, including foreign currency forward contracts and interest rate swaps. See Note 23 for a detailed explanation of derivative financial instruments.

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at each reporting period's end. The resulting gain or loss is recognized immediately in profit or loss, unless the derivative is designated and is effective as a hedging instrument, in which case the timing for recognizing it in profit or loss will depend on the nature of the hedging relationship.

Embedded derivatives

The Company and its subsidiaries have established a procedure that enables them to check for embedded derivatives in financial and non-financial contracts. In case there is an embedded derivative, and if the host contract is not accounted for at fair value, the procedure determines whether its characteristics and risks are not closely related to the host contract, in which case it requires to be separately recorded.

To date, the analyses carried out indicate that there are no embedded derivatives in the contracts of the Company and its subsidiary that require to be accounted for separately.

2.16. Income tax and deferred taxes

The income tax provision is determined through the application of the tax rate on the net taxable profit for the period, after applying the permitted

tax deductions, plus variations in deferred tax assets and liabilities and tax credits.

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

The tax system applicable to the Company as of January 1, 2017, as it is a stock corporation with no connection to final taxpayers, is the first category tax (the Chilean corporate income tax) for the profits it obtains from operating its business. According to the Chilean Income Tax Act (Act No. 824) this tax has a rate of 25%.

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

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

2.17. Employee benefits

2.17.1. Accrued vacations

The Company recognizes accrued vacation expenses using the accrual method.

2.17.2. Severance indemnity payments

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

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

2.17.3. Incentive and recognition bonuses

The Company has an annual incentive bonus plan for achieving 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, whether legal or constructive, as a result of past events;
- It is probable that an outflow of resources will be necessary to settle the obligation; and
- The amount of the obligation can be estimated reliably.

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

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

In the Consolidated 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 Expense Recognition

The Company recognizes revenue from the following main sources:

- Passenger transportation service
- Sales channel
- Lease of stores, and commercial and advertising spaces
- Lease of inter-modal terminals
- Lease of spaces for phone and fiber optic antennas
- Lease of land
- Advisory services

The income is measured based on the consideration specified in the contracts with customers. The Company recognizes revenue when it transfers control of a product or service to a customer.

Revenue from passenger transportation service: The Company has a contract in place with the Ministry of Transport and Telecommunications of Chile to provide public passenger transportation services in Santiago.

Passenger transportation service revenue is recognized at fair value, and is recorded daily based on use (number of trips) when a user passes the Bip card through the turnstile. This number is multiplied by the technical fare.

Revenue sales channel-Santiago Metro maintains a contract with the Ministry of Transport and Telecommunications of Chile, providing services of issuance and post sale of the means of access and provision of marketing network and loading the means of access to the transportation system public passenger of Santiago. These revenues are recognized monthly and are equivalent to a total percentage of collections for transport fees charged in the means of payment. Consequently, revenues are recognized over time to the extent that the performance obligation is met.

Revenue from lease of stores, and commercial and advertising spaces: Revenue from operating leases are recognized monthly on an accrual basis.

Revenue from lease of intermodal terminals: Intermodal terminal revenue is recognized monthly on an accrual basis.

Revenue from lease space for telephone and fiber optic antennas: This kind or revenue are recognized monthly on an accrual basis.

Revenue from lease of land: Revenue from lease of land is recognized monthly on an accrual basis.

Revenue from advisory services: Metro de Santiago provides advisory services to foreign both public and private companies that are developing railway systems. This revenue is recognized over time in the Financial Statements based on the hours incurred in the advisory services project, to the extent that the performance obligations under the service contract are fulfilled.

Expenses include both losses and expenses that arise in the ordinary activities of the Company. Expenses also include cost of sales, salaries and depreciation. In general, expenses represent an outflow or decrease in assets such as cash and cash equivalents, inventory or property, plant and equipment.

2.21. Lease agreements

The Company has a contract with the characteristics of a financial lease, which has been accounted for 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 rewards incidental to ownership of the leased goods.

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

New standards, amendments to standards and interpretations that are mandatory for the first time for periods beginning on January 01, 2018.

New IFRS	Mandatory effective date
New IFRS	**Mandatory effective date**
IFRS 9: Financial instruments	Annual periods beginning on or after January 1, 2018
IFRS 15, Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018
IFRS Amendments	**Mandatory effective date**
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Annual periods beginning on or after January 1, 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Effective overlap approach when IFRS 9 is first applied; Effective deferral approach for annual periods beginning on or after January 1, 2018, and only available for three years after that date
Transfers of Investment Property (Amendments to IAS 40)	Annual periods beginning on or after January 1, 2018
Annual Improvements 2014 - 2016 Cycle (Amendments to IFRS 1 and IAS 28)	Annual periods beginning on or after January 1, 2018
New Interpretations	**Mandatory effective date**
IFRIC 22 Foreign Currency Transactions and Advance Consideration CINIIF 22	Annual periods beginning on or after January 1, 2018

Impact of the application of IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and general hedge accounting. The details of these new requirements, as well as the impact on the Financial Statements of the Company and its subsidiary are described below. The Company and its subsidiary have applied IFRS 9 as of January 1, 2018 and have decided against remeasuring comparative information from prior periods about classification and measurement requirements (including impairment). The information presented for the year 2017 does not reflect the requirements of IFRS 9, but those established in IAS 39.

Classification and measurement of financial assets

The initial application date at which the Company and its subsidiary have evaluated its current financial assets and financial liabilities in terms of the requirements of IFRS 9 is January 1, 2018. Therefore, the Company and its subsidiary have applied the requirements of IFRS 9 to instruments that have not been derecognized as of January 1, 2018 and have not applied those requirements to instruments that were already derecognized as of January 1, 2018. The comparative amounts in relation to instruments that have not been derecognized as of January 1, 2018, have not been restated.

All financial assets within the scope of IFRS 9 must be subsequently measured at amortized cost or fair value. Specifically, debt instruments that are held within a business model, the objective of which is to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at amortized cost as of the close of subsequent reporting periods.

Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value as of the close of subsequent reporting periods.

Regarding the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that any change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless recognizing such changes in other comprehensive income would create or enlarge a measurement mismatch. Changes in fair value attributable to the credit risk of a financial liability are not subsequently classified in profit or loss. Under IAS 39, the total amount of the change in fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

The Management of the Company and its subsidiaries reviewed and evaluated the financial assets as of January 1, 2018 and estimated that the exposure to credit risk is low, given that Management's policies maintain a limited risk and their cash flows are adequate to the commitments, since collection from the clients is strictly on a cash basis, and investments in assets other than the account receivable from customers involve low risk.

Financial assets classified as 'held-to-maturity' and 'loans and accounts receivable' under IAS 39 that were measured at amortized cost, continue to be measured at amortized cost under IFRS 9 since they are held within a business model for collecting contractual cash flows, and these contractual cash flows consist only of payments of principal and interest on the principal amount outstanding.

None of the changes in the classification of financial assets has had an impact on the financial position, results, other comprehensive income or comprehensive income of the Company and its subsidiaries.

Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities is related to the accounting for changes in the fair value of a financial liability designated at fair value through profit or loss (FVTPL) attributable to changes in credit risk of the issuer.

Specifically, IFRS 9 requires that the change in the fair value of the financial liability that is attributable to changes in the liability's credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss, but instead are transferred to retained earnings when the financial liability is derecognized. Previously, under IAS 39, the total amount of the change in fair value of the financial liability designated as at fair value through profit or loss (FVTPL) was presented in profit or loss.

The application of IFRS 9 has not had an impact on the classification and measurement of the Company's financial liabilities

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to the credit loss model incurred under IAS 39. This model requires an entity to account for each reporting date. Changes in credit risk since the initial recognition. In other words, it is not necessary for a credit event to occur in order for credit losses to be recognized.

IFRS 9 also establishes a simplified approach to measuring the correction of value for losses at an amount equal to the expected credit losses, during the life of the asset for trade accounts receivable, contract assets and accounts receivable for lease under certain circumstances.

As of January 1, 2018, the Company's Management and its subsidiaries reviewed and assessed for impairment the financial assets, amounts due from customers and financial guarantee contracts of the Company and its subsidiaries using reasonable and sustainable information that was available in accordance with IFRS 9 to determine the credit risk of the respective financial assets on the date they were initially recognized, and compared it with the credit risk as of January 1, 2018. Concluding that the application of IFRS 9 has not had a significant impact.

Impact of applying IFRS 15 Revenue from Contracts with Customers

In the current period, the Company has applied IFRS 15, which considers a five-step approach to income recognition and has added more descriptive guidance in IFRS 15 to deal with specific scenarios.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might commonly be known as 'accrued income' and 'deferred revenue', however, the Standard does not prohibit an entity from using alternative descriptions in the Statement of Financial Position. The Company and its subsidiaries have adopted the terminology used in IFRS 15 to describe those balance sheet balances.

The accounting policies of the Company and its subsidiary regarding its revenue are disclosed in detail in Note 21. Apart from providing more extensive disclosures about the Company's revenue transactions, the application of IFRS 15 has not had an impact on the Company's financial position or financial performance.

Impact of application of Amendments, New Interpretations

The application of the amendments and new interpretations did not have a significant impact on the amounts reported in these Consolidated Financial Statements. However, they may affect the accounting for future transactions or arrangements.

The following new standards and interpretations have been issued but their application date is not yet mandatory.

Management evaluated the impact of the application of IFRS 16 by analyzing the lease contracts and also the service contracts, where there might be assets providing exclusive use and enjoyment (imbedded assets).

Under this evaluation, these contracts meet the definition of a lease under I FRS 16 and therefore the Company would recognize an asset for right of use and also a liability in regards to all the installments payable for those leases.

On the basis of the amounts calculated at the close of the financial statements for the year 2018, the Company estimates that the application of IFRS 16 is unlikely because the contracts involve amounts that are small or not significant. However, the Company is constantly evaluating new contracts which my trigger the application of IFRS 16.

In the opinion of Management, the future application of other standards and amendments and interpretations is not expected to have a significant effect on the Consolidated Financial Statements.

New IFRS	Mandatory Effective Date
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021
IFRS Amendments	**Mandatory Effective Date**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date indefinitely postponed
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Annual periods beginning on or after January 1, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Annual periods beginning on or after January 1, 2019
Annual Improvements 2015 - 2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods beginning on or after January 1, 2019
Plan amendment, curtailment or settlement (amendments to IAS 19)	Annual periods beginning on or after January 1, 2019
Definition of a business (amendments to IFRS 3)	Annual periods beginning on or after January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after January 1, 2020
Revised Conceptual Framework for Financial Reporting	Annual periods beginning on or after January 1, 2020
New Interpretations	**Mandatory Effective Date**
IFRIC 23 Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019

3. *Management estimates and accounting criteria*

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

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

3.1. Severance indemnity payments

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

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

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

3.2. Useful life of property, plant and equipment

Property, plant and equipment and intangible assets with finite useful lives are depreciated using the straight-line method on the basis of an estimated useful life. Such estimate takes into consideration technical aspects, nature and conditions of use of those assets and might vary significantly as a consequence of technological innovations or other variables, which will imply adjusting the remaining useful lives, and 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 has various types of lawsuits for which it is not possible to determine exactly the economic effects that these may have on the Consolidated Financial Statements. In cases where the Administration and the lawyers expect an unfavorable result, provisions have been made with a charge to expense based on estimates of the maximum amounts to be paid.

3.4. Measurements and/or valuations at fair value

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

a. The concrete asset or liability to be measured.

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

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

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

To determine the expected loss model of IFRS 9 (simplified model), the Company and its subsidiary have introduced variables in the simplified model so

that they can measure fair value based on historical data, percentages of recoverability of accounts receivable and macroeconomic variables.

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 allocateds:

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 profit or loss for the period.

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

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

Entry data for fair value measurement:

Level 1:

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

Level 2:

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

Level 3:

- Unobservable inputs.

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

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

Fair value measurement for assets and liabilities

A fair value measurement requires determining the particular asset or liability to be measured (Derivative financial instruments). This is why, when measuring fair value the Company keeps in mind the characteristics of the asset or liability in

the same manner as market participants would take them into account when establishing the price of that asset or liability on the measurement date. The characteristics include the restrictions for asset recognition or the payment of the liability (if any).

The detail and classification of financial assets as of December 31, 2018 and 2017 is as follows:

12-31-2018	Amortized Cost ThCh$	Fair Value through profit or loss ThCh$	Total ThCh$
Trade and other receivables	16,259,769	-	16,259,769
Cash and cash equivalents	**163,592,097**	**1,518,585**	**165,110,682**
Cash and banks	-	1,518,585	1,518,585
Term deposits	148,658,483	-	148,658,483
Repurchase agreements	14,933,614	-	14,933,614
Other financial assets	**237,296,031**	**8,244,567**	**245,540,598**
Term deposits	183,001,269	-	183,001,269
Derivative operations	-	8,244,567	8,244,567
Financial lease	1,838,732	-	1,838,732
Promissory notes receivable	665,620	-	665,620
Advertising receivables	51,783,963	-	51,783,963
Other financial assets	6,447	-	6,447
Total financial assets	**417,147,897**	**9,763,152**	**426,911,049**

12-31-2017	Amortized Cost ThCh$	Fair Value through profit or loss ThCh$	Total ThCh$
Trade and other receivables	10,367,439	-	10,367,439
Cash and cash equivalents	**149,565,360**	**2,674,758**	**152,240,118**
Cash and banks	-	2,674,758	2,674,758
Term depositss	147,605,384	-	147,605,384
Repurchase agreements	1,959,976	-	1,959,976
Other financial assets	**147,303,152**	**4,426,356**	**151,729,508**
Term depositss	145,038,270	-	145,038,270
Derivative operations	-	4,426,356	4,426,356
Financial lease	1,673,508	-	1,673,508
Promissory notes receivable	583,469	-	583,469
Other financial assets	7,905	-	7,905
Total financial assets	**307,235,951**	**7,101,114**	**314,337,065**

The detail and classification of financial liabilities as of December 31, 2018 and 2017 is as follows:

12-31-2018	Amortized Cost ThCh$	Liabilities at fair value through profit or loss ThCh$	Total ThCh$
Interest-bearing loans	2,171,840,271	-	2,171,840,271
Trade and other payables	126,950,450	-	126,950,450
Hedge liabilities	-	2,906,557	2,906,557
Other financial liabilities	28,594	-	28,594
Total financial liabilities	**2,298,819,315**	**2,906,557**	**2,301,725,872**

12-31-2017	Amortized Cost ThCh$	Liabilities at fair value through profit or loss ThCh$	Total ThCh$
Interest-bearing loans	2,006,588,384	-	2,006,588,384
Trade and other payables	147,952,290	-	147,952,290
Hedge liabilities	-	8,946,936	8,946,936
Other financial liabilities	12,163	-	12,163
Total financial liabilities	**2,154,552,837**	**8,946,936**	**2,163,499,773**

4. *Cash and cash equivalents*

Balances of cash and cash equivalents are detailed as follows:

Item	Currency	Balance as of	
		12-31-2018 ThCh$	12-31-2017 ThCh$
Cash			
Cash on hand	Ch$	125,150	70,125
	USD	7,247	4,881
	Euros	3,380	-
Banks	Ch$	1,378,595	2,593,912
	USD	4,213	5,840
Total cash		**1,518,585**	**2,674,758**
Term deposits	Ch$	133,152,535	105,402,589
	USD	15,505,948	42,202,795
Total term deposits		**148,658,483**	**147,605,384**
Repurchase agreements	Ch$	11,806,167	1,664,266
	USD	3,127,447	295,710
Total repurchase agreements		**14,933,614**	**1,959,976**
Total cash and cash equivalents		**165,110,682**	**152,240,118**
Subtotal by currency	Ch$	146,462,447	109,730,892
	USD	18,644,855	42,509,226
	Euros	3,380	-

Cash equivalents represent short-term highly liquid investments such as term deposits and fixed income investments –repurchase agreements- that are easily convertible into cash, and are subject to insignificant risk of changes in value, which are maintained to comply with short-term payment commitments. The detail for the years 2018 and 2017 is as follows:

Term deposits

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic cur-rency ThCh$	Accrued interest in do-mestic currency ThCh$	Carrying amount 12-31-2018 ThCh$
Term depositss	Ch$	132,920,188	2.99%	25	132,920,188	232,347	133,152,535
	USD	22,273,87	2.72%	18	15,475,217	30,731	15,505,948
Total					**148,395,405**	**263,078**	**148,658,483**

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic cur-rency ThCh$	Accrued interest in do-mestic currency ThCh$	Carrying amount 12-31-2017 ThCh$
Term depositss	Ch$	105,243,800	3.01%	14	105,243,800	158,789	105,402,589
	USD	68,530,84	2.07%	37	42,129,336	73,459	42,202,795
Total					**147,373,136**	**232,248**	**147,605,384**

Repurchase agreements

Code	Dates		Counterparty	Original currency	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 12-31-2018 ThCh$
	Beginning	End							
CRV	12-28-2018	01-02-2019	ITAU CORREDOR DE BOLSA	Ch$	800,000	2.30%	800,307	PAGARE NR	800,184
CRV	12-21-2018	01-02-2019	BCI CORREDOR DE BOLSA S.A.	Ch$	5,100,000	2.50%	5,105,100	PAGARE NR	5,104,250
CRV	12-28-2018	01-03-2019	ITAU CORREDOR DE BOLSA	Ch$	1,000,000	2.30%	1,000,460	PAGARE NR, PDBC	1,000,230
CRV	12-27-2018	01-04-2019	ITAU CORREDOR DE BOLSA	Ch$	4,900,000	2.30%	4,903,005	PAGARE NR	4,901,503
CRV	12-28-2018	01-03-2019	BCI CORREDOR DE BOLSA S.A.	USD	695,690	2.10%	695,013	PAGARE R	694,891
CRV	12-27-2018	01-03-2019	BANCO DE CHILE	USD	2,428,428	2.45%	2,433,052	BCP	2,432,556
Total					**14,924,118**		**14,936,937**		**14,933,614**

Code	Dates		Counterparty	Original currency	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 12-31-2017 ThCh$
	Beginning	End							
CRV	12-29-2017	01-02-2018	BCI CORREDOR DE BOLSA S.A.	Ch$	1,500,000	2.88%	1,500,480	PAGARE NR	1,500,240
CRV	12-29-2017	01-05-2018	BCI CORREDOR DE BOLSA S.A.	Ch$	164,000	2.88%	164,091	PAGARE NR	164,026
CRV	12-28-2017	01-02-2018	BCI CORREDOR DE BOLSA S.A.	USD	296,575	0.60%	295,719	PAGARE NR	295,710
Total					**1,960,575**		**1,960,290**		**1,959,976**

5. *Trade and other receivables, current*

As of December 31, 2018 and 2017, this item consists of the following:

Trade and Other Receivables, Gross	12-31-2018 ThCh$	12-31-2017 ThCh$
Trade debtors and other accounts receivable, gross	**15,584,946**	**9,496,113**
Trade receivables, gross (*)	12,130,740	2,930,697
Sales channel accounts receivable, gross	1,432,312	4,566,117
Other receivables, gross	2,021,894	1,999,299

(*) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

Trade and Other Receivables, Net	12-31-2018 ThCh$	12-31-2017 ThCh$
Trade and other receivables, net	**14,973,044**	**8,743,345**
Trade receivables, net	11,518,838	2,177,929
Sales channel accounts receivable, net	1,432,312	4,566,117
Other receivables, net	2,021,894	1,999,299

As of December 31, 2018 and 2017, the analysis of net trade and accounts receivable by age and expiration date is detailed below:

Trade Receivables, Net	12-31-2018 ThCh$	12-31-2017 ThCh$
Aged 3 months	5,698,706	1,880,655
Aged more than 3 months up to 1 year	5,594,526	87,918
Aged more than 1 year	225,606	209,356
Total	**11,518,838**	**2,177,929**

Sales Channel Accounts Receivable, Net	12-31-2018 ThCh$	12-31-2017 ThCh$
Aged 3 months	1,173,654	4,115,793
Aged more than 3 months up to 1 year	256,435	444,012
Aged more than 1 year	2,223	6,312
Total	**1,432,312**	**4,566,117**

Other Receivables, Net	12-31-2018 ThCh$	12-31-2017 ThCh$
With 3 months maturity	547,072	554,765
With 3 months up to 1 year maturity	1,474,822	1,444,534
Total	**2,021,894**	**1,999,299**

Movements as of December 31, 2018 in the impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2016	**1,072,316**
Increase for the period	250,579
Decrease for the period	(130,608)
Write-offs for the period	(439,519)
Balance as of December 31, 2017	**752,768**
Increase for the period	164,800
Decrease for the period	(169,197)
Write-offs for the period	(136,469)
Balance as of December 31, 2018	**611,902**

The Company establishes a provision based on an expected loss for trade receivables.

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

.

6. *Inventories*

This item comprises the following:

Classes of inventories	12-31-2018 ThCh$	12-31-2017 ThCh$
Inventories and stock	1,674,937	1,489,610
Spare parts and accessories for maintenance	14,350,329	9,218,243
Imports in transit and other	375,928	14,463
Total	**16,401,194**	**10,722,316**

As of December 2018 and 2017, inventory consumption was charged to the Consolidated Statement of Comprehensive Income in the cost of sales line item, in the amount of ThCh$9,324,023 and ThCh$10,027,553, respectively.

As of December 2018, the write-offs of inventories amount to ThCh$ 529. As of the same period of the previous year they amounted to ThCh$ 4,489. Based on the analysis carried out by the Technical Management for the stock of spare parts, maintenance accessories and supplies presented in this group, no objective evidence of impairment was found for this asset class.

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

7. *Intangible assets other than goodwill*

Intangible assets other than goodwill correspond to licenses and software and transit easements. They are accounted for using the acquisition cost and subsequently they are carried at cost net of accumulated amortization and impairment losses, if any.

Licenses and software are amortized using the straight-line method over the applicable useful life, which is generally estimated at four years. For easements, since the contracts are established with no expiry date, easements are considered to have indefinite useful life, and therefore they are not amortized.

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

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

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

a. Intangible assets other than goodwill for 2018 and 2017, are as follows:

Item	31-12-2018			31-12-2017		
	Intangible assets, gross ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$	Intangible assets, gross ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$
Licenses and Software	6,533,324	(4,471,100)	2,062,224	5,785,711	(4,086,150)	1,699,561
Easements	4,329,892	-	4,329,892	4,236,078	-	4,236,078
Total	**10,863,216**	**(4,471,100)**	**6,392,116**	**10,021,789**	**(4,086,150)**	**5,935,639**

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

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2018	1,699,561	4,236,078	5,935,639
Additions	198,498	93,814	292,312
Transfers	549,115	-	549,115
Amortization	(384,950)	-	(384,950)
Closing balance 12-31-2018	2,062,224	4,329,892	6,392,116
Average remaining useful life	3 years	Indefinite	

c. Movements of intangible assets other than goodwill for the year ended as of December 31, 2017, are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2017	1,937,038	3,894,449	5,831,487
Additions	12,077	341,629	353,706
Transfers	66,816	-	66,816
Amortization	(316,370)	-	(316,370)
Closing balance 12-31-2017	1,699,561	4,236,078	5,935,639
Average remaining useful life	4 years	Indefinite	

8. *Property, plant and equipment*

a. Property, plant and equipment items comprise the following:

Property, plant and equipment	12-31-2018 ThCh$	12-31-2017 ThCh$
Classes of property, plant and equipment, net		
Property, plant and equipment, net	**4,705,488,071**	**4,423,443,320**
Works in progress, net	1,436,411,396	1,157,111,593
Land, net	132,620,404	120,662,471
Civil works, net	1,916,968,710	1,925,737,534
Buildings, net	111,266,828	113,577,576
Rolling stock, net	807,013,830	779,374,981
Electrical equipment, net	262,608,816	286,157,192
Machinery and equipment, net	23,294,181	24,535,587
Other, net	15,303,906	16,286,386

Classes of property, plant and equipment, gross		
Property, plant and equipment, gross	**5,407,739,528**	**5,038,127,127**
Works in progress, gross	1,436,411,396	1,157,111,593
Land, gross	132,620,404	120,662,471
Civil works, gross	2,101,706,180	2,086,147,489
Buildings, Gross	130,851,477	130,695,602
Rolling stock, gross	1,080,002,565	1,016,912,471
Electrical equipment, gross	467,357,214	467,866,502
Machinery and equipment, gross	43,486,386	42,444,613
Other, gross	15,303,906	16,286,386

Classes of accumulated depreciation and impairment, Property, plant and equipment		
Total accumulated depreciation and impairment, Property, plant and equipment	**702,251,457**	**614,683,807**
Accumulated depreciation of civil works	184,737,470	160,409,955
Accumulated depreciation of buildings	19,584,649	17,118,026
Accumulated depreciation of rolling stock	272,988,735	237,537,490
Accumulated depreciation of electrical equipment	204,748,398	181,709,310
Accumulated depreciation of machinery and equipment	20,192,205	17,909,026

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

2018 movements		Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
Opening balance at January 1, 2018		1,157,111,593	120,662,471	1,925,737,534	113,577,576	779,374,981	286,157,192	24,535,587	16,286,386	4,423,443,320
Movements	Additions	336,592,039	12,956,156	9,038,190	18,606	14,657,494	(355,514)	1,121,933	-	374,028,904
	Transfers	(57,292,236)	-	6,520,574	137,269	49,544,364	378,238	162,676	-	(549,115)
	Spare parts transfer	-	-	-	-	-	-	-	(884,222)	(884,222)
	Derecognition or sales	-	(998,223)	(72)	-	(55,775)	(90,739)	(34,599)	(98,258)	(1,277,666)
	Depreciation expenses	-	-	(24,327,516)	(2,466,623)	(36,507,234)	(23,480,361)	(2,491,416)	-	(89,273,150)
	Total movements	279,299,803	11,957,933	(8,768,824)	(2,310,748)	27,638,849	(23,548,376)	(1,241,406)	(982,480)	282,044,751
Closing balance as of December 31, 2018		1,436,411,396	132,620,404	1,916,968,710	111,266,828	807,013,830	262,608,816	23,294,181	15,303,906	4,705,488,071

2017 movements		Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
Opening balance at January 1, 2017		1,427,326,829	119,819,188	1,390,328,467	76,294,382	687,672,405	221,976,090	25,209,397	15,081,787	3,963,708,545
Movements	Additions	526,512,061	923,162	-	178,411	11,716,730	120,242	664,854	117,920	540,233,380
	Transfers	(796,727,297)	-	555,021,015	39,232,006	111,760,186	85,023,980	1,149,719	-	(4,540,391)
	Spare parts transfers	-	-	-	-	-	-	-	1,086,679	1,086,679
	Derecognition or sales	-	(79,879)	-	-	(87,136)	(343,207)	(15,479)	-	(525,701)
	Depreciation expenses	-	-	(19,611,948)	(2,127,223)	(31,687,204)	(20,619,913)	(2,472,904)	-	(76,519,192)
	Total movements	(270,215,236)	843,283	535,409,067	37,283,194	91,702,576	64,181,102	(673,810)	1,204,599	459,734,775
Closing balance at December 31, 2017		1,157,111,593	120,662,471	1,925,737,534	113,577,576	779,374,981	286,157,192	24,535,587	16,286,386	4,423,443,320

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

Item	Estimated useful life in years
Road network	60
Stations	100
Tunnels	100
Rolling stock	41

d. Impairment

As of the reporting date, the Company did not find objective evidence of impairment of its property, plant and equipment as described in Note 2, 8.

e. Investment projectsv

As of December 31, 2018, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately MCh$342,971, composed of investment type in: MCh$108,956 Civil Works, MCh$82,919 Systems and Equipment and MCh$151,096 Rolling Stock, with term in the year 2026.

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

f. Spare parts and accessories

As of December 31, 2018, spare parts and accessories and maintenance materials amounted to ThCh$17,871,203 (ThCh$18,825,549 in 2017). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$2,643,866 (ThCh$2,713,990 in 2017).

g. Other disclosures

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

   The gross carrying amount of property, plant and equipment that is fully amortized and is still in use is ThCh$24,659,873 as of December 31, 2018(ThCh$24,842,191 in 2017).

2. There are no material property, plant and equipment items that have been removed and not classified, that are recorded as held for sale in accordance with IFRS5.

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

h. Financing costs

During 2018, costs of capitalized interests of property, plant and equipment amounted to ThCh$32,116,945 (ThCh$36,440,739 in 2017.

9. *Investment property*

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

Investment property is measured using the cost model.

The total investment property amounts to ThCh$22,641,419 as of December 31, 2018 (ThCh$22,937,637 in 2017).

Investment property	Commercial stores	Land	Buildings	Total
Balance as of 01-01-2018	13,982,989	607,816	8,346,832	22,937,637
Depreciation for the period	(201,578)	-	(94,640)	(296,218)
Balance as of 12-31-2018	**13,781,411**	**607,816**	**8,252,192**	**22,641,419**

Investment property	Commercial stores	Land	Buildings	Total
Balance as of 01-01-2017	9,687,916	607,816	8,619,882	18,915,614
Increases and decreases	4,473,575	-	(178,410)	4,295,165
Depreciation for the year	(178,502)	-	(94,640)	(273,142)
Balance as of 12-31-2017	**13,982,989**	**607,816**	**8,346,832**	**22,937,637**

As established by IAS 40, an estimate of fair value must be disclosed for investment properties valued at the Cost Model. For this purpose, we have determined their calculation using internal valuations, based on discounted future projected cash flows. It is estimated that at December 30, 2018 this fair value amounts to ThCh$125,895,646 (ThCh$122,206,368 in 2017).

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

Item	12-31-2018 ThCh$	12-31-2017 ThCh$
Commercial stores	77,614,269	74,254,295
Land	39,851,927	39,551,579
Buildings	8,429,450	8,400,494
Total	**125,895,646**	**122,206,368**

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

Investment property income and expenses	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Commercial stores	5,590,615	5,060,912
Land	2,735,135	2,756,186
Buildings	747,578	654,404
Total rental income	**9,073,328**	**8,471,502**
Commercial stores (real estate tax)	(154,159)	(139,953)
Land (real estate tax)	(47,073)	(41,587)
Buildings (real estate tax)	(117,871)	(116,461)
Commercial stores (depreciation)	(201,274)	(178,502)
Buildings (depreciation)	(60,129)	(60,129)
Total lease expenses	**(580,506)**	**(536,632)**

The Company has no evidence of impairment of investment property nor does it maintain pledges, mortgages or other guarantees.

Lease contracts generally establish the obligation to maintain and repair properties. Therefore, expenses are borne by the lessees, except for expenses for the payment of property taxes, which are borne by the less or.

The future cash flow projections associated with commercial stores, land and buildings, based on a discount rate of 4.89% as of December 2018 (5.23% as of December 2017), are the following:

Item	12-31-2018 ThCh$	12-31-2017 ThCh$
Commercial stores		
Up to 1 year	3,997,483	3,607,036
More than 1 year up to 5 years	17,359,763	15,517,788
More than 5 years	61,526,501	51,051,381
Land		
Up to 1 year	1,955,717	1,964,402
More than 1 year up to 5 years	8,493,042	8,451,032
More than 5 years	30,101,054	27,802,731
Buildings		
Up to 1 year	534,544	466,410
More than 1 year up to 5 years	2,321,350	2,006,536
More than 5 years	8,227,332	6,601,228
Total	**134,516,786**	**117,468,544**

10. *Other financial assets, current and non-current*

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

Item	12-31-2018		12-31-2017	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments, more than three months	183,001,269	-	145,038,270	-
Derivative transactions	4,244,173	4,000,394	3,382,956	1,043,400
Financial lease	57,871	1,780,861	46,551	1,626,957
Promissory notes receivable	-	665,620	-	583,469
Advertising receivable (*)	-	51,783,963	-	-
Other accounts receivable	-	6,447	-	7,905
Total	**187,303,313**	**58,237,285**	**148,467,777**	**3,261,731**

(*) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

Financial investments, over 3 months

Term deposits

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual rate average	Average maturity days	Capital in domestic currency ThCh$	Interest accrued in domestic currency ThCh$	Carrying amounte 12-31-2018 ThCh$
Term deposits	Ch$	177,585,521	3.21%	77	177,585,521	996,658	178,582,179
	USD	6,299.10	2.84%	38	4,376,430	42,660	4,419,090
Total					**181,961,951**	**1,039,318**	**183,001,269**

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

Derivative transactions

Financial assets as of 12-31-2018

									Current			Non-current		
									Maturity		Total Current 12-31-2018 ThCh$	Maturity		Total non-current 12-31-2018 ThCh$
Tax ID No.	Entity	Country	Tax ID No.	Entity	Country	Currency	Nominal rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$		1 to 3 years ThCh$	Over 5 years ThCh$	
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	(287,261)	(287,261)
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	(57,552)	(57,552)
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	657,975	657,975
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	607,324	607,324
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	202,936	202,936
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	347,956	347,956
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	359,245	359,245
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	313,433	313,433
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	535,359	-	535,359	-	1,677,903	1,677,903
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	267,680	-	267,680	-	(216,565)	(216,565)
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	4.19000%	half-yearly	228,982	-	228,982	395,000	-	395,000
						Total			**4,244,173**	**-**	**4,244,173**	**395,000**	**3,605,394**	**4,000,394**

Activos financieros al 31-12-2017.

									Current			Non-current		
									Maturity		Total Current 12-31-2017 ThCh$	Maturity		Total non-current 12-31-2017 ThCh$
Tax ID No.	Entity	Country	Tax ID No.	Entity	Country	Currency	Nominal rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$		1 to 3 years ThCh$	Over 5 years ThCh$	
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	236,851	-	236,851	-	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	355,274	-	355,274	-	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	4.19000%	half-yearly	303,913	-	303,913	1,043,400	-	1,043,400
						Total			**3,382,956**	**-**	**3,382,956**	**1,043,400**	**-**	**1,043,400**

Financial lease agreements

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

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

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

There are no amounts of unsecured residual values accrued in favor of the lessor.

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

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

Outstanding future minimum lease payments	12-31-2018			12-31-2017		
	Gross Amount ThCh$	Interest ThCh$	Current Value ThCh$	Gross Amount ThCh$	Interest ThCh$	Current Value ThCh$
Up to 1 year	219,769	161,897	57,871	194,456	147,905	46,551
More than 1 year up to 5 years	1,098,842	710,196	388,646	972,283	659,662	312,621
More than 5 years	1,977,914	585,699	1,392,215	1,944,565	630,229	1,314,336
Total	**3,296,525**	**1,457,792**	**1,838,732**	**3,111,304**	**1,437,796**	**1,673,508**

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

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

Other non-financial assets, current	12-31-2018 ThCh$	12-31-2017 ThCh$
Prepaid expenses	68,913	127,218
Advance payments to suppliers and personnel	5,516,348	4,676,758
Other accounts receivable	1,285,354	947,497
Total	**6,870,615**	**5,751,473**

Other non-financial assets, non-current	12-31-2018 ThCh$	12-31-2017 ThCh$
Funds allocated to pay for expropriations of new lines	14,964,451	20,094,640
VAT credit	7,197,689	6,987,984
Investment land under lease contracts	991,623	964,375
Advance for severance indemnities and other loans to personnel	1,658,987	1,294,666
Total	**24,812,750**	**29,341,665**

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

This item comprises the following:

Item	12-31-2018		12-31-2017	
	Current ThCh$	No Coriente ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	45,616,568	425,286,270	21,039,962	364,352,490
Bonds	66,532,986	1,634,404,447	55,250,607	1,565,945,325
Derivative transactions	2,906,557	-	2,440,950	6,505,986
Other	-	28,594	-	12,163
Total	**115,056,111**	**2,059,719,311**	**78,731,519**	**1,936,815,964**

Half-yearly and equivalent interest-bearing loans as of 12-31-2018

								Current			Non-current			
								Maturity			Maturity			
Tax ID No	Entity	Country	Tax ID No.	Entity	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days - 1 year ThCh$	Total Current 12-31-2018 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total non-current 12-31-2018 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	5.20%	14,943,983	16,433,799	31,377,782	95,843,637	56,951,928	105,703,788	258,499,353
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	USD	0.67%	1,490,658	1,473,014	2,963,672	8,836,753	5,328,258	6,554,736	20,719,747
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	31,651	31,255	62,906	178,685	51,630	-	230,315
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	USD	4.37%	-	11,212,208	11,212,208	62,501,509	41,667,673	41,667,673	145,836,855
						Total		**16,466,292**	**29,150,276**	**45,616,568**	**167,360,584**	**103,999,489**	**153,926,197**	**425,286,270**

Half-yearly and equivalent interest-bearing loans as of 12-31-2017

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

Interest-bearing loans:

- Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of US$87,793,769.88. As of December 31, 2018 it has been fully used, leaving a principal balance of US$34,062,109.03 (US$38,301,763.03 in 2017).
- Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of €1,573,093.76, As of December 31, 2018 it has been fully used, leaving a principal balance of €368,450.20 (€447,104.14 in 2017).
- Buyer Credit Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$260,000,000.00. This financing is not guaranteed by the Government. As of December 31, 2018 it has been fully used, leaving a principal balance of US$29,983,290.50 (US$45,479,344.19 in 2017).
- Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas S.A., of US$550,000,000,00 signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$450,000,000,00. This financing is not guaranteed by the Government. As of December 31, 2018, the amount of US$385,099,856.32 has been used (US$313,152,871.72 in 2017).

  This agreement requires, as of December 31, 2018, a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$700 million. Please note that as of December 31, 2018 the debt to equity ratio is 0.86 times and the equity is ThCh$2,798 million.
- Financial Loan Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by Sumitomo Mitsui Banking, in the amount of US$250,000,000,00 signed on December 18, 2014, On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$225,000,000.00. This financing is not guaranteed by the Government. As of December 31, 2018 and 2017, US$224,900,000.00 have been used (US$224,900,000.00 in 2017).

  This agreement requires, as of December 31, 2018, a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$700 million. Please note that as of December 31, 2018 the debt to equity ratio is 0.86 times and the equity is ThCh$2,798 million.

Bonds payable

The Company's domestic and foreign bonds as of 12-31-2018

											Current			Non-current			
											Maturity		Total Current 12-31-2018 ThCh$	Maturity			Total non-current 12-31-2018 ThCh$
Series	Tax ID Number Debtor	Entity	Country Debtor	Tax ID Number BANK	Banco RTB (*) and payer	Country	Currency	Nominal rate	Effective rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$		1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	5,106,067	2,894,408	8,000,475	17,366,448	31,838,487	29,605,690	78,810,625
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	1,447,204	1,846,902	3,294,106	8,683,224	15,919,244	15,306,272	39,908,740
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	4,963,753	2,756,579	7,720,332	16,539,474	20,674,343	45,411,840	82,625,657
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	4,136,860	1,837,720	5,974,580	16,539,474	11,026,316	62,441,784	90,007,574
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	1,286,404	1,741,301	3,027,705	10,934,430	7,718,421	46,506,158	65,159,009
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	2,008,692	872,917	2,881,609	6,983,334	5,237,500	32,738,233	44,959,067
G	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	2,196,700	1,286,406	3,483,106	9,004,826	7,718,421	56,352,873	73,076,120
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	half-yearly	2,972,905	2,756,579	5,729,484	5,492,137	-	-	5,492,137
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	5,254,094	3,571,018	8,825,112	21,426,115	14,284,077	35,228,709	70,938,901
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	-	586,132	586,132	22,052,610	14,701,740	73,145,128	109,899,478
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	1,568,166	-	1,568,166	-	-	139,688,410	139,688,410
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Maturity	-	205,872	205,872	-	-	41,034,893	41,034,893
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	971,810	-	971,810	-	-	112,733,235	112,733,235
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	4.8%	4.9%	Maturity	6,737,822	-	6,737,822	-	-	344,245,879	344,245,879
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	5.0%	5.2%	Maturity	7,526,675	-	7,526,675	-	-	335,824,722	335,824,722
							Total				**46,177,152**	**20,355,834**	**66,532,986**	**135,022,072**	**129,118,549**	**1,370,263,826**	**1,634,404,447**

The Company's domestic and foreign bonds as of 12-31-2017

											Current			Non-current			
											Maturity		Total Current 12-31-2017 ThCh$	Maturity			Total non-current 12-31-2017 ThCh$
Series	Tax ID Number Debtor	Entity	Country Debtor	Tax ID Number BANK	Banco RTB (*) and payer	Country	Currency	Nominal rate	Effective rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$		1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	5,107,213	2,813,805	7,921,018	16,882,828	21,103,535	43,851,506	81,837,869
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	1,406,902	1,821,373	3,228,275	8,441,414	8,089,689	24,973,010	41,504,113
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	4,021,657	1,786,543	5,808,200	16,078,884	10,719,256	58,876,881	85,675,021
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	4,111,062	1,786,543	5,897,605	14,292,342	10,719,256	66,314,597	91,326,195
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	1,250,580	1,710,152	2,960,732	9,379,350	7,503,479	49,230,348	66,113,177
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	1,995,222	848,608	2,843,830	5,940,255	5,091,647	34,534,349	45,566,251
G	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	1,250,582	2,168,302	3,418,884	7,503,481	7,503,479	59,242,297	74,249,257
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	half-yearly	2,995,267	2,679,814	5,675,081	10,671,300	-	-	10,671,300
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	1,636,205	-	1,636,205	20,829,442	13,886,295	41,112,678	75,828,415
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	-	569,809	569,809	14,292,327	14,292,327	78,223,095	106,807,749
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	-	1,524,496	1,524,496	-	-	135,558,452	135,558,452
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	Maturity	-	200,139	200,139	-	-	39,874,481	39,874,481
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	-	944,747	944,747	-	-	109,806,046	109,806,046
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	4.8%	4.9%	Maturity	5,961,794	-	5,961,794	-	-	304,137,990	304,137,990
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	5.0%	5.2%	Maturity	6,659,792	-	6,659,792	-	-	296,989,009	296,989,009
							Total				**36,396,276**	**18,854,331**	**55,250,607**	**124,311,623**	**98,908,963**	**1,342,724,739**	**1,565,945,325**

(*) RTB: Representative of Bondholders.

On July 31, 2001, December 5, 2001, August 9, 2002, September 3, 2003, June 23, 2004 and September 14, 2005, the Company issued 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 half-yearly 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 half-yearly 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 half-yearly 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 half-yearly interest payments and allowing early redemption.

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

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

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

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

The Series A and B bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,702, in Exempt Decree 117, issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 389 issued by the Ministry of Finance, both on April 20, 2001.

The Series C bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,774, in Exempt Decree 274 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 363 issued by the Ministry of Finance, both on May 13, 2002.

The Series D and E bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847, Exempt Decree 222 dated April 29, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 356 issued by the Ministry of Finance on May 7, 2003.

The Series F bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 1,024, dated November 11, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series G bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was

authorized by Supreme Decree 592, dated May 11, 2005 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

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

The Company is not subject to any financial or other restrictive covenants under the instruments governing its Series A to G bonds. For the Series H, I, J, K and L bonds, the Company is required during each calendar year to maintain a debt/equity ratio that is lower than 1,7, equity in excess of ThCh$700 million and an interest coverage ratio greater than 1.0. Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF. International bonds are not subject to related restrictions or covenants.

Series M bonds require in each calendar year a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$700 million.

Please note that as of December 31, 2018 the debt to equity ratio was 0.86 times, the equity was ThCh$2,798 million and the interest coverage was 1.94 times, calculated as established by the agreement for those bond issuances.

Derivative transactions

Financial liabilities as of 12-31-2018

									Current			Non-current	
									Maturity			Maturity	
Tax ID No.	Entity	Country	Tax ID No.	Name	País	Currency	Nominal rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	Total Current 12-31-2018 ThCh$	Over 5 years ThCh$	Total non-current 12-31-2018 ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.66%	Maturity	296,349	-	296,349	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	Maturity	289,021	-	289,021	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	274,433	-	274,433	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.41%	Maturity	268,881	-	268,881	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.44%	Maturity	275,782	-	275,782	-	-
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	278,578	-	278,578	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.45%	Maturity	274,398	-	274,398	-	-
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	Maturity	277,992	-	277,992	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.50%	Maturity	355,643	-	355,643	-	-
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.73%	Maturity	201,064	-	201,064	-	-
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	1.95%	Half-yearly	114,416	-	114,416	-	-
						Total			**2,906,557**	**-**	**2,906,557**	**-**	**-**

Financial liabilities as of 12-31-2017

									Current			Non-current	
									Maturity			Maturity	
Tax ID No.	Entity	Country	Tax ID No.	Name	País	Currency	Nominal rate	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	Total Current 12-31-2017 ThCh$	Over 5 years ThCh$	Total non-current 12-31-2018 ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.73%	Maturity	195,465	-	195,465	873,687	873,687
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.66%	Maturity	288,096	-	288,096	1,261,851	1,261,851
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	Maturity	280,972	-	280,972	1,030,215	1,030,215
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	266,790	-	266,790	330,611	330,611
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.41%	Maturity	261,394	-	261,394	362,609	362,609
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.44%	Maturity	268,103	-	268,103	754,421	754,421
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	Maturity	270,820	-	270,820	627,941	627,941
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.45%	Maturity	266,756	-	266,756	606,388	606,388
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	Maturity	270,251	-	270,251	658,263	658,263
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	1.00%	Half-yearly	72,303	-	72,303	-	-
						Total			**2,440,950**	**-**	**2,440,950**	**6,505,986**	**6,505,986**

Reconciliation of financial liabilities derived from financing activities.

Item	Balance as of 12-31-2017	Cash flows from financing activities		Changes that have no effect on cash flow from financing activities			Balance as of 12-31-2018
		From	Used	Exchange rate differences	Changes in Fair Value	Other	
Interest-bearing loans	385,392,452	53,515,563	(27,946,961)	49,711,030	-	10,230,754	470,902,838
Bonds	1,621,195,932	-	(82,918,490)	107,305,529	-	55,354,462	1,700,937,433
Derivative transactions	8,946,936	-	(7,128,210)	-	1,087,831	-	2,906,557
Total	**2,015,535,320**	**53,515,563**	**(117,993,661)**	**157,016,559**	**1,087,831**	**65,585,216**	**2,174,746,828**

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

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

Current	12-31-2018 ThCh$	12-31-2017 ThCh$
Real estate tax	5,082,556	4,215,006
Deferred income (*)	759,859	738,578
Deferred advertising income (**)	5,013,831	-
Guarantees received:	14,105,731	13,570,893
Total	**24,961,977**	**18,524,477**

Non-Current	12-31-2018 ThCh$	12-31-2017 ThCh$
Deferred income (*)	3,009,656	3,165,020
Deferred advertising income (**)	51,783,963	-
Total	**54,793,619**	**3,165,020**

(*) Corresponds to advances on operating leases.

(**) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

14. *Balances and transactions with related parties*

Documents and accounts receivable:

As of December 31, 2018 and 2017, the Company records no outstanding balances of receivables from related parties.

Documents and accounts payable:

These are contributions received from the Government of Chile for network expansion projects. As of December 31, 2018, contributions pending capitalization amounted to ThCh$3,500,000 (there are no contributions pending capitalization in 2017).

Transactions:

The Company received ThCh$376,672,487 in contributions from the Chilean Treasury.

On September 24, 2018, ThCh$97,500,000 was capitalized, which required issuing and selling 3,320,844,687 ordinary shares.

On December 28, 2018, ThCh$275,672,487 was capitalized, which required issuing and selling 10,109,002,111 ordinary shares (Note 20 provides details of the capitalized amounts).

The outstanding balance to be capitalized amounts to ThCh$3,500,000 as of December 31, 2018, composed of contributions received during the year 2018.

Año 2017

The Company received ThCh$298,496,046 in contributions from the Chilean Treasury.

On Jue 22, 2017, ThCh$108,150,000 was capitalized, which required issuing and selling 3,617,056,856 ordinary shares.

On December 28, 2017, ThCh$231,642,246 was capitalized, which required issuing and selling 7,667,734,043 ordinary shares. (Note 20 provides details of the capitalized amounts).

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

Key management personnel

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

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

Directors' income are as follows:

Directors' income	Accumulated	
	12-31-2018 ThCh$	12-31-2017 ThCh$
Fixed remuneration	166,846	143,338
Variable remunerations	45,620	60,935
Total	**212,466**	**204,273**

Board of Directors' expenses

During 2018, airplane ticket expenses amounted to ThCh$534 (ThCh$6,093 in 2017).

During 2018 per Diem travel allowance expenses was ThCh$910 (there was no expenditure in 2017).

Remunerations of the General Manager and Other Managers:

During 2018, the compensation paid to the General Manager was ThCh$229,086 (ThCh$215,778 in 2017) and compensation paid to Other Managers (18 most senior executives) was ThCh$2,764,838 (ThCh$2,108,528 paid to the 14 most senior executives in 2017).

15. *Trade and other payables*

This item comprises the following:

Current Liabilities	12-31-2018 ThCh$	12-31-2017 ThCh$
Debts for purchases or services received	81,078,971	61,377,509
Accounts payable to Transantiago system	8,254,913	8,125,730
Withholdings	3,223,693	2,725,041
Supplier of property, plant and equipment	27,543,656	69,855,119
Megaproject contract withholding	4,707,124	4,674,308
Other payables	778,868	868,068
Accounts payable to AVO (Americo Vespucio Oriente)	233,085	-
Total	**125,820,310**	**147,625,775**

Non-Current Liabilities	12-31-2018 ThCh$	12-31-2017 ThCh$
Megaproject contract withholding	390,845	326,515
Accounts payable to AVO (Americo Vespucio Oriente)	739,295	-
Total	**1,130,140**	**326,515**

16. *Segment information*

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

The Company is a joint-stock that must be subject to the rules of open stock corporations in Chile, and its purpose is to carry out all activities of the passenger transport service in metropolitan railways or other complementary electrical systems, and surface transport services by bus or vehicles of any technology, as well as those annexed to said line of business. In this regard, the Company may incorporate, or have an interest in, companies, and carry out any act or operation related to the corporate purpose, whose main income corresponds to the transportation of passengers.

The processes associated with the provision of services are based on a common technological and administrative infrastructure, the current activities are framed in the provision of services in a national environment, and have a common environment in terms of economic and political conditions.

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

17. *Employee benefits*

Current:

Item	12-31-2018 ThCh$	12-31-2017 ThCh$
Accrued vacations	4,516,177	3,918,370
Employee benefit obligations	2,592,006	2,424,557
Production bonus obligations	7,680,684	6,681,546
Total	**14,788,867**	**13,024,473**

Non-current:

Item	12-31-2018 ThCh$	12-31-2017 ThCh$
Provision for terminations of employment contracts	13,825,546	14,114,928
Provision for resignations	45,490	52,559
Provision for mortality	658,621	747,758
Advance for severance indemnity payments	(1,732,423)	(1,723,878)
Total	**12,797,234**	**13,191,367**

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

Item	ThCh$
Liabilities as of 01.01.2018	**13.191.367**
Service interest	679.712
Benefits paid	(1.224.035)
Actuarial profit (loss)	150.190
Liabilities as of 12-31-2018	**12.797.234**

Item	ThCh$
Liabilities as of 01-01-2017	**13.519.115**
Service interest	629.761
Benefits paid	(704.286)
Actuarial profit (loss)	(253.223)
Liabilities as of 12-31-2017	**13.191.367**

Sensitivity analysis

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

2018					
Items	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rates (change of 0.5)	5.290%	4.790%	4.290%	12,574,678	13,027,381
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,069,182	12,534,729
Labor turnover (25% change)	1.813%	1.450%	1.088%	12,786,668	12,808,257
Mortality rate (25% change)	25.00%	CB14 y RV14	-25.00%	12,787,140	12,807,471

2017					
Items	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rates (change of 0.5)	4.650%	5.150%	5.650%	12,939,886	13,451,546
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,502,083	12,981,718
Labor turnover (25% change)	1.813%	1.450%	1.088%	13,184,282	13,198,835
Mortality rate (25% change)	25.00%	CB14 y RV14	-25.00%	13,181,135	13,201,757

Projection of the actuarial calculation for the following year:

The projected calculation for the following year is ThCh$13,364,380.

Estimate of expected cash flows for the following year:

The Company estimates that for the following years there will be expected payment flows for obligations on a monthly average of ThCh$102,003 as of December 31, 2018 (ThCh$58,690 as of December 31, 2017).

Opening for actuarial revaluation of obligations:

The Company revalued its obligations as of December 31, 2018, determining a profit due to the update of financial parameters of ThCh$1,075,288 (profit of ThCh$681,154 as of December 31, 2017) and a loss due to experience of ThCh$1,225,478 (loss of ThCh$427,932 as of December 31, 2017).

Item/Profit (loss)	12-31-2018 ThCh$	12-31-2017 ThCh$
Revaluation of financial parameters	1,075,288	681,154
Revaluation due to experience	(1,225,478)	(427,932)
Total deviation for the period	**(150,190)**	**253,222**

General considerations

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

Frozen severance

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

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

Legal indemnity:

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

Actuarial assumptions:

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

1. Mortality:

   The CB-H-2014 men and RV-M-2014 women's mortality tables established by the Chilean Superintendence of Pensions and Financial Market Commission were used.

2. Employee turnover:

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

Reason	Rate %
Dismissal	1.26
Resignation	0.12
Other	0.07

3. Discount rate:

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

Year	Rate %
12-31-2017	2.09
12-31-2018	1.77

4. Termination:

   The estimated maximum average termination ages are:

Employee	Age
Women	62 years
Men	68 years

18. *Income tax*

The Company had a negative first category (corporate) tax base of ThCh$1,147,464,084 as of December 2018 and ThCh$935,063,104 as of December 2017 determined in accordance with current legal provisions, therefore no income tax provision has been recognized as of these dates.

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

Temporary Difference	Tax assets		Tax liabilities	
	12-31-2018 ThCh$	12-31-2017 ThCh$	12-31-2018 ThCh$	12-31-2017 ThCh$
Provision for impairment of accounts receivable	152,976	188,192	-	-
Deferred revenue	942,379	975,899	-	-
Accrued vacations	1,129,044	979,593	-	-
Severance indemnity	1,594,368	1,601,702	-	-
Provision for lawsuits	198,915	436,115	-	-
Maintenance provision	620,104	780,509	-	-
Provision for employee benefits	648,001	606,139	-	-
Provision for spare parts	660,967	678,498	-	-
Irrecoverable VAT credit for extensions	-	-	31,415,873	30,560,188
Capitalized expenses	-	-	55,966,525	44,435,439
Property, plant and equipment	130,341,061	101,218,958	-	-
Tax loss	286,866,021	233,765,776	-	-
Other	3,633,174	3,601,562	-	-
Subtotal	426,787,010	344,832,943	87,382,398	74,995,627
Deferred tax assets, net	339,404,612	269,837,316	-	-
Reduction of deferred tax assets (1)	(339,404,612)	(269,837,316)	-	-
Deferred taxes, net	-	-	-	-

19. *Provisions, contingencies and guarantees*

As of December 31, 2018 and 2017, the Company is involved in legal proceedings (civil and labor), which include subsidiary lawsuits, which are not provisioned because of the application of IAS 37, due to their almost non-existent probability of unfavorable judgment.

The amount of the provision for lawsuit is as follows:

Other short-term provisions	12-31-2018 ThCh$	12-31-2017 ThCh$
Provision for lawsuits	795,662	1,744,461
Total	**795,662**	**1,744,461**

According to the current status of legal proceeding, Management believes those provisions recorded in the Consolidated Financial Statements properly cover the risks associated with the litigation, which are not expected to generate any additional liabilities.

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

Movements of provisions are as follows:

Item	Amount ThCh$
Balance 01-01-2017	630,590
Accrued provisions	4,138,030
Cash payments	(3,024,159)
Balance 12-31-2017	1,744,461
Accrued provisions	1,458,581
Cash payments	(2,407,380)
Balance 12-31-2018	795,662

On February 1, 2019 Metro collected the performance bonds provided in the contract entered into with Consorcio Acciona - Brotec - Icafal S.A. This is the enforcement of the judgment passed by the arbitrator Raúl Tavolari in connection with the trial referred to as CAM 2361-2015.

Direct guarantees

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

Type of guarantee	No. of guarantee	Issuing entity	Currency	Amount	Beneficiary	Issue date	Maturity date	Status	Amount ThCh$
Bank Guarantee	2418409	Banco Santander	USD	100.000	Enorchile S.A.	04-03-2018	03-31-2019	Valid	69.477
Bank Guarantee	3990834	Banco Santander	UF	150	Aguas Andina S.A.	05-24-2018	08-31-2019	Valid	4.135
Bank Guarantee	3733113	Banco Santander	UF	10.000	Enel Distribuidora S.A.	09-28-2018	11-17-2019	Valid	275.658
Bank Guarantee	3865891	Banco Santander	UF	1.128	Director Gral de Concesiones de O. Publicas	11-26-2018	12-31-2019	Valid	31.094
Bank Guarantee	292112	Banco Santander	UF	150	Constructora San Francisco	10-29-2018	12-31-2019	Valid	4.135
Bank Guarantee	141234	Banco Santander	UF	22.500	Total Sunpower El pelicano SPA	09-28-2018	12-31-2019	Valid	620.230
Bank Guarantee	142987	BBVA	UF	10.000	San Juan S.A.	02-05-2018	04-01-2019	Valid	275.658
Bank Guarantee	132461	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132462	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132463	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132464	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132465	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132466	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132467	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132468	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132469	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	132470	BBVA	UF	1.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	27.566
Bank Guarantee	132471	BBVA	UF	5.000	Subsecretaría de Transportes	07-30-2018	08-10-2019	Valid	137.829
Bank Guarantee	133014	Itau Corpbanca	UF	8.313,8	Junaeb	02-08-2018	07-01-2019	Valid	229.176

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

20. *Changes in equity*

2018 Capital increase

At the Extraordinary Shareholders' Meeting held on December 28, 2018, the shareholders of the Company agreed to:

- Increase the Company's capital by capitalizing government contributions of ThCh$275,672,487 at a nominal value, intended for financing extension and improvement projects for the Metro Network and for the debt service, through the issuance of 10,109,002,111 Series A shares which the Chilean Government and CORFO would have to subscribe and pay in pro rata of their ownership interest.

On December 11, 2018, CORFO paid the fiscal contributions signed on September 24, 2018.

At the Extraordinary Shareholders' Meeting held on September 24, 2018, the shareholders of the Company agreed to:

- Increase the Company's capital by capitalizing government contributions of ThCh$97,500,000 at a nominal value, through the issuance of 3,320,844,687 Series A shares which CORFO will subscribe and pay in on December 31, 2018 at the latest.

2017 Capital increase

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

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

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

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

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

a. Capital

As of December 31, 2018 the capital of the Company is represented by 80,172,231,944 and 19,163,677,063 Series A and B nominative shares with no par value, respectively, with 65,357,477,359 shares corresponding to CORFO and 33,978,431,648 to the Chilean Government.

As of December 31, 2017, the capital of the Company is represented by 66,742,385,146 and 19,163,677,063 Series A and B nominative shares with no par value, respectively, with 55,385,920.183 shares corresponding to CORFO and 30,520,142,026 to the Chilean Government.

Series A shares correspond to the initial capital and capital increases that are subscribed and paid by the Government and CORFO and cannot be

disposed of, Series B shares correspond to capital increases that could allow the incorporation of other shareholders.

Shareholders are detailed as follows:

Shareholders	12-31-2018 ThCh$		12-31-2017 ThCh$	
	Number of shares and percentages			
	Paid-in shares	Ownership %	Paid-in shares	Ownership %
Corporación de Fomento de la Producción	65,357,477,359	65.79%	55,385,920,183	64.47%
Chilean Treasury - Ministry of Finance	33,978,431,648	34.21%	30,520,142,026	35.53%
Total	**99,335,909,007**	**-**	**85,906,062,209**	**-**
Corporación de Fomento de la Producción				
Serie A	53,254,006,053	-	43,282,448,877	-
Serie B	12,103,471,306	-	12,103,471,306	-
Total	**65,357,477,359**	**-**	**55,385,920,183**	**-**
Chilean Treasury - Ministry of Finance				
Serie A	26,918,225,891	-	23,459,936,269	-
Serie B	7,060,205,757	-	7,060,205,757	-
Total	**33,978,431,648**	**-**	**30,520,142,026**	**-**

b. Distribution of net income and dividends

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

At the Ordinary Shareholders' Meeting held on April 23, 2018, the shareholders resolved not to distribute net income or dividends.

c. Non-controlling interests

Non-controlling interests correspond to the recognition by the Company of the share in the equity and net income of its subsidiary not directly or indirectly attributable to the Company, The detail for periods ended as of December 30, 2018 and 2017, respectively, is as follows.

Subsidiary	Percentage Non-controlling interest		Non-controlling interest equity		Share of profit or loss income (expense)	
	2018 ThCh$	2017 ThCh$	2018 ThCh$	2017 ThCh$	2018 ThCh$	2017 ThCh$
Transub S.A.	33.33	33.33	(10,645)	(10,645)	-	-

d. Other reserves

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

Other reserves	12-31-2018 ThCh$	12-31-2017 ThCh$
Price-level restatement 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 supplementary information is presented in the consolidated statement of changes in net equity.

21. *Income and expenses*

Revenue:

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

Revenue	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Revenue from passenger transport services	314,592,136	273,323,752
Sales channel income	47,942,984	41,333,583
Lease of commercial stores, and commercial and advertising spaces	16,186,578	15,527,648
Lease in inter-modal terminals	1,762,080	1,767,386
Lease of spaces for telephone and fiber optic antennas	6,781,514	6,238,813
Lease of land	752,278	777,679
Advisory services	224,880	431,563
Other	610,364	648,654
Total	**388,852,814**	**340,049,078**

Other income, by function

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

Other income by function	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Income from fines and indemnities	1,289,906	544,774
Welfare income	496,306	440,623
Sale of proposals	62,582	30,797
Other income	1,379,083	1,474,254
Total	**3,227,877**	**2,490,448**

Operating income:

The operating income for the years ended as of December 31, 2018 and 2017, is as follows:

Operating income	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Revenue	388,852,814	340,049,078
Cost of sales	(328,189,648)	(288,011,283)
Administrative expenses	(44,426,907)	(40,386,097)
Total	**16,236,259**	**11,651,698**

Note: The operating income excludes the amounts that make up non-operating income and expenses, as per the Company's accounting policies.

Expenses by nature:

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

Expense by nature	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Employee expenses	100,737,586	85,961,220
Operation and maintenance expenses	74,923,911	60,685,683
Purchase of energy	47,594,362	43,830,963
General and other expenses	61,269,228	61,784,725
Depreciation and amortization	89,954,318	77,108,704
Total	**374,479,405**	**329,371,295**

Personnel expenses:

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

Employee expenses	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Salaries and wages	63,597,116	56,855,068
Other Benefits	31,071,737	24,310,231
Expenses for social security and collective bargaining benefits	3,138,755	2,198,284
Social security contribution	2,929,978	2,597,637
Total	**100,737,586**	**85,961,220**

General and other expenses:

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

General and other expenses	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Service contracts	27,940,965	25,625,792
Real estate taxes	5,065,024	4,623,950
Corporate image expenses	2,154,362	2,723,214
Sales channel operator expense	21,226,757	22,013,936
Insurance, materials and other	4,882,121	6,797,833
Total	**61,269,229**	**61,784,725**

Maintenance and operating expenses:

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

Operation and maintenance expenses	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Maintenance of rolling stock, stations and other	58,432,293	45,403,324
Spare parts and materials	12,041,201	10,637,146
Repairs, leases and other	4,450,417	4,645,213
Total	**74,923,911**	**60,685,683**

Depreciation and amortization:

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

Depreciation, amortization	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Depreciation	89,569,368	76,792,334
Amortization	384,950	316,370
Total	**89,954,318**	**77,108,704**

Financial result and exchange differences:

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

Finance income (costs)	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Finance income		
Interest from cash and cash equivalents	8,630,166	7,891,823
Finance income from swaps	-	1,261,488
Other finance income	275,678	301,653
Subtotal	**8,905,844**	**9,454,964**
Financial expenses		
Interest and expenses on bank loans	(7,604,437)	(5,292,797)
Interest and expenses on bonds	(54,434,906)	(48,080,293)
Other financial costs	(1,927,754)	(936,028)
Subtotal	**(63,967,097)**	**(54,309,118)**
Profit (loss) from financial result	(55,061,253)	(44,854,154)

Foreign currency translation and indexation units	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Foreign currency translation difference		
Profit (loss) from exchange differences (foreign loans, bonds and investments)	(123,478,609)	72,537,510
Total foreign currency translation difference	**(123,478,609)**	**72,537,510**
Indexation units		
Profit (loss) from Indexation unit (bonds)	(28,484,104)	(16,925,084)
Total indexation units	**(28,484,104)**	**(16,925,084)**

Other profit (losses):

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

Other income (expenses)	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Net present value of swap USD	9,814,405	47,756,751
Net present value of swap UF	2,878,157	(56,396,061)
Net present value VAT	1,005,281	(685,800)
Total	**13,697,843**	**(9,325,110)**

Other comprehensive income:

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

Other comprehensive income	Accumulated	
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$
Actuarial profit (loss) on defined benefit plans	(150,190)	253,223
Total	**(150,190)**	**253,223**

22. *Third-party guarantees*

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

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	65,695,994	Services contract	Supplier
Alstom Chile S.A.	217,633,758	Services contract	Supplier
Alstom Transport S.A.	81,502,480	Services contract	Supplier
Besalco Dragados Grupos 5 y 6 S.A.	51,333,126	Services contract	Supplier
Bitelco Diebold Chile Ltda.	3,396,212	Services contract	Supplier
CAF Chile S.A.	802,663,510	Services contract	Supplier
Compañía Americana de Multiservicios	7,959,763	Services contract	Supplier
Construcciones Piques y Túneles	44,438,648	Services contract	Supplier
Consorcio Acciona-Brotec-Icafal S.A.	13,330,241	Works contract	Supplier
Consorcio Copisa Chile SPA	3,557,172	Works contract	Supplier
Consorcio EI-OSSA S.A.	18,743,227	Works contract	Supplier
Construcción y Auxiliar de Ferrocarril	240,277,506	Works contract	Supplier
Constructora Jorge Orellana Lavanderos	7,004,535	Services contract	Supplier
Construcciones Especializadas	9,569,199	Services contract	Supplier
ETF	22,101,675	Services contract	Supplier
ETF Agencia en Chile	91,266,428	Services contract	Supplier
Eulen Seguridad S.A.	3,722,980	Services contract	Supplier
Faiveley Transport Far East	5,463,913	Services contract	Supplier
Ferrostal Chile S.A.	4,133,520	Services contract	Supplier

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Ferrovial Agroman Chile S.A.	53,690,898	Services contract	Supplier
Indra Sistemas Chile S.A.	62,160,159	Services contract	Supplier
ISS Servicios Integrales Limitada	3,521,971	Services contract	Supplier
Massiva S.A.	3,032,237	Services contract	Customer/Supplier
Obrascon Huarte Lain	4,052,171	Services contract	Supplier
OFC SPA	9,760,797	Services contract	Supplier
POCH y Asociados Ingenieros Consultores S.A.	3,432,278	Services contract	Supplier
Servicios de Respaldo de Energía Teknica Ltda.	3,845,709	Services contract	Supplier
SGS Chile Ltda.	3,541,928	Services contract	Supplier
Sice Agencia Chile S.A.	72,218,953	Services contract	Supplier
Sociedad de Mantención e Instalaciones Técnicas	72,898,139	Services contract	Supplier
Soler y Palau S.A.	63,938,537	Services contract	Supplier
Strukton Arrigoni SPA	9,389,470	Works contract	Supplier
Systra Agencia en Chile	4,129,887	Services contract	Supplier
Thales Canadá INC.	26,228,537	Services contract	Supplier
Thyssenkrupp Elevadores S.A.	54,154,874	Services contract	Supplier
Valoriza Facilities	2,952,329	Services contract	Supplier
Other	100,139,235	Services contract	Supplier
TOTAL	**2,246,881,996**		

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 with changes in market conditions or force majeure, among others.

23.1. Description of the market in which the Company operates

The main market in which the Company operates is the 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.

Fares

On February 10, 2007, the Company became part of the Integrated Public Passenger Transport System of Santiago, which is referred to as Transantiago, and its fare revenue was originally based on the effectively confirmed number of passengers transported and the technical fare 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 fare 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 changes in the variables making up the Company's long-term cost structure (CPI, US dollar, euro, power and electric energy price. This allows for a natural hedge in case of cost variations caused by an increase in any of the variables making up the polynomial.

The fare paid by the public is different than the fare that the Company receives per transported passenger. In December 2018, customers paid Ch$780 at peak hours, Ch$700 at valley hours and Ch$650 at low hours, whereas on average the Company received a technical fare of Ch$446.14 per passenger.

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

Demand

To date, the Company is the structuring pillar of the Integrated Public Passenger Transport System (Transantiago) and as of September 2018 reached a level of 2.47 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 effect, the demand for passenger transport is a demand derived from other economic activities. Thus, as of December 2018, there was an increase of 35.94 million trips,

a positive variation of 5.3% compared to the same date in 2017, which is explained mainly by the increase in traffic due to the entry into operation of Line 6 (November 2017).

23.2. Financial risks

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

In loans from 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 fare that the Company receives is updated monthly by the indexation polynomial which takes into consideration changes in the variables making up the Company's long- term cost structure (CPI, US dollar, euro, power and electric energy price). This allows for a natural hedge in case of cost variations caused by an increase in certain variables making up the polynomial.

To reduce the Company's exposure to financial debt denominated in US dollars and to interest rate changes, the Company has implemented a financial risks economic hedge policy. As part of this policy, the Company performed derivative cross currency swap ("CCS") transactions, reaching a balance of MUS$300 as of December 31, 2018 (MUS$260 as of December 31, 2017), which do not meet the hedge accounting criteria.

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

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 borrowings obtained by the Company at variable rates.

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

Detail of debt	12-31-2018 %	12-31-2017 %
Fixed rate	79.3	81.9
Variable rate	20.7	18.1
Total	**100.0**	**100.0**

In conducting a sensitivity analysis as of December 31, 2018 on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$610 (MUS$582 as of December 31, 2017), we note in the following table that the effect on profit or loss in a scenario where the Libor rate is increased by 100 basis points would result in an annual increase in finance expenses of MUS$6.4(MUS$5.8 as of December 31, 2017).

Sensitivity analysis	Equivalent in MUS$	Total %
Total Debt (equivalent to MUS$)	3,085	100%
Debt at LIBOR rate	610	
IRS	29	
Total Debt at Variable Rate	639	21%
Total Debt at Fixed Rate	2,446	79%

Variation in Financial Expenses	ThCh$	Equivalent in MUS$
Impact on financial expenses of a variation of 100 basis points in LIBOR	4,443	6,4

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 rate risks, the Company has contracted cross currency swap (CCS) financial derivatives, which amount to MUS$300 as of December 31, 2018.

The Company also exposed to inflationary risk as it maintains a debt with bondholders for UF-denominated bonds issued in the domestic market.

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

Financial Debt Structure	12-31-2018			12-31-2017		
	Original currency	Equivalent in MUS$	%	Original currency	Equivalent in MUS$	%
Debt in UF	ThUF 42,648	1,692	55%	ThUF 42,770	1,864	58%
Debt in USD	MUSD 1,393	1,393	45%	MUSD 1,353	1,353	42%
Total Financial Debt		**3,085**	**100%**		**3,217**	**100%**

As of December 31, 2018, the structure of the financial debt is divided into UF (55%) and US dollars (45%).

This is in line with Metro's operating cash flows, in which the indexation polynomial updates the Company's technical fare 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 Consolidated Statement of Comprehensive Income as of December 31, 2018, in case of a possible 10% depreciation/appreciation of the Chilean peso in respect to the US dollar, leaving all the rest of the parameters constant, we estimate that a loss or profit of ThCh$96,781,461 would arise.

Sensitivity analysis Effect on profit or loss as of December 2018	10% Depreciation ThCh$	10% Appreciation ThCh$
Impact of variation of 10% in Ch$/ USD exchange rate	(96,781,461)	96,781,461

Likewise, an estimation in the event of a possible appreciation of 3% of the value of UF, considering that all other parameters remain constant, would result in a loss of ThCh$35,268,774.

Sensitivity analysis Effect on profit or loss as of December 2018	3% Appreciation ThCh$
Impact of variation of 3% in UF	(35,268,774)

Liquidity risk

Revenue from fares associated with Metro S.A. passenger transportation, based on the new transport contract, are deducted daily from the funds collected by the Company's sales channel, generating the liquidity necessary to cover the Company's commitments. This revenue corresponds to 81% of total revenue.

Additionally, the Company operates with bank credit lines properly approved by BNP Paribas and Sumitomo Mitsui Banking, which reduces liquidity risk (see Note12).

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

	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	5 years and beyond ThCh$	Total ThCh$
Principal	80,731,450	354,703,880	332,661,884	1,375,373,698	2,143,470,912
Interest	95,996,604	218,222,052	396,065,009	326,796,115	1,037,079,780
Total	**176,728,054**	**572,925,932**	**728,726,893**	**1,702,169,813**	**3,180,550,692**

Financial liability structure

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

Financial Liabilities	12-31-2018				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	5 years and beyond ThCh$	Total ThCh$
Interest-bearing loans	45,616,568	167,360,584	103,999,489	153,926,197	470,902,838
Bonds	66,532,986	135,022,072	129,118,549	1,370,263,826	1,700,937,433
Derivative transactions	2,906,557	-	-	-	2,906,557
Total	**115,056,111**	**302,382,656**	**233,118,038**	**1,524,190,023**	**2,174,746,828**

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

In general, the Company's debt structure consists mainly of long-term bonds and bank loans, which are intended to ensure financial stability and improve matching with the maturity terms of the Company's assets.

Carrying amounts and fair value of the debt in loans and bonds of the Company as of December 31, 2018 are detailed as follows.

	Book Value ThCh$	Fair Value ThCh$
Loans	470,902,838	509,191,817
Bonds	1,700,937,433	1,851,069,193

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

The following methodology is used to calculate the fair value:

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

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

International bond: For such calculation the Company uses the rate reported by Bloomberg for transactions performed as of the quarter-end.

Credit risk

The Company's credit risk refers to the exposure to possible losses due to a counterparty's breach of conditions stipulated in a contract or financial instrument. It considers both credit granted to customers and financial assets in portfolio.

Accounts receivable

The risk of accounts receivable arising from the Company's main business (passenger transportation) is limited, since 81% of the Company's revenue is received daily in cash, whereas the remaining 19% corresponds to income not related to the main business.

The maximum exposure to credit risk arises from trade receivables.

Trade and other receivables	12-31-2018 ThCh$	12-31-2017 ThCh$
Trade receivables, gross	12,130,740	2,930,697
Impairment of Trade receivables	(611,902)	(752,768)
Trade receivables, net	**11,518,838**	**2,177,929**
Sales channel accounts receivable, net	1,432,312	4,566,117
Other receivables, net	2,021,894	1,999,299
Total	**14,973,044**	**8,743,345**

Other receivables relate mainly to leases of commercial stores, advertising and invoices receivable with low delinquency.

Impairment of accounts receivable is determined using the legal reports issued by the Company´s Legal Affairs Management, and considering

the level of default of the receivable and the judicial collection and non-judicial collection measures taken.

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

Age of trade receivables, net	12-31-2018 ThCh$	12-31-2017 ThCh$
Less than 3 month	5,698,706	1,880,655
3 months to 1 year	5,594,526	87,918
More than 1 year	225,606	209,356
Total	**11,518,838**	**2,177,929**

Age of Sales channel accounts receivable, net	12-31-2018 ThCh$	12-31-2017 ThCh$
Less than 3 months	1,173,654	4,115,793
3 months to 1 year	256,435	444,012
More than 1 year	2,223	6,312
Total	**1,432,312**	**4,566,117**

Age of Other receivables, net	12-31-2018 ThCh$	12-31-2017 ThCh$
Less than 3 months	547,072	554,765
3 months to 1 year	1,474,822	1,444,534
Total	**2,021,894**	**1,999,299**

Financial assets

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

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

Financial Assets	12-31-2018			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and Cash Equivalents				
Cash	1,518,585	-	-	1,518,585
Term deposits	148,658,483	-	-	148,658,483
Repurchase agreements	14,933,614	-	-	14,933,614
Subtotal	**165,110,682**	**-**	**-**	**165,110,682**
Other financial assets				
Financial Investments	183,001,269	-	-	183,001,269
Derivative transactions	4,244,173	395,000	3,605,394	8,244,567
Financial lease	57,871	388,646	1,392,215	1,838,732
Promissory notes receivable	-	665,620	-	665,620
Advertising receivables	-	27,254,717	24,529,246	51,783,963
Other accounts receivable	-	6,447	-	6,447
Subtotal	**187,303,313**	**28,710,430**	**29,526,855**	**245,540,598**
Total	**352,413,995**	**28,710,430**	**29,526,855**	**410,651,280**

Financial Assets	12-31-2017			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and Cash Equivalents				
Cash	2,674,758	-	-	2,674,758
Term deposits	147,605,384	-	-	147,605,384
Repurchase agreements	1,959,976	-	-	1,959,976
Subtotal	**152,240,118**	**-**	**-**	**152,240,118**
Other financial assets				
Financial Investments	145,038,270	-	-	145,038,270
Derivative transactions	3,382,956	1,043,400	-	4,426,356
Financial lease	46,551	312,621	1,314,336	1,673,508
Promissory notes receivable	-	583,469	-	583,469
Other accounts receivable	-	7,905	-	7,905
Subtotal	**148,467,777**	**1,947,395**	**1,314,336**	**151,729,508**
Total	**300,707,895**	**1,947,395**	**1,314,336**	**303,969,626**

The average period of maturity of financial investments as of December 31, 2018 is less than 90 days and they are invested in banks; none of them represent a significant percentage with respect to the others.

The above is due to the Company's financial investment policy, which focuses on reducing the risks by diversifying the portfolio, and establishing maximum limits of investment per bank and minimum risk ratings per issuer.

23.3. Capital risk management

Pursuant to capital management, the Company seeks to maintain an optimal capital structure while reducing its cost and ensuring its long-term financial stability. At the same time, it complies with its financial obligations and covenants established in the debt contracts.

Every year the Company, through the Extraordinary Shareholders' Meeting, capitalizes Government contributions associated to the financing of its expansion projects.

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

Index	12-31-2018	12-31-2017
Leverage (times)	0.86	0.85
Equity (MCh$)	2,797,907	2,600,609

23.4. Commodities risk

The Company's commodities risk factors include the supply of electric energy it requires for its operation and the need for continuity of service, in case of possible supply interruptions. In this respect, the Company has a supply system that allows it to decrease exposure in case of supply interruption by having two points of direct connection to the National Electrical Coordinator, which supply Lines 1, 2, 5 and 6, as well as two points for supplying Line 4.

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

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, resulting in normal network operation.

In the case of Lines 1, 2, 5 and 6, if there is an interruption in the National Electrical Coordinator, the distribution company has defined replacement of the supply that feeds the civic neighborhood of Santiago as a first priority, which allows the Metro network to have energy almost immediately, since Metro is supplied by the same sources.

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

a distributor entity with which the Company entered into a contract on September 2015 for 40% of power supply until December 2023.

On December 29, El Pelicano was sold, resulting in the change only of its majority shareholder (Sunpower), generating no operating risks for Metro's electrical supply.

24. *Environment*

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

Project	Allocated to administration expense		Allocated to property, plant and equipment		Expenditures commited in the future
	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$	01-01-2018 12-31-2018 ThCh$	01-01-2017 12-31-2017 ThCh$	2019 Amount ThCh$
Noises and vibrations	56,528	34,157	2,601,675	796,455	3,597,920
Waste treatment	233,369	215,046	123,199	103,914	500,173
Run-off water	142,416	123,114	-	-	136,256
Environmental management	77,127	148,438	1,211,375	840,599	6,940,402
Monitoring of polluting parameters	3,558	28,420	-	-	7,957
Total	512,998	549,175	3,936,249	1,740,968	11,182,708

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

25. *Sanctions*

During 2018 and 2017, the Company and its Directors have not been sanctioned by the Chilean Financial Market Commission or any other regulator.

26. *Subsequent events*

During the period between January 1 and March 25, 2019 the following event occurred which does not affect the Company's financial position and profit or loss.

Letter No. 89, dated March 5, 2019, reports that the attending Board members, in a meeting dated March 4, 2019, unanimously decided to incorporate the subsidiary MetroPago S.A. which, with address in Santiago, has an indefinite term. The subsidiary's only line of business is "the issuance of payment means with funds in the terms authorized by Act No. 20,950 which authorizes the Issuance and Operation of Payment Means with Funds from Non-Banking Entities".

Julio E. Pérez Silva
General Accountant

Rubén Alvarado Vigar
General Manager

10 Declaración de Responsabilidad

Declaración de Responsabilidad

Los Directores y Gerente General de Empresa de Transporte de Pasajeros Metro S.A. (“Metro S.A.”), firmantes de esta declaración, se hacen responsables bajo juramento respecto de la veracidad de toda la información incorporada en la Memoria Anual 2018 de Metro S.A. La firma de esta declaración es efectuada en cumplimiento de la Norma de Carácter General Nº 30 y sus modificaciones, emitida por la Comisión para el Mercado Financiero (CMF).

Nombre	Cargo	C.I.	Firma
Louis de Grange Concha	Presidente Directorio	12.487.883-7	
Nicole Marie Keller Flaten	Vicepresidenta	15.636.164-K	
Karen Paulina Poniachik Pollak	Directora	6.379.415-5	
Germán Daniel Concha Zavala	Director	10.381.528-2	
Arturo Carlos Gana de Landa	Director	4.432.093-2	
Juan Carlos Herrera Maldonado	Director	10.023.113-1	
Luz Elena Granier Bulnes	Directora	7.040.317-K	
Rubén Rodrigo Alvarado Vigar	Gerente General	7.846.224-8	

Santiago, 25 de marzo de 2019

Annual Report

2018

Empresa de Transporte de Pasajeros Metro S.A.
Address: Av. Libertador Bernardo O'Higgins 1414, Santiago.
www.metro.cl

Contenido
Metro de Santiago

Diseño y Diagramación
Motif Diseño y Comunicación

Fotografías
Archivo fotográfico Metro de Santiago