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financial statement  
metro s.a.

'07



:\_balance  
sheets

as 31 st december

(In thousands of chileans pesos)

Assets	Note No.	2007 ThCh\$	2006 ThCh\$
<b>Current assets</b>			
Cash and banks		2,409,145	1,040,512
Time deposits	42	39,603,802	9,405,135
Trade receivables (net)	5	3,732,557	854,442
Notes receivable (net)	5	903,982	549,089
Sundry debtors (net)	5	3,574,459	3,833,130
Inventory		1,766	1,643
Recoverable taxes	8	278,681	539,499
Prepaid expenses		11,238	9,711
Other current assets	10,11 and 32	23,984,436	45,232,990
<b>Total current assets</b>		<b>74,500,066</b>	<b>61,466,151</b>
<b>Fixed assets</b>			
Land	12	44,769,487	43,749,714
Buildings and infrastructure works	12	1,271,325,015	1,309,364,356
Machinery and equipment	12	1,014,668,198	866,861,227
Other fixed assets	12	17,707,515	10,870,719
Sub Total		2,348,470,215	2,230,846,016
Less: Accumulated Depreciation	12	(385,195,036)	(336,346,419)
<b>Total net fixed assets</b>		<b>1,963,275,179</b>	<b>1,894,499,597</b>
<b>Other assets</b>			
Long-term debtors	5	34,375,096	35,977,325
Related companies' notes and accounts receivables	6	32,983	32,983
Intangible assets (net)		328,489	310,344
Other	18 and 32	8,304,691	9,244,875
<b>Total other assets</b>		<b>43,041,259</b>	<b>45,565,527</b>
<b>Total assets</b>		<b>2,080,816,504</b>	<b>2,001,531,275</b>

The enclosed explanatory notes No. 1 to 43 pertain to these financial statements.

For comparison purposes, 2006 values were restated by 7,4%

:\_balance  
sheets

as 31 st december

(In thousands of chileans pesos)

Liabilities	Note No.	2007 ThCh\$	2006 ThCh\$
<b>Current liabilities</b>			
Bank and financial institutions obligations, long term portion short term	19	46,751,551	38,704,642
Bonds payable, short term	22	8,440,291	8,470,663
Accounts payable		16,811,986	8,807,987
Sundry creditors		140,318	76,123
Provisions	23	26,118,904	15,025,937
Withholdings		1,246,837	1,029,618
Unearned income		1,724,615	2,168,842
Other current liabilities		191,208	221,025
<b>Total current liabilities</b>		<b>101,425,710</b>	<b>74,504,837</b>
<b>Long-term liabilities</b>			
Bank and financial institution obligations	21	378,961,171	409,164,929
Bonds payable, long-term	22	427,773,988	429,313,332
Notes payable, long term		69,357	1,388,048
Long-term notes and accounts payable to related companies	6	40,515,847	-
Long-term provisions	23	29,243,410	22,035,207
Other long-term liabilities		19,654,357	20,640,762
<b>Total long-term liabilities</b>		<b>896,218,130</b>	<b>882,542,278</b>
<b>Equity</b>			
Paid capital	27	1,095,745,661	1,073,560,085
Accumulated results	27	(29,075,925)	10,412,583
Net income (loss) for the year	27	16,502,928	(39,488,508)
<b>Total equity</b>		<b>1,083,172,664</b>	<b>1,044,484,160</b>
<b>Total liabilities</b>		<b>2,080,816,504</b>	<b>2,001,531,275</b>

The enclosed explanatory notes No. 1 to 43 pertain to these financial statements.

For comparison purposes, 2006 values were restated by 7,4%

**Financial Statement  
of Income**  
from January 01  
to 31 December

(In thousands of Chilean pesos)

	Note No.	2007 ThCh\$	2006 ThCh\$
<b>Operating income</b>			
Passenger transport revenue		156,015,040	112,396,269
Sales Channel revenue		11,007,407	-
Commercial premises and space rental		3,162,571	2,801,900
Advertising space rental		3,355,230	3,733,756
Sundry rentals		2,857,186	2,571,649
Other operating income		468,735	397,282
<b>Total operating income</b>		<b>176,866,169</b>	<b>121,900,856</b>
<b>Operating expenses</b>			
Personnel expenses		(27,342,649)	(18,266,564)
Maintenance expenses		(33,546,736)	(19,384,887)
Electricity costs		(20,053,433)	(13,593,108)
General operating expenses		(26,614,170)	(12,981,421)
Depreciation and amortization		(47,477,990)	(39,209,731)
<b>Total operating expenses</b>		<b>(155,034,978)</b>	<b>(103,435,711)</b>
<b>Operating margin</b>		<b>21,831,191</b>	<b>18,465,145</b>
<b>Selling and administrative expenses</b>			
Personnel expenses		(5,645,159)	(5,168,925)
Maintenance expenses		(295,526)	(346,920)
General administrative and selling expenses		(6,473,876)	(5,584,248)
Depreciation and amortization		(1,425,437)	(1,223,489)
<b>Total administrative and selling expenses</b>		<b>(13,839,998)</b>	<b>(12,323,582)</b>
<b>Operating result</b>		<b>7,991,193</b>	<b>6,141,563</b>
<b>Non-operating result</b>			
Financial income		4,008,889	1,728,869
Other non-operating income	28	2,027,484	1,216,806
Related companies investment loss (less)		(197)	-
Financial expense (less)		(49,704,918)	(43,371,875)
Other non-operating expenses (less)	28	(1,254,926)	(1,024,998)
Monetary correction	29	724,557	(547,339)
Exchange rate difference	30	52,710,846	(3,631,534)
<b>Total non-operating result</b>		<b>8,511,735</b>	<b>(45,630,071)</b>
Result before income tax and extraordinary items		16,502,928	(39,488,508)
<b>Utility (loss) for the year</b>		<b>16,502,928</b>	<b>(39,488,508)</b>

The enclosed explanatory notes No. 1 to 43 pertain to these financial statements.

For comparison purposes, 2006 values were restated by 7,4%

## :\_cash flow statement

january 1 to december 31

(In thousands of chileans pesos)

	Note No.	2007 ThCh\$	2006 ThCh\$
<b>Cash Flows from Operating Activities</b>			
Collection of trade accounts receivable		170,819,892	124,105,428
Financial income received		3,018,636	913,864
Other income received		1,619,268	2,141,946
Payments to suppliers and personnel (less)		(89,549,172)	(62,776,916)
Interests paid (less)		(46,506,991)	(36,611,561)
Other expenses paid (less)		(2,601,797)	(902,505)
Value added tax and similar payments (less)		(1,164,190)	(1,075,616)
<b>Net positive cash flow from operating activities</b>		<b>35,635,646</b>	<b>25,794,640</b>
<b>Cash flows from financing activities</b>			
Bonds issued		22,185,576	181,795,853
Loans drawn		83,262,946	127,187,677
Documented loans from related companies	6	40,515,847	-
Loans repaid (less)		(49,048,075)	(23,852,465)
Repayment of documented loans from related companies (less)		-	(83,307,065)
<b>Net positive cash flow from financing Activities</b>		<b>96,916,294</b>	<b>201,824,000</b>
<b>Cash flows from investment activities</b>			
Other investment income		44,113,253	-
Capitalized interests payment (less)	2h	(753,566)	(2,881,692)
Fixed assets acquisition (less)		(117,695,046)	(221,249,299)
Other investment disbursements (less)		(44,144,855)	(191,355)
<b>Net negative cash flow from investment activities</b>		<b>(118,480,214)</b>	<b>(224,322,346)</b>
Net total cash flow for the year		14,071,726	3,296,294
Effect of inflation on cash and cash equivalents		(4,054,672)	(1,618,618)
<b>Net change in cash and cash equivalents</b>		<b>10,017,054</b>	<b>1,677,676</b>
Opening balance of cash and cash equivalents		48,345,953	46,668,277
<b>Closing balance of cash &amp; cash equivalents</b>	2r	<b>58,363,007</b>	<b>48,345,953</b>

The enclosed explanatory notes No. 1 to 43 pertain to these financial statements.

For comparison purposes, 2006 values were restated by 7,4%

## cash flow statements

january 1 to december 31

(In thousands of chileans pesos)

<b>Reconciliation of net cash flow from operating activities and result for the year</b>	<b>Note No.</b>	<b>2007 ThCh\$</b>	<b>2006 ThCh\$</b>
Net income (loss) for the year		16,502,928	(39,488,508)
<b>Result on asset sales</b>		<b>21,586</b>	<b>46,507</b>
Loss on sales of fixed assets	28	21,586	46,507
<b>Charges (credits) to income not representing cash flows</b>		<b>37,634,237</b>	<b>77,672,356</b>
Depreciation for the year	12	48,892,861	40,424,425
Amortization of intangible assets	12	10,566	8,795
Write-offs and provisions		27,140,674	16,352,376
Pérdida devengada en inversiones en empresas relacionadas		197	-
Price-level restatements, net	29	(724,557)	547,339
Exchange differences, net	30	(52,710,846)	3,631,534
Other credits to income not representing cash flows (less)		(1,513,323)	(1,659,151)
Other credits to income not representing cash flows		16,538,665	18,367,038
<b>Changes in assets affecting cash flows (increases) decreases</b>		<b>(8,851,395)</b>	<b>3,045,405</b>
Trade accounts receivable		(8,966,050)	1,277,847
Inventories		(200)	(1,729)
Other assets		114,855	1,769,287
<b>Changes in liabilities affecting cash flow increases (decreases)</b>		<b>(9,671,710)</b>	<b>(15,481,120)</b>
Accounts payable related to operating income		4,152,587	(3,546,029)
Interest payable		3,197,927	6,760,313
Other accounts payable related to the non-operating result		(17,907,122)	(18,291,051)
Value added tax and similar payables (net)		884,898	(404,353)
<b>Net cash flow from operating activities</b>		<b>35,635,646</b>	<b>25,794,640</b>

The enclosed explanatory notes No. 1 to 43 pertain to these financial statements.

For comparison purposes, 2006 values were restated by 7,4%

## notes to the financial statements

as of 31<sup>st</sup> december, 2007 and 2006

EMPRESA DE TRANSPORTE DE PASAJEROS METRO S.A.

### 1: Inscription in the Securities Register

Dated 28th January 1989, Law No. 18,772 was published in the Official Gazette, creating “Empresa de Transporte de Pasajeros Metro S.A.”, which is governed by the rules affecting open corporations. On January 25, 1990, the Company began its operations as the legal successor, in all its rights and obligations, of the Dirección General de Metro.

The company is inscribed in the Securities Register under No. 421 and is subject to the supervision of the Chilean Superintendency of Securities and Insurance.

### 2: Applied accounting criteria:

a) **Accounting period**\_ The financial statements relate to the twelve-month periods ended 31<sup>st</sup> December 2007 and 2006.

b) **Preparation basis**\_ These financial statements have been prepared in compliance with the accounting principles generally accepted in Chile, issued by the Chilean Accountants Association, with rules administered by the Chilean Superintendency of Securities and Insurance. In case of discrepancies, the rules administered by the Superintendency of Securities and Insurance prevail, except for the subsidiary investment, registered in a single line of the general balance sheet at equity value, therefore, it has not been established line to line. This treatment does not modify the net result for the year or the equity.

c) **Presentation basis**\_ Financial statements as of December 31 2006 and their respective notes have been restated by 7.4% off-the-books for comparison purposes and the corresponding reclassifications have been made in appropriate cases.

d) **Monetary correction**\_ In order to reflect the effect of the variation in the purchasing power of the local currency in the financial statements; equity capital, non monetary assets and liabilities, profit statements and cash flow have been restated according to the accounting principles generally accepted in Chile.

For these purposes, the following restatements percentages were applied as of December 31, 2007 and 2006 (Note 29)

	2007	2006
	%	%
Inicial Capital	7.4	2.1
January	7.3	2.5
February	7.0	2.4
March	7.2	2.5
April	6.7	1.9
May	6.1	1.2
June	5.5	1.0
July	4.5	0.4
August	3.3	(0.1)
September	2.2	(0.4)
October	1.1	(0.4)
November	0.8	(0.2)

:\_notes to the  
financial statements

as of 31 st december, 2007 and 2006

- e) **Conversion basis\_** Assets and liabilities in foreign currency and those in Unidades de Fomento, are shown at the following exchange rates and values at each year end.

	2007	2006
	Ch\$	Ch\$
American Dollar (US\$) "Observado"	496.89	532.39
American Dollar (US\$) "Acuerdo"	601.96	596.87
Euro (E)	730.94	702.08
Pounds Sterling (£)	989.43	1.041.86
Unidad de fomento (U.F.)	19,622.66	18,336.38
Unidad tributaria mensual [Monthly Tax Unit] (U.T.M.)	34,222.00	32,206.00

- f) **Inventories\_** The company has stocks of promotional items for their sale, which are shown under the inventories of the current asset. For these items, the cost system used by the company is the weighted average.

The spare part and supply for operations stock is shown under "Other Current Assets" and "Other Fixed Assets" at their restated replacement cost. The costing system for these items is F.I.F.O. The company makes allowances of obsolescence for spare parts and equipment maintenance. The obsolescence allowance is made on the basis of technical reports from professionals in the equipment user areas and the repair and maintenance areas.

- g) **Bad debt estimate\_** The criteria used to for the allowance for rental debtors, are based on the monthly information provided by the Commercial Management and a 100% allowance is made on the third overdue month. Regarding notes and accounts receivables, this is based on reports from the lawyers, which inform the status of the trials and the possibility of collecting the debt.

- h) **Fixed assets\_ Fixed assets are shown at their restated initial contribution or purchase cost. All fixed assets with a value of 2 UTM or more are capitalized and those of lower value are taken to expenses of the year.**

Maintenance expenses incurred regularly each year, to keep the asset in normal operation, are charged to the corresponding year profit. For rolling stock major and mid-life maintenance, an allowance has been made each year, according to the maintenance program and it is shown under short and long term provisions.

Financing costs directly related to works in progress, are capitalized according to Technical Bulletin No.31 of the Chilean Accountants Association. ThCh\$ 753,566 have been capitalized under this concept in 2007, and ThCh\$ 2,881,692 in 2006.

- i) **Fixed assets depreciation\_** Depreciation is calculated on the restated contribution or purchase value, according to the linear method and the assets' estimated useful life.

- j) **Intangible assets\_** These relate to effectively paid easements. They are valued at their restated original cost, and they are amortized by the linear method over 40 years, according to Technical Bulletin No. 55 of the Chilean Accountants Association.

- k) **Transactions under repurchase agreements \_** Purchase of financial instruments under repurchase agreements are shown at their restated original cost plus accrued taxes and indexation, and are classified under other current assets.

- l) **Bonds payable\_** Issued bonds are recorded at their nominal value. Differences between book value and placement value; and issuance and bond placement cost, are registered as deferred charge or unearned income and are amortized or recognized over the bonds term. Interests are monthly accrued based on 360-day years.



**m) Income tax and deferred taxes** \_ Income tax is recorded on the basis of taxable net income for tax purposes. The recognition of deferred taxes arising from all timing differences, tax losses implying a tax benefit and other events which create differences between asset and liability tax base and their accounting base are made according to Technical Bulletins No. 60 and complementary bulletins of the Chilean Accountants Association and as established in Circular No. 1466 dated January 27, 2000 of the Superintendency of Securities and Insurance. (See note 8)

**n) Severance payments** \_ The company's liability for severance payments, according to collective agreements subscribed with trade unions and individual contracts subscribed with executives, is provisioned by applying the present value of the accrued benefit cost method, with a discount rate of 6% per year, considering an expected retirement from the Company age of 55 years old for women and 60 years old for men.

**o) Operating income**\_ The Company's income is recorded according to accounting principles generally accepted in Chile on an accrued and/or received basis. The Company's main income derive from passenger transport, sales channel, rental of premises, commercial and advertising spaces.  
As from February 2007, Metro S.A. joined the Transantiago System as passenger transport operator; such situation meant an important increase on passenger flow, which explains the income and operational expense increase.

**p) Computer software**\_ The Company has purchased software in the form of packages. The acquisition cost is deferred and amortized on a linear basis over four years.

**q) Research and development expenses** \_ Research and development expenses are charged to results in the year they are incurred.

**r) Cash flow statement**\_ The investments pointed out in item 6.2 of Technical Bulletin No. 50 of the Chilean Accountants Association, are considered cash equivalents. They comprise financial investments whose maturities do not exceed 90 days. For classification purposes, the concept of operating cash flow mainly comprises all that relates to activities in accordance with the Company's line of business, also including received and paid interests during the year associated to investment and financing activities.

Items considered cash equivalents as of December 31, 2007 and 2006 are the following:

	2007	2006
	ThCh\$	ThCh\$
Cash and banks	2,409,145	1,040,512
Time deposits	39,438,134	9,379,298
Agreements	16,515,728	37,926,143
<b>Total</b>	<b>58,363,007</b>	<b>48,345,953</b>

**s) Vacations**\_ The annual cost of vacations and personnel benefits is recognized over accrued basis.

**t) Ticket printing materials**\_ These materials are charged to the restated original costs and are included in "Other Current Assets". At the moment of their delivery to ticket manufacturing units, they are debited to income.

**u) Time deposits**\_ Time deposits are shown according to the deposited capital value plus indexation and accrued interests, if applicable, to the end of the year.

## Notes to the financial statements

as of 31 st december, 2007 and 2006

### 3: Accounting changes

Accounting principles have been uniformly applied during 2007 and 2006.

### 4: Marketable securities

There are no records.

### 5: Short and long-term debtors

The following is a detailed list of debtors in ThCh\$:

Area	Current					Long term			
	Up to 90 days		More than 90 days		Sub total	Total current (net)			
	2007	2006	To 1 year 2007	2006		2007	2006	2007	2006
Trade accounts receivable	3,732,557	854,442	370,330	293,690	4,102,887	3,732,557	854,442	-	-
Bad debt estimate	-	-	(370,330)	(293,690)	(370,330)	-	-	-	-
Notes receivable	1,007,665	549,089	39,827	75,123	1,047,492	903,982	549,089	218,097	208,582
Bad debt estimate	(103,683)	-	(39,827)	(75,123)	(143,510)	-	-	-	-
Sundry debtors	1,764,994	1,736,913	1,820,183	2,105,444	3,585,177	3,574,459	3,833,130	34,156,999	35,768,743
Bad debt estimate	-	-	(10,718)	(9,227)	(10,718)	-	-	-	-
<b>Total long-term debtors</b>								<b>34,375,096</b>	<b>35,977,325</b>

#### Short-term debtors:

The following is a detail of these:

	2007	%	2006	%
	ThCh\$		ThCh\$	
<b>Trade accounts receivable:</b>				
Rental debtors	1,072,505		1,140,032	
Bad debt estimate	(362,830)		(285,635)	
Transantiago Financial Administrator (AFT) debtors (2) and (3)	3,001,218		45	
Other debtors	29,164		8,055	
Bad debt estimate	(7,500)		(8,055)	
<b>Sub total</b>	<b>3,732,557</b>	<b>45,46</b>	<b>854,442</b>	<b>16.32</b>
<b>Notes receivable:</b>				
Notes receivable	1,047,492		624,212	
Bad debt estimate	(143,510)		(75,123)	
<b>Sub total</b>	<b>903,982</b>	<b>11,01</b>	<b>549,089</b>	<b>10.48</b>
<b>Sundry debtors:</b>				
Staff accounts receivable (1)	1,385,416		1,495,979	
Welfare bad debt estimate	(10,718)		(9,227)	
Sundry current accounts (1) and (2)	37,004		31,555	
Advances to contractors and suppliers (2)	820,711		919,943	
Other accounts receivable (4)	1,342,046		1,394,880	
<b>Sub total</b>	<b>3,574,459</b>	<b>43,53</b>	<b>3,833,130</b>	<b>73.20</b>
<b>Total short-term debtors</b>	<b>8,210,998</b>	<b>100,00</b>	<b>5,236,661</b>	<b>100.00</b>

(1) Includes loans to staff granted by the company for medical, dental and other purposes. They do not accrue interests.

(2) No allowances made due to the degree of repayment assurance.

(3) Includes accounts receivable salary and interests Sales Channel which amount to ThCh\$ 2,164,800, ticket manufacturing contract for ThCh\$ 35,749 and technical fare indexation as of December for ThCh\$ 800,669.

(4) Includes amount outstanding of invoice owed by Consorcio de Ingeniería y Construcción VEI Ltda. for ThCh\$ 1,178,358, for breach of contract fines. As pointed out in note 35, an arbitration trial is in process, therefore, its payment is subject to its results.

### Long-term debtors

The following is a detail of these:

	2007	%	2006	%
	ThCh\$		ThCh\$	
Notes and accounts receivable	218,097	0.63	208,582	0.58
Loans against severance payments	2,388,729	6.95	2,306,706	6.41
Loans to staff and sundry welfare debtors	213,713	0.62	223,661	0.62
Contract advances (*)	4,709,449	13.70	2,750,685	7.65
Expropriation consignments	6,090,551	17.72	10,248,569	28.49
Balance VAT fiscal credit	18,365,511	53.43	18,792,711	52.23
Consignment funds to be accounted for	1,171,225	3.41	138,471	0.38
Other receivable taxes (**)	1,217,821	3.54	1,307,940	3.64
<b>Total Long-term debtors</b>	<b>34,375,096</b>	<b>100.00</b>	<b>35,977,325</b>	<b>100.00</b>

(\*) Relate to advances to contractors granted for infrastructure works and rolling stock for Network Expansion Projects and other projects in progress; these advances will be recovered upon completion of the works and are agreed in foreign currency or UF, depending on each contract and do not accrue interests.

(\*\*) Relate to stamp taxes paid for issuance of series A and B bonds, for which a refund was requested to the Internal Tax Service. This request was rejected in the first instance, and has been appealed in second instance to the Court of Appeal of Santiago.

## 6. Balances and transactions with related entities

### Notes and accounts receivable:

As of December 31, 2007 and 2006, long-term account receivable from Empresa de Transporte Suburbano de Pasajeros S.A. -Transub S.A for ThCh\$ 32,983 (ThCh\$ 24,000 nominal), relates to a loan which is not subject to interests.

Tax Id.	Company	Short term		Long term	
		2007	2006	2007	2006
96850680-3	Empresa de Transporte Suburbano de Pasajeros S.A.	-	-	32,983	32,983
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>32,983</b>	<b>32,983</b>

### Notes and accounts payable:

They refer to contributions from the Chilean Treasury for Network Expansion Projects. In 2007, contributions for ThCh\$ 40,515,847 were received and in 2006, ThCh\$ 95,051,988, that were capitalized in December 2006. As of December 31, 2007, the contribution balance amounts to ThCh\$ 40,515,847 and as of December 31, 2006, there is no balance of contributions.

The Extraordinary Shareholders' Meeting held on December 18, 2006, resolved the capitalization of Treasury contributions for ThCh\$ 107,439,817 (historic), received in 2004, 2005 and 2006 for the Line 4 project and North Extension of Line 2.

The amounts due to the Treasury are recorded in ThCh\$ in the following table:

Tax No.	Company	Short term		Long term	
		2007	2006	2007	2006
60801000-9	Fisco Chile Ministerio de Hacienda (*)	-	-	40,515,847	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>40,515,847</b>	<b>-</b>

(\*) Treasury contributions to Investment Projects.

### Transactions:

There are no other transactions with related entities.



**d) Income tax:**

There is a tax benefit and its composition in ThCh\$ is the following:

Item	2007	2006
Effect on assets or liabilities of deferred taxes for the year	(2,853,620)	10,653,015
Effect on assets or liabilities of deferred taxes for changes in valuation provision	2,853,620	(10,653,015)
<b>Total</b>	-	-

**9: Short and long-term leasing agreements and assets for leasing**

No records.

**10. Other current assets**

The following is a detail of these:

	2007	2006
	ThCh\$	ThCh\$
Securities under repurchase agreements - Equity	16,515,728	37,926,143
Indexation and interest	23,929	35,663
<b>Sub total (*)</b>	<b>16,539,657</b>	<b>37,961,806</b>
Electrical spares and accessories	2,239,739	2,560,417
Mechanical spares and accesories	3,042,491	3,079,244
Maintenance materials	241,470	142,619
Safety elements	9,703	9,446
Fuels, lubricants, chemicals	194,734	155,497
Board	50,535	24,330
Ink	12,888	1,895
Other materials	212,570	213,670
<b>Sub total</b>	<b>6,004,130</b>	<b>6,187,118</b>
Imports in transit	998,625	652,802
Deferred bond discount	295,234	296,296
Deferred expenses bonds	121,617	121,722
Other current assets	25,173	13,246
<b>Sub total</b>	<b>1,440,649</b>	<b>1,084,066</b>
<b>Total</b>	<b>23,984,436</b>	<b>45,232,990</b>

(\*) Fixed-income securities under repurchase agreement, detailed in "Fixed-income instruments", Note 11.

## Notes to the financial statements

as of 31 st december, 2007 and 2006

### 11: Information on purchase and sale commitments and transactions under repurchase agreements, involving securities:

As of December 31, 2007 and 2006, the item other current assets includes investments in fixed-income instruments, acquired under the mode of financial instrument purchase contract with resale agreement.

These contracts correspond to indexed coupons (Zero) in UF, bonds of the Central Bank of Chile in pesos (BCP), Central Bank of Chile Indexed promissory notes payable in coupons (PRC), Central Bank of Chile bonds in UF (BCU), Indexed and non-indexed promissory notes (promissory note) Treasury Bond in UF (BTU), Time deposits from Banco de Chile (FNCHI), Time deposit in Dollars from Banco de Crédito e Inversiones (F\*BCI), Time deposit in pesos from BBVA Bank (FNBBV), Indexable Time deposit (DPR) and General Republic Treasury Bond in Pesos (BTP).

Valuation of these securities is as follows:

	2007	2006
	ThCh\$	ThCh\$
Subscription Value	16,511,812	37,933,984
Market Value	16,539,657	37,961,806
Final Value	16,550,702	37,999,990

Detail of these transactions in ThCh\$ as of December 31, 2007 is as follows:

Cod.	Dates		Counterparty	Currency Origin	Investment Value. ThCh\$	Rate	Maturityr Value ThCh\$	Identification of Instruments	Market	
	Start	Expiry							Value ThCh\$	Value ThCh\$
CRV	27/12/2007	03/01/2008	Banchile Corredores de Bolsa	Ch\$	1,093,665	0.54	1,095,043	BCP/CERO/FNBBV	1,094,452	
CRV	20/12/2007	07/01/2008	Banco Bilbao Vizcaya Argentaria, Chile	Ch\$	2,000,000	0.48	2,005,760	BCP	2,003,516	
CRV	19/12/2007	02/01/2008	Banco de Crédito e Inversiones	Ch\$	1,632,638	0.50	1,636,447	BCU/BCP/CERO	1,635,902	
CRV	19/12/2007	02/01/2008	Banco de Crédito e Inversiones	Ch\$	174,954	0.50	175,362	BCP	175,304	
CRV	17/12/2007	14/01/2008	Banco del Estado de Chile	Ch\$	1,180,000	0.49	1,185,397	BCP/CERO/DPR	1,182,692	
CRV	18/12/2007	03/01/2008	Banco del Estado de Chile	Ch\$	2,400,000	0.48	2,406,144	CERO/BTP	2,404,990	
CRV	18/12/2007	03/01/2008	Banco del Estado de Chile	Ch\$	384,373	0.48	385,357	BCP/CERO	385,172	
CRV	26/12/2007	02/01/2008	Banco del Estado de Chile	Ch\$	75,775	0.48	75,860	BCP/CERO	75,835	
CRV	20/12/2007	03/01/2008	Bice Corredores de Bolsa	Ch\$	1,961,095	0.55	1,966,128	CERO/PAGARE/PRC	1,965,046	
CRV	27/12/2007	02/01/2008	Bice Corredores de Bolsa	Ch\$	1,500,000	0.52	1,501,560	CERO/PAGARE	1,501,040	
CRV	27/12/2007	03/01/2008	Bice Corredores de Bolsa	Ch\$	1,453,248	0.52	1,455,012	CERO/PAGARE	1,454,256	
CRV	27/12/2007	03/01/2008	Bice Corredores de Bolsa	Ch\$	640,000	0.52	640,777	CERO/PAGARE	640,444	
CRV	28/12/2007	03/01/2008	Bice Corredores de Bolsa	Ch\$	400,000	0.48	400,384	BTU	400,192	
CRV	28/12/2007	03/01/2008	Bice Corredores de Bolsa	Ch\$	230,000	0.48	230,221	BTU	230,110	
CRV	27/12/2007	03/01/2008	Banchile Corredores de Bolsa	US\$	1,040,487	4.70	1,044,380	F*BCI	1,043,972	
CRV	27/12/2007	03/01/2008	Banchile Corredores de Bolsa	US\$	345,577	4.70	346,870	FNCHI	346,734	

## 12. Fixed assets

Detail of this item, including accumulated depreciation, depreciation for the year affecting operating income, items of other fixed assets and works in progress, is as follows:

### a) Fixed asset detail

Item	Net Balance	Accumulated	Fixed Assets	Net Balance	Accumulated	Fixed Assets
	31/12/2007	Depreciation	2007	31/12/2006	Depreciation	2006
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
<b>Land</b>	44,769,487	-	44,769,487	43,749,714	-	43,749,714
<b>Building and Infrastructure:</b>						
Track	143,272,934	47,066,898	190,339,832	141,522,939	42,157,064	183,680,003
Stations	439,050,914	34,010,538	473,061,452	422,150,041	28,397,413	450,547,454
Tunnels	421,728,730	38,056,305	459,785,035	409,939,131	32,714,754	442,653,885
Commercial premises	3,890,484	1,803,329	5,693,813	3,989,960	1,703,853	5,693,813
Buildings	64,107,531	21,616,572	85,724,103	64,619,132	20,002,118	84,621,250
Works in progress	1,588,041	-	1,588,041	1,374,402	-	1,374,402
New track and extension works in progress	77,692,297	-	77,692,297	161,717,765	-	161,717,765
VAT tax credit new tracks and extensions	(20,221,526)	-	(20,221,526)	(18,666,271)	-	(18,666,271)
VAT tax credit	(2,338,032)	-	(2,338,032)	(2,257,945)	-	(2,257,945)
<b>Sub total</b>	<b>1,128,771,373</b>	<b>142,553,642</b>	<b>1,271,325,015</b>	<b>1,184,389,154</b>	<b>124,975,202</b>	<b>1,309,364,356</b>
<b>Machinery and equipment:</b>						
Rolling stock	531,985,494	136,746,069	668,731,563	455,011,331	120,282,978	575,294,309
Electrical equipment	232,748,547	92,666,523	325,415,070	193,572,901	79,926,048	273,498,949
Workshop equipments and machinery	7,501,044	3,614,386	11,115,430	6,599,585	3,198,775	9,798,360
Office equipment and machinery	3,192,530	3,654,608	6,847,138	3,150,212	2,841,553	5,991,765
Other equipment and machinery	934,524	1,624,473	2,558,997	838,906	1,438,938	2,277,844
<b>Sub total</b>	<b>776,362,139</b>	<b>238,306,059</b>	<b>1,014,668,198</b>	<b>659,172,935</b>	<b>207,688,292</b>	<b>866,861,227</b>
<b>Other fixed assets:</b>						
Furniture and possessions	1,513,755	2,889,507	4,403,262	1,703,422	2,507,270	4,210,692
Cafeteria equipment and machinery	11,260	19,578	30,838	10,040	18,710	28,750
Computer Software	865,931	1,426,250	2,292,181	602,591	1,156,945	1,759,536
Tools	24,457	-	24,457	22,079	-	22,079
Electrical accesories and spare parts	6,548,616	-	6,548,616	4,285,144	-	4,285,144
Electrical spare parts allowance	(4,322,087)	-	(4,322,087)	(4,256,410)	-	(4,256,410)
Mechanical accessories and spare parts	4,210,828	-	4,210,828	2,346,868	-	2,346,868
Mechanical spare parts allowance	(2,779,146)	-	(2,779,146)	(2,202,559)	-	(2,202,559)
Maintenance materials	551,039	-	551,039	490,320	-	490,320
Maintenance materials allowance	(363,686)	-	(363,686)	(413,970)	-	(413,970)
Leased assets	-	-	-	-	-	-
Fixed assets for distribution Metro	1,586,408	-	1,586,408	723,830	-	723,830
Fixed assets for distribution new lines and extensions	5,524,805	-	5,524,805	3,876,439	-	3,876,439
<b>Sub total</b>	<b>13,372,180</b>	<b>4,335,335</b>	<b>17,707,515</b>	<b>7,187,794</b>	<b>3,682,925</b>	<b>10,870,719</b>
<b>Total</b>	<b>1,963,275,179</b>	<b>385,195,036</b>	<b>2,348,470,215</b>	<b>1,894,499,597</b>	<b>336,346,419</b>	<b>2,230,846,016</b>

Item	Net Balance	Accumulated	Fixed Assets	Net Balance	Accumulated	Fixed Assets
	31/12/2007	Depreciation	2007	31/12/2006	Depreciation	2006
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
<b>New lines and extensions overview:</b>						
Buildings	-	146,109	146,109	-	146,109	146,109
Works in progress	77,692,297	-	77,692,297	161,717,765	-	161,717,765
Electrical equipment (offices)	9	740	749	84	665	749
Office equipment and machinery	471	13,085	13,556	1,180	12,376	13,556
Other machinery and equipments	19,897	126,738	146,635	26,659	119,976	146,635
Furniture and possessions	12	8,932	8,944	30	9,105	9,135
Fixed assets for distribution	5,524,805	-	5,524,805	3,876,439	-	3,876,439
<b>Sub total</b>	<b>83,237,491</b>	<b>295,604</b>	<b>83,533,095</b>	<b>165,622,157</b>	<b>288,231</b>	<b>165,910,388</b>
VAT Proportional tax credit new lines and extensions	(20,221,526)	-	(20,221,526)	(18,666,271)	-	(18,666,271)
<b>Total net of VAT</b>	<b>63,015,965</b>	<b>295,604</b>	<b>63,311,569</b>	<b>146,955,886</b>	<b>288,231</b>	<b>147,244,117</b>

:\_notes to the  
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The following information is presented in order to complement the previous data:

In March 2006, the section Grecia-Vicente Valdés of Line 4 started operations. In August 2006 Line 4A started operations. In December 2006 section Dorsal-Americo Vespucio of Line 2 started operations. The start of operations of Lines 4, 4A and the extension of Line 2 have implied an increase on transported passengers.

Privately-owned real estate contributed by shareholders, are registered in the Real Estate Registrar of Santiago, San Miguel and Puente Alto.

National public-use real estate, according to Law No. 18,772, were contributed by shareholders in indefinite concession and free of charge. In addition, there are eighteen properties in easement.

As of December 31, 2007, the determination of some property registry numbers and valuation of certain real estate properties is being processed by the Internal Tax Service.

**b) Spare parts and accesories** - As of December 31, 2007 and 2006 spare parts, accessories and maintenance materials amount to ThCh\$ \$ 11,310,483 and ThCh\$ 7,122,332 respectively.

For the previously mentioned ammounts, an obsolescence allowance amounting to ThCh\$ 7,464,919 was made as of December 31, 2007 (ThCh\$6,872,939 in 2006). Most of this allowance is related to Line 1 and 2 materials and spare parts, following the technical report on the condition of spare part stocks issued by Electrowatt Ingenieros Consultores (Chile) S.A., plus other specific studies.

**c) Computer software** - The company acquired during 2007 computer software amounting to ThCh\$ 532,358 (ThCh\$ 491,017 in 2006), the software amortization amounted to ThCh\$ 269,612 in 2007 (ThCh\$179,841 in 2006). Useful life considered for these assets is 4 years.

**d) Depreciation and amortization**

Depreciation and amortization was charged to the following items:

	2007	2006
	ThCh\$	ThCh\$
<b>Income statements</b>		
Operating expenses	47,477,990	39,209,731
Selling and Administrative expenses	1,425,437	1,223,489
<b>Assets:</b>		
New lines and extensions	-	-
<b>Total</b>	<b>48,903,427</b>	<b>40,433,220</b>



e) Works in progress

	2007	2006
	ThCh\$	ThCh\$
<b>Works in progress related to Expansion Projects:</b>		
Line 5 West and South extension	3,213,891	3,338,989
Tobalaba-Vespucio-Puente Alto Line	22,358,866	62,324,891
L-2 North extension	805,540	5,437,589
L-2 South extension	9,146	39,336
Line 2 North extension on Recoleta	7,189,356	87,719,619
Line 5 extension project to Maipu	20,851,019	1,812,676
Line 1 extension project to Los Dominicos	23,264,479	1,044,665
<b>Sub total</b>	<b>77,692,297</b>	<b>161,717,765</b>
<b>Other works:</b>		
Contact Less System	-	78,772
Integrated offer-planning system (SIPLO)	-	467,256
Elevator equipment SEAT and CCA building	-	196,491
Air conditioning equipment replacement	60,942	32,909
Energy back-up system equipment	5,318	89,148
Central warehouse and management systems	915,158	305,704
Improvement of cesspits in terminal stations	131,118	-
Building of transitory residue disposal areas	77,725	-
Supply, replacement and instalation of energy cupboards L-2	65,108	-
Other works	332,672	204,122
<b>Sub total</b>	<b>1,588,041</b>	<b>1,374,402</b>
VAT tax credit	(2,338,032)	(2,257,945)
VAT tax credit new lines and extensions	(20,221,526)	(18,666,271)
<b>Total</b>	<b>56,720,780</b>	<b>142,167,951</b>

f) Train pledge and insurance contract

To guarantee the bank syndicated loan, whose agent bank is BNP Paribas, a pledge was granted over 236 train coaches model NS93. Fire insurance according to Policy No.0020048841 was contracted with La Interamericana Compañía de Seguros Generales S.A.

**13.** Leaseback transactions:

No records.

## :\_notes to the financial statements

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### 14:\_ Investments in related companies

Subsidiary Empresa de Transporte Suburbano de Pasajeros S.A., (Transub S.A.) Tax No. 96.850.680-3 is in organization stage and implementation, with no activity development. Due to the subsidiary's negative equity, interest over it is registered under other long-term provisions for ThCh\$19,333 as of December 31, 2006 ThCh\$19,137 (Note 23).

### 15:\_ Investments in other companies

No records.

### 16:\_ Goodwill and negative goodwill

No records.

### 17:\_ Intangible assets

No note required due to year end balances.

### 18:\_ Other (of other assets):

Detail of this item is as follows:

	2007	2006
	ThCh\$	ThCh\$
Deferred expense (Severance payments)	261,086	307,111
Deferred expense (bonds)	2,522,536	2,626,958
Deferred expense bond discount	5,196,665	5,511,661
Other deferred expenses (personnel)	324,404	799,145
<b>Total</b>	<b>8,304,691</b>	<b>9,244,875</b>

## 19: Short-term bank and financial institution obligations

Balance as of December 31 of each year in ThCh\$ is as follows:

Tax Id.	Bank or financial institution	Currency and indexation unit						Total	
		Dollars		Euros		UF		2007	2006
		2007	2006	2007	2006	2007	2006		
	<b>Short term</b>								
	Total	-	-	-	-	-	-	-	-
	<b>Current portion of long-term bonds</b>								
59046320-5	BNP Paribas (*)	40,346,939	35,147,232	-	-	-	-	40,346,939	35,147,232
0-E	Natixis Paris	1,855,698	2,050,257	58,659	60,641	-	-	1,914,357	2,110,898
97004000-5	Banco de Chile (*)	-	-	-	-	4,490,255	1,446,512	4,490,255	1,446,512
	Total	42,202,637	37,197,489	58,659	60,641	4,490,255	1,446,512	46,751,551	38,704,642
	Principal outstanding	36,135,108	31,107,877	57,495	59,312	3,812,857	615,415	40,005,460	31,782,604
	Average annual interest rate	5.53	5.70	2.00	2.00	4.41	4.16	-	-
	Obligations percentage in foreign currency %			90.40					
	Obligations percentage in local currency %			9.60					

(\*) Acting as Agent Bank for syndicated loans.

## 20: Other current liabilities

No note required, in view of the balances at each year end.

## 21: Long-term bank and financial institution obligations

Detail of this item in ThCh is as follows:

Tax Id.	Bank or financial Institution	Currency or Indexation Unit	Years to maturity						Total long-term at close of financial statements	Average annual interest rate	Total long-term at close of financial statements
			More than 1 to 2	More than 2 to 3	More than 3 to 5	More than 5 to 10	More than 10 years	Term			
			Amount	Amount	Amount	Amount	Amount	Amount			
59046320-5	BNP Paribas (*)	Dólares	34,175,460	34,175,460	66,028,734	160,199,845	-	-	294,579,499	5,93	312,924,681
0-E	Natixis Paris	Dólares	1,922,560	2,000,053	4,192,715	10,536,554	19,022,204	13	37,674,086	0,73	45,455,063
		Euros	57,491	57,491	114,983	287,456	326,806	6	844,227	2,00	930,209
97004000-5	Banco de Chile (*)	UF	7,181,261	7,033,109	14,066,219	17,582,770	-	-	45,863,359	4,46	49,854,976
<b>Total</b>			<b>43,336,772</b>	<b>43,266,113</b>	<b>84,402,651</b>	<b>188,606,625</b>	<b>19,349,010</b>		<b>378,961,171</b>		<b>409,164,929</b>
	Obligations percentage in foreign currency %				87.90						
	Obligations percentage in local currency %				12.10						

(\*) Acting as agent bank for syndicated loans.

## Notes to the financial statements

as of 31 st december, 2007 and 2006

### 22: Bonds payable

Detail of this item in ThCh\$ is as follows:

Instrument registration or identification number	Series	Nominal amount placed outstanding	Bond indexation unit	Interest rate %	Final maturity	Payment dates		Par value		Placement In Chile or abroad
						Interest payment	Amortization payment	2007	2006	
<b>Current portion of long-term bonds</b>										
257	A	4,200,000	UF	5.6	15/07/2026	Half-yearly	Half-yearly	2,099,155	2,106,709	National
275	B	2,100,000	UF	5.6	01/11/2026	Half-yearly	Half-yearly	379,366	380,731	National
297	C	4,000,000	UF	5.5	15/07/2027	Half-yearly	Half-yearly	1,963,967	1,971,034	National
339	D	4,000,000	UF	5.5	15/07/2028	Half-yearly	Half-yearly	1,963,967	1,971,034	National
370	E	2,800,000	UF	5.5	15/05/2029	Half-yearly	Half-yearly	380,962	382,333	National
371	F	1,900,000	UF	5.5	15/07/2029	Half-yearly	Half-yearly	932,884	936,241	National
431	G	2,800,000	UF	4.5	15/09/2030	Half-yearly	Half-yearly	719,990	722,581	National
<b>Total current portion</b>								<b>8,440,291</b>	<b>8,470,663</b>	
<b>Long-term bonds</b>										
257	A	4,200,000	UF	5.6	15/07/2026	Half-yearly	Half-yearly	82,415,172	82,711,743	National
275	B	2,100,000	UF	5.6	01/11/2026	Half-yearly	Half-yearly	41,207,586	41,355,872	National
297	C	4,000,000	UF	5.5	15/07/2027	Half-yearly	Half-yearly	78,490,640	78,773,088	National
339	D	4,000,000	UF	5.5	15/07/2028	Half-yearly	Half-yearly	78,490,640	78,773,088	National
370	E	2,800,000	UF	5.5	15/05/2029	Half-yearly	Half-yearly	54,943,448	55,141,162	National
371	F	1,900,000	UF	5.5	15/07/2029	Half-yearly	Half-yearly	37,283,054	37,417,217	National
431	G	2,800,000	UF	4.5	15/09/2030	Half-yearly	Half-yearly	54,943,448	55,141,162	National
<b>Total long term</b>								<b>427,773,988</b>	<b>429,313,332</b>	

Dated July 31, 2001, December 5, 2001, August 9, 2002, September 3, 2003, June 23, 2004 and September 14, 2005, the Company placed its "A" and "G" series bonds in the local market, calculated on the basis of 360-day years, 25-year term with a 10 year's grace, half-year interest payments and with no prepayments allowed. The par value is expressed in ThCh\$.

"A" and "B" series have State guarantee, according to Law Decree No.1,263 and laws Nos. 18,196, 18,382 and 19,702, in Decree No.117, of the Treasury Department, and Ministry of Public Works, and Supreme Decree No.389 of the Treasury Department, both dated April 20, 2001.

"C" series have State guarantee, according to Law Decree No.1,263 and laws Nos. 18,196, 18,382 and 19,774, in Decree No.274, of the Treasury Department, and Ministry of Public Works, and Supreme Decree No.363 of the Treasury Department, both dated May 13, 2002.

"D" and "E" series have State guarantee according to Law Decree No.1,263 and laws Nos. 18,196 and 19,847, in Decree No.222 dated April 29, 2003 of the Treasury Department, and Ministry of Public Works, and Supreme Decree No.356 of the Treasury Department, dated May 7, 2003.

"F" series have State guarantee according to Law Decree No. 1,263 and laws Nos. 18,196 and 19,847. Guarantee to issue bonds in the local market is authorized and guaranteed by Supreme Decree No. 1,024 of the Treasury Department, and Ministry of Public Works dated November 11, 2003.

"G" series have State guarantee according to Law Decree No. 1,263 and laws Nos. 18,196 and 19,847. Guarantee to issue bonds in the local market is authorized and guaranteed by Supreme Decree No. 592 of the Treasury Department, and Ministry of Public Works dated May 11, 2005.

## 23: Provisions and write-offs

The following balances are recorded under short-term provisions:

	2007	2006
	ThCh\$	ThCh\$
Lawsuits provision	3,369,814	2,929,418
Electricity provision	2,110,029	1,424,124
Vacation provision	1,733,697	1,450,507
Service contracts provision	2,287,247	2,443,796
Vacation bonus provision	631,574	440,105
Productivity bonuses provision	1,458,555	1,073,246
Other personnel provisions	1,116,606	1,225,967
Maintenance provisions	5,407,777	1,176,460
Sales operators provision	613,865	403,824
Property taxes provision	5,306,955	2,185,442
Other provisions for accrued expenses	2,082,785	273,048
<b>Total</b>	<b>26,118,904</b>	<b>15,025,937</b>

The following balances are recorded under long-term provisions:

	2007	2006
	ThCh\$	ThCh\$
Severance payments provision	15,485,964	14,908,592
Rolling stock maintenance provision Provisión	13,738,113	7,107,478
Other provisions	19,333	19,137
<b>Total</b>	<b>29,243,410</b>	<b>22,035,207</b>

In 2007 fixed assets and materials were written off for ThCh\$ 306,296, in addition, loss for land expropriation for ThCh\$ 933,610 was recorded under this item. In 2006, fixed assets and materials were written off for ThCh\$ 50,848.

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### 24: Severance payments

This item comprises severance payment provisions and related accounts, calculated according to the criteria indicated in Note 2 (n) and its detail as of December 31 of each year, is as follows:

	2007	2006
	ThCh\$	ThCh\$
<b>Long-term liabilities</b>		
Severance payments provision	15,485,964	14,908,592
Long-term assets:		
Deferred expense severance payments	261,086	307,111
<b>Operating results</b>		
Deferred expenses Amortization	25,937	26,946
Indemnities (non-provisiones expenses)	628,277	774,307
Accrued provision severance provisions	608,679	588,047

Advance given to personnel amounts to ThCh\$ 2,388,729 in 2007 and ThCh\$ 2,306,706 in 2006. These values are included in the Long-term debtors item (Note 5).

### 25: Other long-term liabilities

No note required, considering year-end balances.

### 26: Minority interest

No records.

### 27: Changes in capital

#### Capital increase 2007

On June 29, the Extraordinary Shareholders' Meeting approved a future capital increase of ThCh\$46,710,000, through issuance of "A" series registered and no-par- value shares at Ch\$34.71 each, to be paid and subscribed by the Treasury shareholder. From that increase. ThCh\$ 21,708,000 would be subscribed and paid by September 30 of the current year and the remaining ThCh\$25,002,000 would be paid by September 30, 2008.

On September 27, 2007, the Chilean Treasury subscribes and pays 625,410,544 "A" series shares for Ch\$21,708,000,000, according to the agreement reached in the Extraordinary Shareholder's Meeting.

#### Capital increase 2006

On December 18, 2006, the Extraordinary Shareholders' Meeting resolved to capitalize the fiscal contributions received in 2004, 2005 and 2006 for the Projects of North extension of Line 2 and Project of Metro Line 4, for ThCh\$ 107,439,817 (historic), through the issuance of shares, paid and subscribed by Corfo and the Chilean Treasury pro rata to their shareholdings.

At the same meeting, an equity increase was also approved, through the issuance of shares related to the financing structure of the Metro network extension plans, for ThCh\$ 80,767,100 (historical), already paid and subscribed by the Chilean Treasury.

**a) Paid capital** - As of December 31, 2007, the paid capital is represented by 9.688.291.015 and 19.163.677.063 registered non-par-value shares, "A" and "B" series respectively, 17.533.591.788 of are Corfo shares and 11.318.376.290 are Chilean Treasury shares. As of December 31, 2006, the paid capital is represented by 9.062.880.471 and 19.163.677.063 registered non-par-value shares, "A" and "B" series respectively, 17.533.591.788 of are Corfo shares and 10.692.965.746 are Chilean Treasury shares.

"A" shares correspond to the initial capital and its increases subscribed and paid for by the Chilean Treasury and Corfo, and cannot be disposed of. "B" shares correspond to capital increases that could allow the entry of other shareholders.

**a.1.Share ownership** - The following is the distribution of shareholders, in accordance with Circular No. 792 dated April 15, 1988:

Type of shareholder	Total holding		Number of Shareholders	
	2007 %	2006 %	2007	2006
10% holding or more	100	100	2	2
Less than 10% holding, with investment of 200 UF or more	-	-	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>2</b>	<b>2</b>
<b>Company's Controller:</b>				
Corporación de Fomento de la Producción	60.77	62.12	1	1

	Percentage holding	
	2007	2006
Chilean Treasury represented by the Ministry of Finance	39.23	37.88
Corporación de Fomento de la Producción	60.77	62.12
	<b>100.00</b>	<b>100.00</b>

**b) Distribution of earnings and dividends** - The Company's dividend policy complies with the current legislation that requires that at least 30% of net income for the year should be distributed as cash dividends, unless otherwise agreed unanimously at the Shareholders' Meeting.

At the Extraordinary Shareholders' Meeting dated April 16, 2007, it was unanimously agreed not to distribute dividends.

**c) Accumulated deficit development period - subsidiary** - This relates to the organization and implementation expenses of Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.). According to Circular No.1819 from the Superintendency of Securities and Insurance, the balance of accumulated deficit in development period of subsidiary was transferred to accumulated results.

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Changes in equity:

Year 2007

Items	Paid Capital	Accumulated Results	Accumulated Deficit Development period Subsidiary	Result for the year
Historical balances at 31.12.2006	999,590,395	9,738,785	(43,643)	(36,767,698)
Distribution result prior year	-	(36,767,698)	-	36,767,698
Capital increase	21,708,000	-	-	-
Restatement of capital	74,447,266	(2,003,369)	-	-
Accumulated deficit transfer	-	(43,643)	43,643	-
Result for the year	-	-	-	16,502,928
<b>Balances at 31.12.2007</b>	<b>1,095,745,661</b>	<b>(29,075,925)</b>	<b>-</b>	<b>16,502,928</b>

Year 2006

Items	Paid Capital	Accumulated Results	Accumulated Deficit Development period Subsidiary	Result for the year
Historical balance at 31.12.2005	794,694,886	(20,514,159)	(42,691)	30,052,637
Distribution result prior year	-	30,052,637	-	(30,052,637)
Capital increase	107,439,817	-	-	-
Capital increase	80,767,100	-	-	-
Accumulated deficit development period	-	-	(56)	-
Restatement of Capital	16,688,593	200,307	(896)	-
Accumulated deficit transfer	-	(43,643)	43,643	-
Result for the year	-	-	-	(36,767,698)
Balances at 31.12.2006	999,590,396	9,695,142	-	(36,767,698)
<b>Restated balance at 31.12.2007</b>	<b>1,073,560,085</b>	<b>10,412,583</b>	<b>-</b>	<b>(39,488,508)</b>

Number of shares

Series	No. subscribed shares	No. paid shares	No. of shares with voting rights
A	9,688,291,015	9,688,291,015	9,688,291,015
B	19,163,677,063	19,163,677,063	19,163,677,063

Capital (amount ThCh\$)

Series	Suscribed Capital	Paid Capital
A	367,943,802	367,943,802
B	727,801,859	727,801,859



## 28: Other non-operating income and expenses

The following is the detail:

	2007	2006
	ThCh\$	ThCh\$
<b>Other non-operating income</b>		
Fixed asset sales	279,878	48,934
Fixed assets nominalization	651,931	687,394
Revenues from fines and indemnities	503,861	193,271
Other income	591,814	287,207
<b>Total</b>	<b>2,027,484</b>	<b>1,216,806</b>

	2007	2006
	M\$	M\$
<b>Other non-operating expenses</b>		
Loss on fixed asset sales	(301,464)	(95,441)
Write-offs and others	(4,832)	(477)
Indemnities, expropriation loss and others	(948,630)	(929,080)
<b>Total</b>	<b>(1,254,926)</b>	<b>(1,024,998)</b>

## 29: Price-level restatements

The application of the monetary correction mechanism described in Note 2(d) generated a net charge to income for ThCh\$ 724,557 as of December 31, 2007 (ThCh\$ 547.339 net charge for 2006), as hereby detailed:

ASSETS (Charges) / Credits	Indexation		
	unit	2007	2006
Inventories	IPC	420,833	72,528
Fixed assets	IPC	134,396,304	37,208,802
Other non-monetary assets	UTM	1,276,805	372,023
Other non-monetary assets	UF	384,443	38,316
Other non-monetary assets	IPC	154,524	12,835
Long-term assets	UF	805,068	417,729
Long-term assets	IPC	555,870	1,142,355
Expense and cost accounts	IPC	6,507,433	953,986
<b>Total (charges) Credits</b>		<b>144,501,280</b>	<b>40,218,574</b>

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LIABILITIES - EQUITY (Charges) / Credits	Indexation		
	unit	2007	2006
Equity	IPC	(72,443,897)	(18,137,716)
Accounts payable related companies	IPC	(2,443,954)	(3,905,143)
External loans	IPC	(27,601,440)	(7,271,098)
Internal loans	UF	(2,721,409)	(1,058,712)
Non-monetary liabilities	IPC	(1,318)	(946)
Non-monetary liabilities	UF	(1,602,503)	(174,104)
Long-term liabilities	UF	(30,075,393)	(9,222,479)
Revenue accounts	IPC	(6,886,809)	(995,715)
<b>Total (charges) Credits</b>		<b>(143,776,723)</b>	<b>(40,765,913)</b>
<b>Profit (loss) for monetary corrections</b>		<b>724,557</b>	<b>(547,339)</b>

### 30: Exchange differences

Application of the exchange difference concept generated a net credit to income of ThCh\$ 52,710,846 as of December 31, 2007 and net charges to results of ThCh\$ 3,631,534 for 2006, as hereby detailed:

ASSETS (Charges) / Credits	Currency		
		2007	2006
Current assets	Dollars	(923,949)	302,139
Current assets	Euros	(7,551)	5,027
Long-term assets	Dollars	(93,829)	306,435
Long-term assets	Euros	19,181	394,635
<b>Total (Charges) Credits</b>		<b>(1,006,148)</b>	<b>1,008,236</b>
LIABILITIES (Charges) / Credits	Currency		
		2007	2006
Current liabilities	Dollars	11,906	574,464
Current liabilities	Euros	2,473	(5,137)
Current liabilities	Pounds	-	(965)
Accounts payable related companies	Dollars	-	753,628
External loans	Dollars	53,675,706	(6,923,196)
External loans	Euros	26,909	961,436
<b>Total (Charges) Credits</b>		<b>53,716,994</b>	<b>(4,639,770)</b>
<b>Profit (Loss) for exchange differences</b>		<b>52,710,846</b>	<b>(3,631,534)</b>

### **31: Extraordinary items**

No records.

### **32: Stock and debt securities Issuance and placement expenses**

#### **Stock issuance and placement expenses:**

In the capital increase of September 2007, no stock issuance and placement expenses were made.

#### **Debt securities issuance and placement expenses:**

The total previous debt securities issuance and placement expenses (bonds), series A, B, C, D, E, F and G, were capitalized as deferred charges and are being amortized on a linear basis over the term of the obligations, as stated in Circular No. 1370 from the Superintendency of Securities and Insurance.

These deferred expenses are registered in Other current assets and other long-term assets, with ThCh\$ 121,617 to be amortized in the short term (ThCh\$ 121,722 in 2006) and ThCh\$ 2,522,536 in the long term (ThCh\$ 2,626,958 in 2006).

### **33: Cash Flow Statement**

#### **Financing and investment activities that commit future cash flows are:**

- Financial Loan agreement for the Metro New Lines Project, with a bank syndicate led by BNP Paribas, for US\$ 150,000,000, not drawn as of December 31, 2007 and 2006 US\$ 50,000,000. (Note 35, letter c).
- Buyer Credit Agreement for the Metro New Lines Project, with a bank syndicate led by BNP Paribas, for US\$ 340,000,000 (not including eventual capitalizations and financed coface premiums), undrawn balance as of 31 December 2007 US\$ 5,537,565.77. As of December 31, 2006, undrawn balance US\$ 23,521,773.09 (Note 35, letter d).
- Financial Loan Agreement to finance part of Line 4 Project and Line 2 North Extension Project on Recoleta, with a bank syndicate led by BNP Paribas, for US\$ 200,000,000, as of December 31, 2007 has been fully drawn. As of December 31, 2006, undrawn balance US\$ 25,000,000. (Note 35, letter e).
- Additional Buyer Credit Agreement for the acquisition of rolling stock, with a bank syndicate led by BNP Paribas, for US\$ 46,855,822.64, as of December 31, 2007, has been fully drawn. As of December 31, 2006, undrawn balance of US\$ 23,184,415.64 (Note 35, letter f).
- Financial Loan Agreement for the Line 5 Extension Projects to Maipu and Line 1 Extension to Los Dominicos, with an international bank syndicate led by BNP Paribas, for US\$ 130,000,000, which remains undrawn as of December 31, 2007 (Note 35, letter h).
- Buyer Credit Agreement for the Line 5 Extension Projects to Maipu and Line 1 Extension to Los Dominicos, with an international bank syndicate led by BNP Paribas for US\$ 260,000,000, which remains undrawn as of December 31, 2007.
- Financial Loan Agreement for the Line 5 Extension Projects to Maipu and Line 1 Extension to Los Dominicos, with a bank syndicate led by Banco Santander Chile, for UF 9,200,000, which remains undrawn as of December 31, 2007. (Note 35, letter i).
- Loan Agreement for Debt Restructuring year 2007 and 2008, with BNP Paribas, for US\$ 90,000,000, undrawn balance as of December 31, 2007 of US\$ 62,300,000.00. (Note 35, letter j).
- Line of bonds for a maximum amount of UF 3,850,000, registered in the Superintendency of Securities and Insurance on November 9, 2007 with no. 515, with a 30-year term, which have not been issued.

### **34: Derivative contracts**

As of December 31, 2007, the Company does not have contracts outstanding.

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### 35: Contingencies and restrictions

#### Direct guarantees:

Direct guarantees of 2007 are in dollars and UF. Those pertaining to 2006 are in dollars, both expressed in thousands of Pesos as of December 31, 2007.

Creditor of Security	Debtor		Type of Security	Affected assets		Balances pending of payment at close of financial statements		Release of security		Release of security	
	Name	Relation		Type	Book value	31/12/2007	31/12/2006	2008	Assets	2009	Assets
BNP Paribas	Metro S.A.	Non related	Pledge	Trains	255,684,528	95,555,723	113,975,028	-	-	-	-
Soc. Concesionaria Intermodal La Cisterna S.A.	Metro S.A.	Non related	Bank guarantee form	Cash	-	23,547	-	-	23,547	-	-

#### Lawsuits and other legal actions involving the Company:

Name of the case	Court	Case No.	Claim	Step Procedure Instance	Amount claimed ThCh\$
Abusada Hermanos Cía. Ltda.	15°	3,863/05	Damages	Case received for trial.	15,040
Academia Nacional De Seguridad	13°	3,072/06	Claim against invoice	Metro appealed and becomes part in the appeal.	6,689
Ana Sagal Troncoso	21°	11,144/06	Damages	Discussion and testing stage.	53,540
Claudia Gutiérrez Urrutia	5°	16,182/05	Damages	Reject dilatory exceptions.	976,384
Corema	16°	5,288/98	Fine claim	In the Court for hearing and judgement.	17,111
David Soto Valladares	6°	22,839/07	Damages	Discussion stage.	23,000
Echeverría Con Metro	17°	20,579/07	Accident	Discussion stage.	304,000
Eduardo Forbes Pacheco	23°	10,303/07	Damages	Ordered trial.	20,000
Ester Almuna Guzmán	21°	15,048/05	Damages	Trial Stage.	95,600
Fidelina Rodríguez Moya	9°	1,661/05	Accident	Discussion and testing Stage.	600,000
Gil Boudon	6°	12,532/07	Damages	Discussion and testing Stage.	41,500
Guillermo Albistur Fernández	J.P.L.	6,032/05	Damages	Requested abandonment of proceedings.	200,000
Inversiones Davel Ltda.	8°	1,069/01	Damages	In the Court for hearing and judgement.	604,602
Jacqueline Jones Parada	21°	1,789/03	Noisy works	In the Court for hearing and judgement.	5,000
Jorge Mailliard Nazir	2°	11,994/05	Damages	Celebrated summons, no conciliation.	60,000
Juan Bustamante Benítez	28°	2,356/04	Damages	In the Court for hearing and judgement.	1,986,016
María Aguirre Zapata	J.P.L.	7,997/M/07	Accident	Evidence.	5,693
María Araya Parra	1°	4,814/04	Damages	Measures to better resolve.	25,000
Nidia Manríquez Galli	12°	3,356/05	Damages	Parties called to hear judgement.	106,879
Norma Zúñiga Quiero	J.P.L.	12,467/06	Accident	Cause for verdict.	7,845
Rita Benavente Bravo	4°	407/02	Recovery action	Appeal introduced to the Supreme Court.	58,644
Sociedad Comercial Atalaya	26°	1,368/05	Damages	Trial Stage.	188,000
Stand Off	18°	23,545/06	Damages	Ordered trial.	300,000
Tamara Castro Abarca	8°	13,225/05	Damages	In the court of appeals, pending for its verdict.	150,000
Tamara Opazo Pastrana	16°	2,460/01	Damages	At the court hearing and for his verdict.	1,200,000
Víctor Otárola Navarrete	J.P.L.	18,747/03	Damages	Cause for verdict.	7,000
Wladimir González Barrera	18°	14,201/05	Damages	Trial Stage.	7,300,000
Zaldívar y Otros	30°	2,645/06	Damages	Case received for trial.	107,356

On the other hand, Metro S.A., as of December 31, 2007 has received subsidiary demands in 39 lawsuits for a total amount of ThCh\$ 1,431,069 and as of December 31, 2006, has received 38 lawsuits for a total amount of ThCh\$ 2,794,202. The effects of the actions are recorded in short-term liability provisions.

There are also arbitration proceedings with Consorcio de Ingeniería y Construcción VEI Ltda. for breach of contract in the execution of civil works in Line 4 Project, for UF 1,011,117.94, which as of December 31 is in trial stage. Legal advisors point out that due to the stage of the lawsuit, it is not possible to evaluate its eventual results.

**Other contingencies:**

- a) Foreign loans agreed for the financing of Line 5 and its extension. The Company has signed loan agreements which are irrevocable and unconditionally guaranteed by the Republic of Chile, as follows:
- Bank loans associated with the protocol with Banque Nationale de Paris (BNP Paribas), guaranteed by Compagnie Francaise D'Assurance pour le Commerce Extérieur (COFACE) for the US dollar equivalent of FF 432,000,000. This debt as of December 31, 2007 is fully paid and as of December 31, 2006 amounts to US\$ 1,585,161,59 including capitalized interest.
  - As of December 31, 2007, there are foreign loans outside the protocol used for the Line 5 and its extension project, no outstanding balance ( US\$ 2,579,536,76 in 2006), including capitalized interest.
- b) Loans from the French Treasury granted by Credit National (Natexis Paris) under protocols 1, 2, 3 and 4, for use by Metro S.A. as the executor of the project, on the basis of the provisions of the decrees authorizing such borrowings. As of December 31, 2007 and 2006, the amount of the contracted loan was the dollar equivalent of FF 468,000,000, of which US\$ 85,329,618.83 was drawn as of December 31, 2007 and 2006, both amounts including capitalized interest. Also under these protocols, is the use of US\$ 2,066,519,50 in 2007 and 2006 for the replacement of the Line 2 automatic driving system, including capitalized interest. The balance of debt under protocols 1, 2, 3 and 4 amounts to US\$ 79,488,554.61 as of December 31, 2007, and US\$ 83,014,160.76 as of December 31, 2006.
- c) Financial Loan for Metro's New Lines Project with a bank syndicate led by BNP Paribas, for US\$ 150,000,000 with the guarantee from the Republic of Chile. US\$100,000,000 has been drawn as of December 31, 2007 and 2006. On November 22, 2005, a capital contribution was received in order to prepay this amount.
- d) Export buyer credit agreement for Metro's New Lines Project with a syndicate of banks led by BNP Paribas, for US\$ 340,000,000 (not including eventual capitalizations and insurance premiums) that has the guarantee from the Republic of Chile. US\$ 334,462,434.23 (including the Coface Premium and capitalizations) has been used as of December 31, 2007 (US\$ 316,478,226.91 as of December 31, 2006).
- e) Loan agreement for financing part of Line 4 and the extension of Line 2 north via Recoleta, with a bank syndicate led by BNP Paribas, for US\$ 200,000,000, which is secured by a pledge over NS 93 trains. As of December 31, 2007 it has been fully withdrawn and as of December 31, 2006, US\$ 175,000,000 had been drawn. This agreement contains a covenant limiting the debt - equity ratio throughout the term of the loan. Particularly, in 2007, this limit is 2.00:1. As of December 31, 2007, this debt-equity ratio is 0.92:1.
- f) Additional export buyer credit agreement for the acquisition of rolling stock, with a bank syndicate led by BNP Paribas, for US\$ 46,855,822.64 (not including eventual capitalizations and insurance premiums). This credit has no explicit guarantees. As of December 31, 2007, it has been fully drawn. As of December 31, 2006, US\$ 23,671,407 had been drawn.

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- g) Loan agreement for the expansion projects of Metro S.A., with a bank syndicate led by BNP Paribas, for US\$ 45,000,000 and UF 2,508,923. This financing has no explicit guarantees. These amounts were fully drawn as of December 31, 2007 and 2006. This agreement sets a maximum debt - equity ratio for 2007 of 1.9:1 a minimum equity of ThCh\$ 500 million and an EBITDA / Operating income margin over 25%. It must be pointed out that as of December 31, 2007, this debt - equity ratio is 0.92:1, shareholders' equity is ThCh\$ 1,083 million and the EBITDA / sales margin is 32.17%, calculated as stated in the agreement.
- h) Financial loan agreement for Line 5 North Extension Projects to Maipu and Line 1 Extension to Los Dominicos, with an International bank syndicate led by BNP Paribas for US\$ 130,000,000. This financing does not have explicit guarantees, and has not been drawn as of December 31, 2007. According to this agreement, during 2007, the maximum debt-equity ratio must not exceed 1.90:1, a minimum equity of ThCh\$700 million and an EBITDA/Operating income margin over 32% and a minimum interest coverage of 1 (not considering Treasury debt interests). It must be stressed that as of December 31, 2007, the debt - equity ratio was 0.92:1, equity amounts to ThCh\$ 1.083 million and the EBITDA / operating income margin is 32.17% and interest coverage is 1.4:1 calculated as stated in the agreement for this loan.
- i) Financial loan agreement for Line 5 North Extension Projects to Maipu and Line 1 Extension to Los Dominicos, with a bank syndicate led by Banco Santander Chile, for UF 9,200,000. This financing has explicit guarantees equivalent to US\$ 100.000.000, not drawn as of December 31 2007. According to this agreement, during 2007, the maximum debt-equity ratio must not exceed 1.90:1, an EBITDA/ Operating income margin over 32% and a minimum interest coverage of 1 (not considering Treasury debt interests). It must be stressed that as of December 31, 2007, the debt - equity ratio was 0.92:1, and the EBITDA / operating income margin is 32.17% and interest coverage is 1.4:1 calculated as stated in the agreement for this loan.
- j) Loan agreement for debt restructuring with Convenio BNP Paribas, for US\$ 90,000,000, This financing has explicit guarantees equivalent to US\$ 60,000,000, balance drawn as of December 31, 2007 of US\$ 27,700,000.00. According to this agreement, during 2007, the maximum debt-equity ratio must not exceed 1.90:1, a minimum equity of ThCh\$700 million and an EBITDA/Operating income margin over 32% and a minimum interest coverage of 1 (not considering Treasury debt interests). It must be stressed that as of December 31, 2007, the debt - equity ratio was 0.92:1, equity amounts to ThCh\$ 1.083 million and the EBITDA / operating income margin is 32.17% and interest coverage is 1.4:1 calculated as stated in the agreement for this loan.
- k) Ticket and non-contact card control. The control of AFT tickets and non-contact cards is made off the books in the Valued Species Unit of the Sales Channel Department. As of December 31, 2007, this unit held 9.325.051 tickets and 149.292 cards in stock (As of December 31, 2006 Metro S.A. owned 33.239.819 tickets and 82.044 cards).
- l) Bond issuance - The Company is not subject to any covenants with respect to its bond issues.

### 36. Collateral received from third parties:

During 2007 and 2006, the Company received no guarantees from third parties. As of December 31, 2007, the Company holds performance bonds and guarantee policies for ThCh\$ 297.301.267 and ThCh\$ 510,540,099 as of December 31, 2006, received from contractors for works in progress and suppliers for the manufacture of rolling stock, etc.

Documents in guarantee as of December 31, 2007.

Grantor	Guarantee amount ThCh\$	Operation behind the guarantee	Relation
Adm. Financ. Transantiago S.A	1,118,492	Service Contract	Not related
Alstom Chile S.A. (b)	47,802	Works Contract	Not related
Alstom Transport S.A. (b)	136,930,731	Works Service Contract	Not related
Balfour Beatty GMBH	1,895,212	Works Contract	Not related
Balfour Beatty Rail AB	1,913,722	Works Contract	Not related
Besalco Constructora S.A.	804,529	Works Contract	Not related
Bombardier Inc.	934,924	Works Contract	Not related
Cade Idepe Ingeniería y Desarrollo Ltda.	732,313	Works Contract	Not related
Central de Restaurantes Aramark Ltda.	885,257	Service Contract	Not related
Consortio Ara Ingendesa Ltda.	712,823	Service Contract	Not related
Consortio Zañartu M&C	64,755	Works Contract	Not related
Constructora Internacional	17,489,987	Service Contract	Not related
Constructora e Ingeniería Jemap S.A.	426,793	Works Contract	Not related
Const.y Auxiliar de Ferrocarriles	25,127,717	Works Contract	Not related
CVC S.A.	441,350	Works Contract	Not related
Dragados S.A	804,529	Works Contract	Not related
Empresa Constructora Desco Precon Salfa Ltda.	8,560,716	Works Contract	Not related
Empresa Constructora BCF S.A.	941,888	Works Contract	Not related
Empresa Constructora Tecsa S.A.	470,944	Works Contract	Not related
Obrascon Huarte Lain S.A.	15,780,543	Works Contract	Not related
Polymont Chile S.A.	430,879	Works Contract	Not related
Siemens S.A.	55,066,324	Works Contract	Not related
Sociedad JCDecaux Chile S.A. (a)	1,177,360	Service Contract	Not related
Sometec S.A.	5,871,342	Works Contract	Not related
Telecomunicaciones Bitelco Ltda.	74,338	Works Contract	Not related
Thales Information Systems S.A.	890,767	Works Contract	Not related
Thyssenkrupp Elevadores S.A.	7,720,006	Service Contract	Not related
Others	9,985,224	Works Service Contract	Not related
<b>Total</b>	<b>297,301,267</b>		

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- a) Contrato de Arrendamiento de Espacios Publicitarios CO-017-2002-I con la empresa JCDecaux Chile S.A., se han constituido en codeudores solidarios a favor de Metro S.A., las firmas JCDecaux S.A. y JCDecaux Argentina S.A., respecto de todas y cada una de las obligaciones que contrae o contraerá la sociedad JCDecaux Chile S.A. en virtud de dicho contrato.
- b) Contrato VPA - 161 - 01 - 02 con las empresas Alstom Brasil Ltda., Alstom Chile S.A. y Alstom Transport S.A. se ha constituido en codeudor solidario a favor de Metro S.A. la firma Alstom Holding, respecto de todas y cada una de las obligaciones que contraen o contraerán las firmas Alstom Brasil Ltda., Alstom Chile S.A. y Alstom Transport S.A. en virtud de dicho contrato.

### 37:\_ Local and foreign currencies:

The following provides a detail of local and foreign currencies as of December 31, expressed in ThCh\$:

Assets	Currency	Amount	
		2007	2006
<b>ITEM</b>		<b>2007</b>	<b>2006</b>
<b>Current Assets</b>		<b>74,500,066</b>	<b>61,466,151</b>
Cash and Banks	Non-indexed Ch\$	2,386,939	1,021,036
	Dollars	22,206	19,476
Time Deposits	Non-indexed Ch\$	12,596,046	1,846,876
	Dollars	27,007,756	7,558,259
Trade accounts receivable	Non-indexed Ch\$	3,732,557	854,442
Notes receivable	Non-indexed Ch\$	903,982	549,089
Sundry debtors	Indexed Ch\$	377,171	1,297,497
	Non-indexed Ch\$	2,418,184	1,638,535
	Dollars	779,104	897,098
Inventories	Indexed Ch\$	1,766	1,643
Recoverable taxes	Non-indexed Ch\$	278,681	539,499
Prepaid expenses	Indexed Ch\$	11,195	9,711
	Non-indexed Ch\$	43	-
Other current assets	Dollars	360,787	3,095,733
	Euros	639,294	446,498
	Indexed Ch\$	440,398	6,543,955
	Non-indexed Ch\$	22,543,957	35,146,804
<b>Fixed assets</b>		<b>1,963,275,179</b>	<b>1,894,499,597</b>
Fixed assets	Indexed Ch\$	1,963,275,179	1,894,499,597
<b>Other assets</b>		<b>43,041,259</b>	<b>45,565,527</b>
Long-term debtors	Dollars	230,426	1,033,500
	Euros	-	853,619
	Indexed Ch\$	32,973,445	32,762,105
	Non-indexed Ch\$	1,171,225	1,328,101
Accounts receivable related companies	Non-indexed Ch\$	32,983	32,983
Intangible assets	Indexed Ch\$	328,489	310,344
Others	Indexed Ch\$	7,719,201	8,138,618
	Non-indexed Ch\$	585,490	1,106,257
<b>Total Assets</b>		<b>2,080,816,504</b>	<b>2,001,531,275</b>
	Dollars	28,400,279	12,604,066
	Euros	639,294	1,300,117
	Indexed Ch\$	2,005,126,844	1,943,563,470
	Non-indexed Ch\$	46,650,087	44,063,622



## Current liabilities

ITEM	Currency	Up to 90 days				90 days to 1 year			
		2007		2006		2007		2006	
		Amount	Average annual	Amount	Average annual	Amount	Average annual	Amount	Average annual
Borrowings from banks and financial institutions	Dollars	30,278,598	5.53	12,854,832	5.70	11,924,039	5.53	24,342,657	5.70
	Euros	58,659	2.00	60,641	2.00	-	-	-	-
	Indexed Ch\$	4,490,255	4.41	1,446,512	4.16	-	-	-	-
Bonds payable	Indexed Ch\$	7,679,963	5.40	7,707,600	5.40	760,328	5.40	763,063	5.40
Accounts payable suppliers	Non-indexed Ch\$	16,108,680	-	8,265,188	-	-	-	-	-
	Dollars	-	-	-	-	427,306	-	218,329	-
	Euros	-	-	-	-	276,000	-	324,470	-
Provisions	Non-indexed Ch\$	264,089	-	356,422	-	25,854,815	-	14,669,515	-
Other current liabilities	Indexed Ch\$	212,776	-	800,581	-	2,090,667	-	2,282,005	-
	Dollars	-	-	98,731	-	-	-	-	-
	Non-indexed Ch\$	956,734	-	314,291	-	42,801	-	-	-
<b>Total Current Liabilities</b>		<b>60,049,754</b>		<b>31,904,798</b>		<b>41,375,956</b>		<b>42,600,039</b>	
	Dollars	30,278,598	-	12,953,563	-	12,351,345	-	24,560,986	-
	Non-indexed Ch\$	17,329,503	-	8,935,901	-	25,897,616	-	14,669,515	-
	Indexed Ch\$	12,382,994	-	9,954,693	-	2,850,995	-	3,045,068	-
	Euros	58,659	-	60,641	-	276,000	-	324,470	-

## Long-term Liabilities 2007

ITEM	Currency	1 to 3 years		3 to 5 years		5 to 10 years		More that 10 years	
		Amount	Average annual	Amount	Average annual	Amount	Average annual	Amount	Average annual
Borrowings from banks and financial institutions	Dollars	72,273,533	5.34	70,221,449	5.34	170,736,399	5.34	19,022,204	5.34
	Euros	114,982	2.00	114,983	2.00	287,456	2.00	326,806	2.00
	Indexed Ch\$	14,214,370	4.46	14,066,219	4.46	17,582,770	4.46	-	-
Bonds payable	Indexed Ch\$	-	-	10,857,874	5.40	67,534,667	5.40	349,381,447	5.40
Accounts payable foreign suppliers	Dollars	69,357	-	-	-	-	-	-	-
Accounts payable related companies	Indexed Ch\$	40,515,847	-	-	-	-	-	-	-
Other long-term liabilities	Indexed Ch\$	17,922,570	-	3,479,374	-	10,517,923	-	16,958,567	-
	Non-indexed Ch\$	19,333	-	-	-	-	-	-	-
<b>Total Long-term Liabilities</b>		<b>145,129,992</b>		<b>98,739,899</b>		<b>266,659,215</b>		<b>385,689,024</b>	
	Dollars	72,342,890	-	70,221,449	-	170,736,399	-	19,022,204	-
	Euros	114,982	-	114,983	-	287,456	-	326,806	-
	Non-indexed Ch\$	19,333	-	-	-	-	-	-	-
	Indexed Ch\$	72,652,787	-	28,403,467	-	95,635,360	-	366,340,014	-

## Long-term Liabilities 2006

ITEM	Currency	1 to 3 years		3 to 5 years		5 to 10 years		More that 10 years	
		Amount	Average annual	Amount	Average annual	Amount	Average annual	Amount	Average annual
Borrowings from banks and financial institutions	Dollars	73,613,572	5.48	72,518,056	5.48	185,298,500	5.48	26,949,616	5.48
	Euros	118,615	2.00	118,616	2.00	296,539	2.00	396,439	2.00
	Indexed Ch\$	11,033,680	5.41	14,116,836	4.14	24,704,460	5.41	-	-
Bonds payable	Indexed Ch\$	-	-	4,135,588	5.40	58,160,809	5.40	367,016,935	5.40
Accounts payable foreign suppliers	Dollars	1,381,829	-	-	-	-	-	-	-
	Euros	6,219	-	-	-	-	-	-	-
Other long-term liabilities	Indexed Ch\$	4,517,202	-	3,009,445	-	4,752,692	-	30,377,493	-
	Non-indexed Ch\$	19,137	-	-	-	-	-	-	-
<b>Total Long-term Liabilities</b>		<b>90,690,254</b>		<b>93,898,541</b>		<b>273,213,000</b>		<b>424,740,483</b>	
	Dollars	74,995,401	-	72,518,056	-	185,298,500	-	26,949,616	-
	Euros	124,834	-	118,616	-	296,539	-	396,439	-
	Non-indexed Ch\$	19,137	-	-	-	-	-	-	-
	Indexed Ch\$	15,550,882	-	21,261,869	-	87,617,961	-	397,394,428	-

## :\_notes to the financial statements

as of 31 st december, 2007 and 2006

### 38:\_Sanctions

The Company has not received sanctions during 2007 and 2006 from the Chilean Superintendency of Securities and Insurance or any other administrative authority.

### 39:\_Subsequent events

No subsequent events have taken place between January 1 and 28, 2008.

### 40:\_Companies subject to special regulations

No note required.

### 41:\_The environment

Due to the nature of the operations developed by the company, expenditures for environment protection amount as of December 31, 2007 to ThCh\$ 877.365, for noise mitigation, residues treatment and other measures. In addition, ThCh\$ 953,092 are committed to these same concepts for 2008. There is a sanction trial fine for UTM 500, followed by Corema to Talleres y Cocheras Puente Alto for noise emission; Metro S.A. requested reconsideration.

### 42:\_Time deposits

The detail of time deposits is as follows:

Institution	2007		2006
	Currency	ThCh\$	ThCh\$
Banco de Chile	\$	-	135.386
Banco del Desarrollo	\$	6,799,266	-
Banco de Crédito e Inversiones	\$	219,162	-
Corpbanca	\$	5,577,618	1,711,490
<b>Total</b>		<b>12,596,046</b>	<b>1,846,876</b>

#### Inversiones en Dólares

Banco de Crédito e Inversiones	US\$	7,355,566	7,558,259
Corpbanca	US\$	4,318,666	-
Banco del Estado de Chile	US\$	5,869,156	-
Banco Security	US\$	4,871,800	-
HSBC Bank (Chile)		4,592,568	-
<b>Sub total</b>		<b>27,007,756</b>	<b>7,558,259</b>
<b>Total</b>		<b>39,603,802</b>	<b>9,405,135</b>

### 43:\_Directors' remuneration

As of December 2007 and 2006, Directors received the following remunerations:

	2007	2006
	ThCh\$	ThCh\$
Tickets, allowances and representation expenses	6,470	1,399
Fixed monthly remuneration	92,965	55,849
Fees	25,557	34,316
Other Directors' fees	19,826	24,817
<b>Total</b>	<b>144,818</b>	<b>116,381</b>

**independent  
auditors'  
report**  
as 31 st december of 2007

**To the Chairman of the Board, Directors and Shareholders  
of Empresa de Transporte de Pasajeros Metro S.A.**

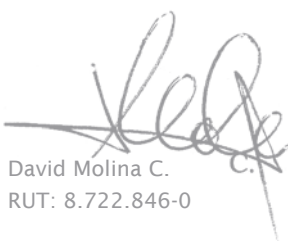
We have audited the accompanying balance sheets of Empresa de Transporte de Pasajeros Metro S.A. as of December 31, 2007 and the related income and cash flow statements for the years then ended. The preparation of such financial statements (including the notes thereto) is the responsibility of the Empresa de Transporte de Pasajeros Metro S.A. management. Our responsibility is to express an opinion on these financial statements, based on our audit.

The Empresa de Transporte de Pasajeros Metro S.A. financial statements for the year ended as of December 31, 2006, were audited by other auditors, who expressed their opinion without exceptions in their report dated January 26, 2007. The accompanying detailed analysis and relevant facts does not form integral part of these financial statements, therefore, this report does not include them.

We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also involves assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

These financial statements have been prepared to reflect the individual financial situation of Empresa de Transporte de Pasajeros Metro S.A., according to the criteria described in Note 2 b), prior to consolidating, line by line, the financial statements of subsidiary Empresa de Transporte de Pasajeros Suburbano S.A.. Therefore, to ensure its appropriate interpretation, these individual financial statements must be read and analyzed in conjunction with the consolidated financial statements of Empresa de Transporte de Pasajeros Metro S.A. and Subsidiary, required by the accounting principles generally accepted in Chile and regulations from The Superintendency of Securities and Insurance. This report is only presented for the information and use by the Board of Directors and Management of Empresa de Transporte de Pasajeros Metro S.A and the Superintendency of Securities and Insurance.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Empresa de Transporte de Pasajeros Metro S.A. as of December 31, 2006 and 2005 as well as the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in Chile.



David Molina C.  
RUT: 8.722.846-0

 **ERNST & YOUNG**  
ERNST & YOUNG LTDA.

Santiago, January 28, 2008



**:\_coordination**

commercial and customer  
service management  
metro de santiago

**:\_design and production**

naranjo branddesign  
alvaro ubeda

**:\_photography**

thomas wedderville

**:\_printing**

gráfica escorpio