

ANNUAL REPORT 2008



I got you under my skin



METRO
DE SANTIAGO
40 AÑOS

ANNUAL REPORT 2008

I got you under my skin

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PROPERTY OF THE COMPANY

Metro de Santiago is a public limited company created by law 18.772 published in 1989, legal successor to Dirección General de Metro, which then depended from the Ministry of Public Works. In formal terms, this transformation resulted in a legal, administrative and financial separation from the ministry.

The company is administered by a Board of Directors who are nominated by the shareholders, in this case, the Corporación de Fomento de la Producción, with 72% and the Treasury, represented by the Treasury Ministry, with 28% of the capital. Likewise, Metro de Santiago is submitted to the control of the Superintendencia de Valores y Seguros and it publishes its Income Statements quarterly. Also, its workers are governed by the Work Code regulations.

As a public company, Metro de Santiago is part of the Companies System (SEP), government technical entity whose function is to represent the interests of the Estate in those companies in which the latter is a shareholder or owner. This organization ensures a company's performance which complies with the principles of efficiency, competitiveness, transparency and administrative and financial integrity.



LETTER FROM THE CHAIRMAN



In 2008 Metro de Santiago celebrated its first 40 years of life. This anniversary made us look into the past, present and future of our company. Many things have happened since, in 1968, President Eduardo Frei Montalva signed the decree that gave birth to the project "Study of Santiago's Metropolitan Transport": a metro for the residents of Santiago.

At the beginning, in the 70s, nearly 20 people worked in Metro, and when it started its operation, it was perceived by the citizens as a touristic means, more than a transport solution. Santiago then had close to 3 million inhabitants.

Today we can say that we are the capital's backbone, the structural axis of the public transport system. We count with an 85-kilometer network and 92 stations and, after the start of Transantiago, our flow doubled up from 1.2 to 2.3 million trips a day. Currently, 60% of the users of the public transport use Metro at some stage of their trip. From a shy 12% we had in 2001, now we represent more than a third of the city's public trips. This has permitted that this tremendous investment made with money from all Chileans, is now used by many more people than before.

Metro is the pride of the residents of Santiago, everybody's patrimony, a company which has received the cooperation of all governments and Presidents of the Republic, from the most diverse political colors.

Nowadays, Metro is more than a mere means of transport: it is an integration vehicle, and important artery which permits the irrigation and the life of the whole city. It eases the connection, taking care

«We can say today that we are the capital's backbone, the structural axis of the public transport system».

of the environment, without congesting the city, coming out from the subsoil, uniting families, study partners and work colleagues from one extreme of the capital to the other.

The recent integration with Transantiago was a huge challenge for the company, because the task of transporting double the Santiago residents fell on Metro overnight.

However, after a difficult 2007, in 2008 we recovered the high levels of acceptance and good evaluation among users. The challenges were numerous and we had difficult times. Nevertheless, thanks to the implementation of a group of measures destined to improve the travel experience, we have recovered Metro's excellence levels, but with double the users than before.

It has been necessary to be creative in our operational solutions, implementing systems such as Metro Expreso, whose goal is to increase the speed of the trains in order to accomplish a higher offer. Other measures this year have been the implementation of "loops" (short trips), reconfiguration of trains, flow management and enlargement of stations.

However, we also care about other aspects of the trip. We inaugurated an intermodal station in Vespucio Norte, we improved the infrastructure of different stations and we doubled our efforts in safety, remaining to be one of the safest places in the capital.

We also implemented campaigns such as the "Incognito Passenger" and "I Got You Under My Skin" – commemorating our 40th anniversary-, we deliver art and culture to the public with Roberto Matta's mural in Quinta Normal, and Alejandro "Mono" González's mural in Bustamante station, and we loaned more than 200 thousand books in Bibliometro.

This capacity to carry out our projects, our seriousness and commitment with the capital's development and its inhabitant's wellbeing always makes Metro's growth to be desirable, reaching more places and connecting more people. In 2008 we continued at full speed with the works of extensions towards Pudahuel and Maipú, and also Los Dominicos, ending the year with the whole tunnel being excavated in the stretches to be inaugurated in 2009.

Additionally, the purchase of 36 coaches (along with 180 purchased in 2007), imply that we currently have a third of Metro's fleet under manufacturing, the largest enlargement in the history of this company.

We have made all these advancements in an efficient way, financing part of our extensions and complying with our maxim of having positive operational results. We can proudly say that this year we succeeded in issuing a non Estate guaranteed bond for US\$150 million, which proves we are able to go and get financing from the market in the same conditions as private companies.

Nowadays, Metro is the cheapest operator in the public transport system, being one of the world's few cases which self-finances its operation and contributes to the enlargement of its lines with almost a third of the investment.

However, even though we are proud of our accomplishments in these last 40 years, we do not want to be accommodating with our present. Metro never stops, the future moves us.

At the end of 2009 we will inaugurate the stretch of the extension of Line 5 until Pudahuel and in 2010 we will reach Maipú. Also in 2009 we will finish the extension of Line 1 until Los Dominicos. For the Bicentenary we will exceed the 100 kms. of network and we will increase our trains, and we continue moving forward with firm steps in key projects, such as the automatic piloting on Line 1 (or CBTC).

We will also increase the existing Wi Fi connections in the stations, we will double the Bibliometro network, we will deliver new MetroArte projects and we will enlarge our bicycle custody facilities due to the success of the first four inaugurated in 2008.

This is why we can assure with satisfaction that Metro is more than a means of transport: it is an integration instrument, a form of decontamination, one of the most important promoters of culture in the country and, in the end, a great creator of public spaces.

For this reason is that we have summed up 40 years of pride in one phrase: "Metro, I got you under my skin".



Clemente Pérez Errázuriz
Chairman
Metro de Santiago



BOARD OF DIRECTORS



● David Duarte A.
Director

● Iván Valenzuela R.
Director

● Clemente Pérez E.
Chairman

● Carlos Mladinic A.
Vice Chairman



● Vicente Pardo D.
Director

● Sonia Tschorne B.
Director

● Andrés Gómez-Lobo E.
Director

● Jaime Pilowsky G.
Secretary

LETTER FROM THE GENERAL MANAGER



2008 was a special year for us, with celebrations and happiness because of the 40 years Metro has been serving the citizens.

However, for all of us who work in this company it was mainly a year of new challenges, targets and goals which move us today towards the future, after a tremendously demanding 2007 because of the implementation of Transantiago.

This is due firstly to the fact that we are working very hard on the field everyday to become one of Chile's best service companies, a huge challenge for a company who moves 2.5 million passengers per day. We do not like easy targets. We are certain that this is something feasible thanks to the notorious and undeniable professionalism of those who form Metro's teams who currently work in different fronts.

«In 2008 we worked very hard on increasing the offer in order to improve the service; we reached 105 million coach-kms, increasing in 12% compared to 2007».

On this line, in 2008 we work hard to increase the offer in order to improve the service. We reached 105 million coach-kms, increasing in 12% compared to 2007. We implemented diverse operative strategies, increasing the offer on peak hour where we were already working to our full capacity. We invested US\$10 million on our stations, in order to deliver more safety and comfort to our passengers. We also incorporated new services and we increased the cultural offer with three new MetroArte, improving the travel experience. Therefore, even though in 2007 our customers perceived deterioration in the service, we are

currently recovering their trust. This is reflected in the improvement of the service quality indicators and in the satisfaction surveys to our users.

Secondly, we keep making an effort to be one of the most efficient metros in the world, leadership that is recognized to us and we work day to day

to keep it. We are one of the few metros which cover its operation costs without State subsidies and, moreover, is capable of financing a third of the network enlargement investment.

In 2008 we accomplished a record operational result of \$20 thousand million (with an average income per passenger of only \$278 per trip) and we generated an operational cash flow of \$ 77 thousand million, increasing in 24% compared to 2007. We moved forward on efficiency, reducing the operation cost per transported passenger in 4%, despite the increase of the energy cost. With creative solutions, we optimized the use of the resources.

Thirdly, our eyes are set not only in the present, but also in the future, because we know that life quality of Santiago residents improves when we grow in coverage and service. We are implementing an ambitious investment plan for US\$ 1,300 million, which allows us to grow with our network in 18 km. The construction of the two new extensions in Line 1 to Los Dominicos and Line 5 to Maipú, whose different stretches we will put into operation in 2009 and 2010, is moving forward according to the program, when it comes to deadlines and budget. More that 1.5 million people from Las Condes, Pudahuel, Quinta Normal, Lo Prado and Maipú will benefit directly. We are purchasing more trains: by 2010, Metro will have count with almost 1000 coaches, an increase of 30% which will add up to the current fleet and will allow us not only to cover the extensions' needs, but also increase the offer

throughout the whole network.

This improvement on the service and the new developments can only be a reality thanks to our people's dedication, their energy and creativeness, their commitment to excellence and their care for detail and their desire to always taking an extra step.

The seriousness with which we have historically faced these relevant projects for the city, lets us dream of keeping growing, aware of being an efficient and competitive means of public transport.

By the Bicentenary Santiago will have more than 100 kilometers of a first level Metro, becoming one of the most significant and socially profitable public investments executed by the State in the last decades. Metro does not only deliver a fast, safe and trustworthy transport, but it also offers culture, entertainment and services to its passengers. Metro contributes to making the city of Santiago a friendlier place with a better quality of life.

By then, the residents of Santiago will be able to benefit from and congratulate ourselves for a work that, because of its size and importance, would surely have made those who began this story 40 years ago very proud. .

Camila Merino Catalán
General Manager
Metro de Santiago



EXECUTIVE COMMITTEE



● Pedro Sabatini D.
Sustainable Development
Manager

● Jorge Cornejo P.
Maintenance Manager

● Victor Morales V.
Project Development
Manager

● Camila Merino C.
General Manager

● Gonzalo Morales M.
Fiscal Lawyer

● Hernán Vega M.
Administration and
Finance Manager



● Francisco Saumann M.
Human Resources Manager

● Jaime Adasme A.
Operations Manager

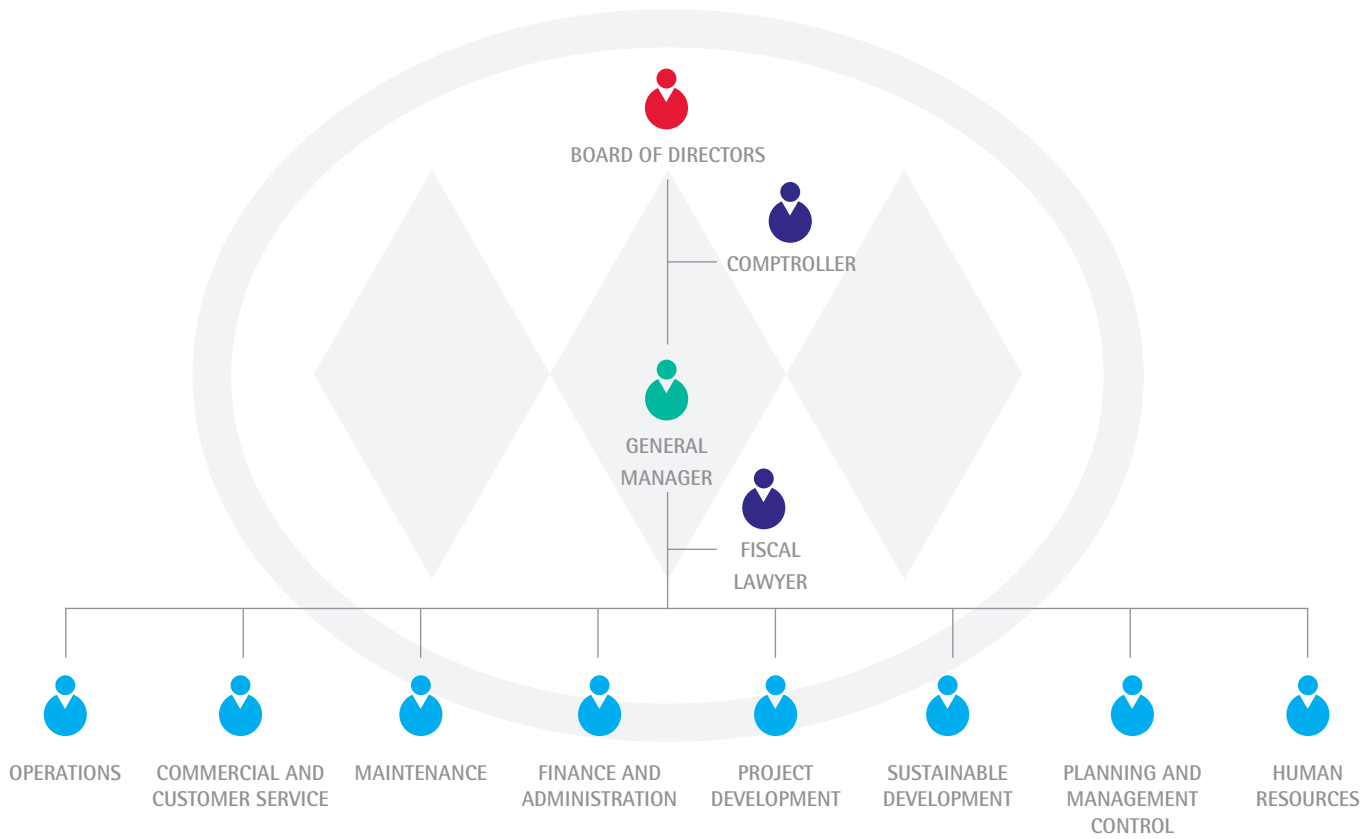
● Victor Maillard G.
Comptroller

● Álvaro Caballero R.
Commercial and Customer
Service Manager

● Roland Zamora V.
Management Control
and Planning Manager

ORGANIZATIONAL CHART

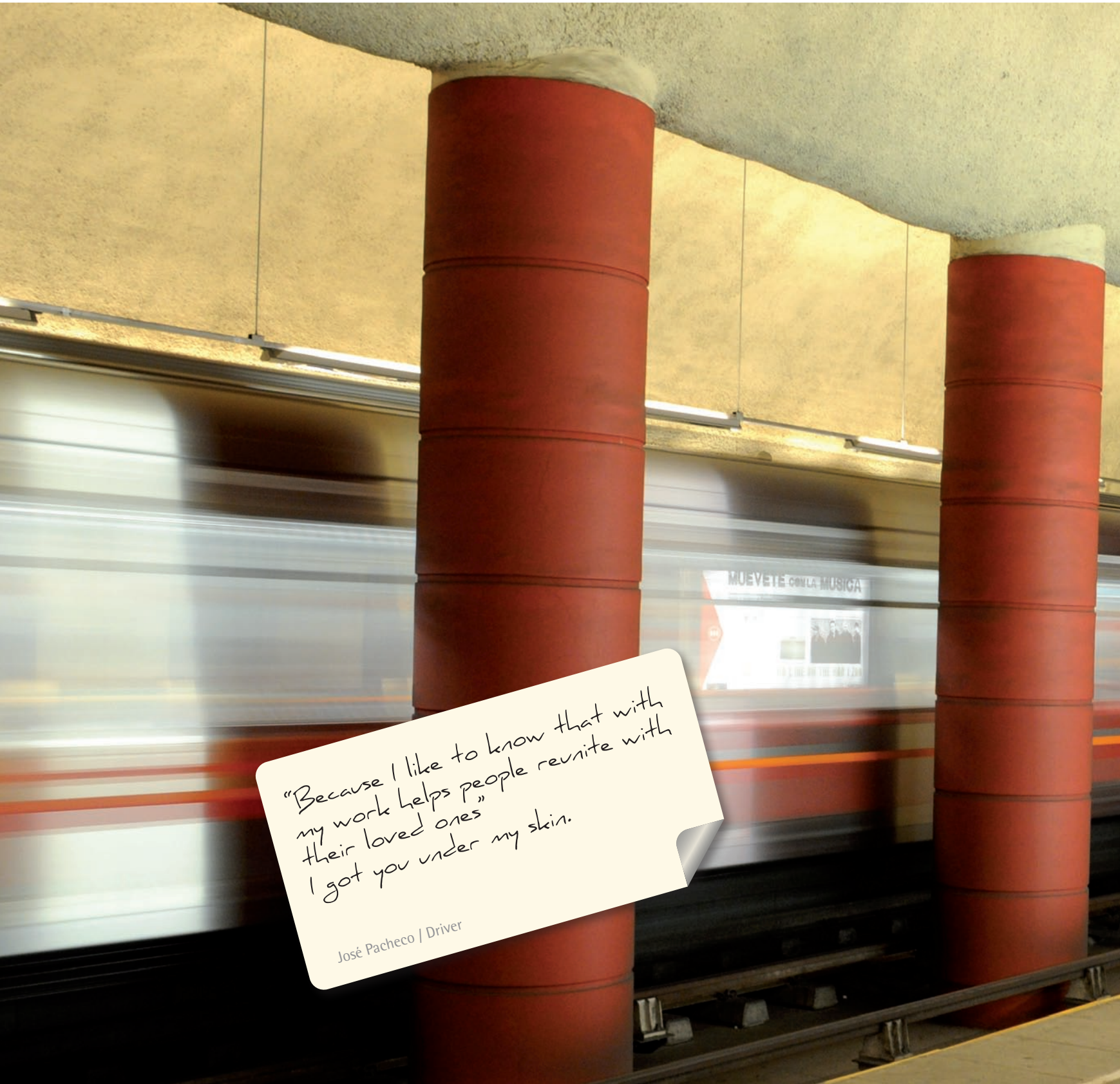
In force as from January 2009



METRO NETWORK

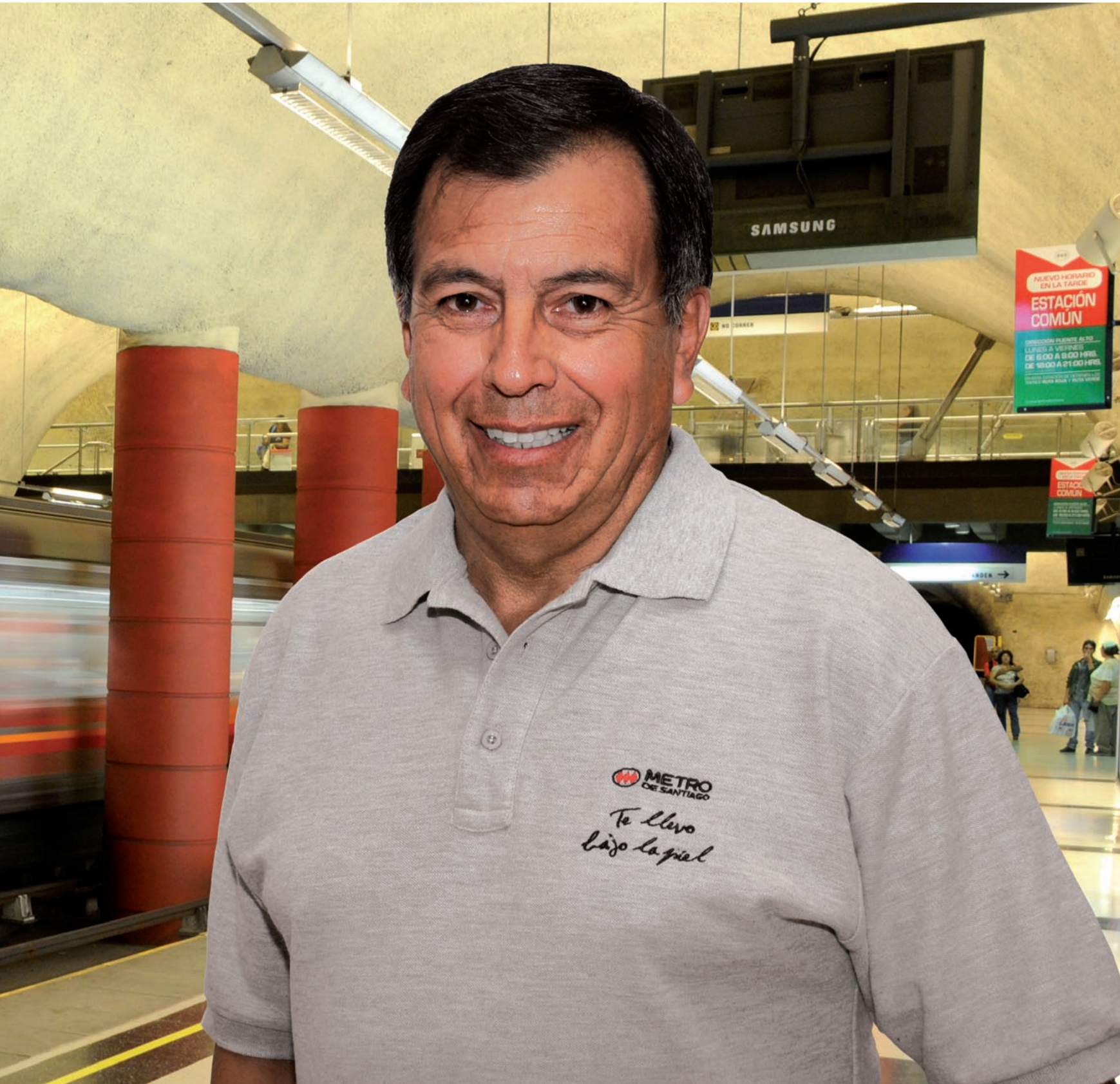


HAVE GOTTEN AROUND
BIG CHALLENGES AND
WE KEEP GROWING
FOR YOU



"Because I like to know that with
my work helps people reunite with
their loved ones"
I got you under my skin.

José Pacheco / Driver



SAMSUNG

NUEVO HORARIO EN LA TARDE
ESTACION COMUN
DIRECCION PUENTE ALTO
LUNES A VIERNES
DE 6:00 A 8:00 HRS.
DE 18:00 A 21:00 HRS.
SABADO Y DOMINGO
DE 18:00 A 21:00 HRS.

 **METRO DE SANTIAGO**

*Te llevo
bajo la piel*

← LADEN →

HISTORICAL ACCOUNT



» Poster made for the inauguration of Line 1.

Between **1925** and **1956** four studies predesigned the construction of a metro for the capital and for different reasons, they did not prosper.

For many, the work of the consulting commission which proposed the construction of the metro was just another dream, until, on 24th October 1968, Eduardo Frei Montalva's government signed the decree that marks the birth of Metro de Santiago. The project was left in the hands of

the General Direction of Public Works through their Direction of Planning and, on 29th May **1969**, the works for the San Pablo-La Moneda stretch of Line 1 and Taller Neptuno began.

In those times, the number of people involved in the project did not exceed a dozen, lead by architect Juan Parrochia.

With the presidential elections in **1970** *ad portas*, for many the future of the project was uncertain. Not to Parrochia, who started making excavations all along Alameda

in order to ensure its execution. A last impulse to the construction of Metro was made by President Allende himself, by appointing the Public Works Ministry (MOP) engineer, Eduardo Paredes, as Metro's General Director. The construction of the Metro was one of the few public works which carried on without political interruptions, so when the military government was established, the future Line 1 was the only work being executed.

However, before the first line was ready, the trains had arrived and it was necessary to perform the anticipated maintenance in half-built workshops.

In the first years, the French influence on Metro de Santiago was visible. Not only the project had a clear inspiration on Paris' Metro, by conceiving the subterranean train network accompanied by a vial peripheral network which corresponds to Americo Vespucio and another smaller internal ring.

Also, some Metro engineers were trained in the French capital and they came back with knowledge which they transmitted to the staff, in different disciplines, through training courses. Inside Metro, there was practically a French colony, since at the beginning there were representatives from different French suppliers in its facilities.

The first train started operations on 15th May **1975**, travelling between San Pablo and Estación Central, which started a rather long trial period.

Four months later, the Metro de Santiago operation officially began. On the first months, people went to the Metro for a stroll, to ride the escalators, to be amazed at this modern, clean and technological space. The controlled access – thanks to a fare which tripled the cost of a bus ticket, the so called “visit with contribution” – allowed the education of users in the care and appropriate use of the facilities.



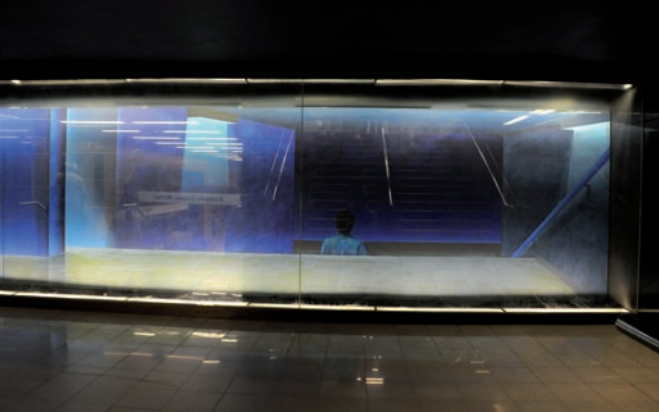
» Arrival of the first trains to San Antonio port.



» Works in Alameda for the construction of Line 1.



» Metro station in the 80s.



» "Interior Urbano", first MetroArte.

In **1977** the first network extension works concluded. It was the continuation of Line 1 until Salvador station and, in 1980, the current route to station Escuela Militar was added.

The first stretch of Line 2, meanwhile, was inaugurated on March **1978**. It covered stations Los Heroes and Franklin, to which six more stations until Lo Ovalle were added.

In **1987** Metro's network grew with the opening of two new stations: Santa Ana and Mapocho. This last station would lately change its name after the notorious discovery of the remains of the old Cal y Canto bridge, emblem of the city for more than a century, during the excavations for this project. On August of the same year, the METROBUS system started with 11 routes from stations Escuela Militar, Lo Ovalle and Las Rejas.

In December **1988**, Law 18.772 was approved, published on 28th January 1989, which authorized the transformation of Dirección General de Metro, dependant of the MOP, into a public limited company.



» Construction of Puente Cal y Canto station.

The 90s were characterized for the construction of a third 10.3 kilometer-long line, Line 5 to La Florida, one of the most populated areas of the country. For this work, the NATM method was used (New Austrian Tunneling Method), which consist on the construction of interstations and stations through tunneling, that is, without opening the surface. Thanks to this construction method, Metro de Santiago can bore the city in different levels, minimizing the disturbance to the community and making the construction more efficient.

On this decade, Metro de Santiago also started offering in a permanent way, and as a part of its service to users, culture and entertainment. Therefore, as an example, in 1993 the MetroArte project is formalized, with public art installations in the stations of the subway train. The first work was "Interior Urbano", from Hernán Miranda, installed in Universidad de Chile station.

On the other hand, in **1996**, and through an agreement between the Direction of Libraries, Archives and Museums (Dibam) and Metro de Santiago, the Bibliometro project was born, with the goal of bringing reading closer to the people. This project, Bibliometro, has kept growing until becoming nowadays the main library in the country when it comes to book loans per year.

Finally, and in its commitment to make the different art manifestations available to all Chileans, in **1999** Metro de Santiago decided to create its own Cultural Corporation.





» Old Metro brand.

Between **2000** and **2006**, Metro de Santiago lived a great expansion period. In

March **2000** a new stretch of Line 5 which crosses the capital's historical center was inaugurated. The connection between Baquedano and Santa Ana, through Plaza de Armas and Bellas Artes stations, interweaved the three lines that existed then. By then, Metro transported close to a million passengers per day, through its 40.4 kilometers of route and 52 stations.

In **2004**, Metro would set a new milestone by crossing subterraneanly the Mapocho river to put stations Patronato and Cerro Blanco from Line 2 north extension into operation. This line continued growing towards the south and north completing, in late **2006**, a total of 22 stations between La Cisterna and Vespucio Norte.

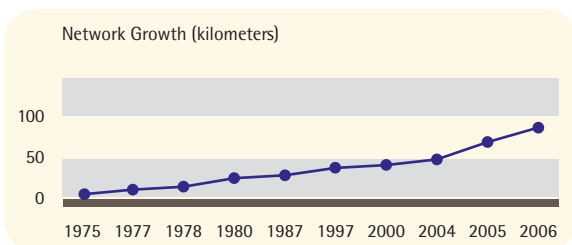
In the city accesses different intermodal stations are created in order to serve those coming from the outskirts of Santiago or from other regions, thus avoiding the buses having to reach downtown Santiago. Today, they exist in Vespucio Norte, Pajaritos, La Cisterna, Lo Ovalle and Bellavista de La Florida stations.

The first stretch of Line 4 was inaugurated in November **2005**. It comprised the subterranean route between Tobalaba and Grecia stations, and on viaduct between Vicente Valdés and Plaza de Puente Alto. The last stretch was inaugurated on March **2006**, which definitely connected stations Puente Alto and Tobalaba. Line 4 is the longest line in all the system, with 24.7 kilometers and 22 stations that join the areas of Providencia, Ñuñoa,

La Reina, Peñalolén, Macul, La Florida and Puente Alto. Finally, Line 4 would be completed with the inauguration of a branch line, Line 4A, that since 16th August 2006 connects lines 2 and 4.



» Works in Plaza de Armas.



» Between 2000 and 2006 the extension of the Metro network doubled up: from 40.3 kilometers in 2000, it reached 85.1 kilometers in 2006.

In 2007, Metro de Santiago started being part of Transantiago, the new capital's integrated transport system. This meant a huge challenge for the company and its workers. The demand doubled up and new customers were incorporated. Metro became more massive, thus duplicating its social profitability.

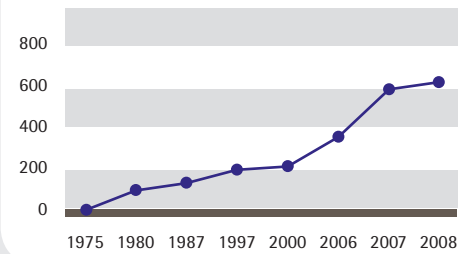


» Intermodal station Vespucio Norte, inaugurated on February 2008.

The initial difficulties were progressively overcome and the technical and human answers were adapted to the new scenario being faced, with measures that stood up like the implementation of Metro Expreso.

Currently, Metro de Santiago keeps growing to deliver more life quality to more and more people. On January 2007, President Bachelet initiated the extension works of Line 5 towards Maipú and a month later the extension works for Line 1 started in the east of the city. Thanks to these projects, Metro will connect more residents of the capital

Annual Flow Evolution (million trips)



» With the integration of Metro to Transantiago, the demand doubled up. During 2006, 331 million trips were registered, while in 2007 the total flow was 601 million trips.

each day, transporting them with its characteristic efficiency, speed and safety, and delivering the most complete service so riding the Metro is more than a simple trip.



2008 MAIN MILESTONES



» Presidential visit to the extension works of Line 5.

»**15th January.** With the visit of President Bachelet to the extension works of Line 5, the construction of tunnels was initiated.

»**5th February.** Inauguration of Vespucio Norte intermodal terminal.

»**17th March to 13th May.** "Incognito Passenger" campaign.

»**27th March.** Inauguration of SubCentro Las Condes in Escuela Militar station.

»**5th May.** Manufacturing of the CAF trains boxes begin.

»**18th June.** Inauguration of "Verbo América" mural, by Roberto Matta, in Quinta Normal station.

»**5th July.** During the commemoration of Bibliometro's 12 years, the company, along with Dibam, announced they were doubling the modules and hours.

»**15th July.** Announcement of the construction of Del Sol station, new intermodal station of the extension of Line 5 towards Maipú

»**23rd July.** Prize giving to winners of the 5th version of the audiovisual contest "Nanometrajes", organized by Metro, Minera Escondida, Plagio and TVN.





» Advancement in extension works of Line 1.

»24th July. Metro makes the first tunnel connection between Santa Magdalena Sofía shaft and future Los Dominicos station, in the extension of Line 1.



»3rd August. Inauguration of the first bicycle custody facilities in Metro stations.

»3rd September. Metro successfully places bonds for US\$150 million, not guaranteed by the State.

»30th September. Inauguration of mural "Vida y Trabajo", by Alejandro "Mono" González, in Parque Bustamante station.

»16th October. Inauguration of MetroArte work "Integración" in Ecuador station, composed of four murals created by Teletón children.



»17th November. Extension of the service hours of Metro Expreso on Line 4 and implementation on Line 5.

»27th November. Placement of the first voussoir of the viaduct of the extension of Line 5 to Maipú.

»1st December. Prize giving to the winners of the 8th version of "Santiago en 100 palabras", the literary phenomenon with the greatest national participation.

»18th December. Metro celebrates its 40th anniversary with the presence of the President of the Republic and workers at the excavation of the extension of Line 5.

»3rd to 24th December. More than 17 thousand gifts were gathered in the Christmas campaign impulsed along with Protectora de la Infancia.



» Placement of the first beam of the viaduct of the new Line 5 stretch.



» Javierra Parra's presentation in Metro's 40th anniversary celebration.

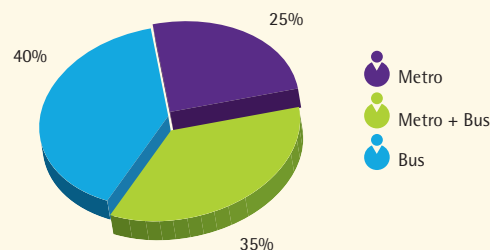
BUSINESS DESCRIPTION

More than 2.3 million daily trips along an 85-kilometer network and with a fleet of 751 coaches, this is Metro de Santiago today. Also, 92 stations, five workshops and depots, seven spaces and cultural multirooms and more than 2,800 workers.

Metro plays a key role in the city's transport. Today, 4 million daily trips are made in the public system and at least 60% of Transantiago users use Metro – by itself or in combination with buses – at some stage of their trip. If the trip levels are analyzed, they are 6 million, out of which Metro concentrates 35%, more than a third of the capital's public transport.

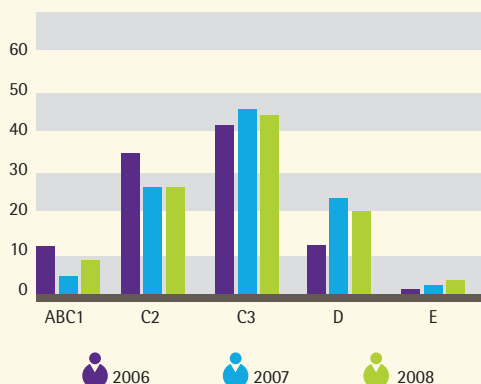
Gone are the days when, from Metro's central offices in La Moneda station, the so called "Edmondson" tickets were distributed in special coaches along the whole network, to be sold at each station. Today, practically the whole process is done through electronic charge and the technological development accomplished by Metro in 2002 for the Multivia card was the precursor of the Bip! Card, used today as a means of integrated payment in Santiago's whole public transport system. In fact, 70% of the charges is done at Metro ticket offices.

Ways of travelling on Santiago Public Transport (%)



»60% of the capital's public transport users use Metro by itself or combined with a surface bus, at some stage of their trip.

Evolution of the Client Portfolio Composition (%)



» 69% of the Metro users belong to socioeconomic levels C2 and C3. This figure has decreased slightly in the last three years. Meanwhile, the ABC1 segment registered an important recovery, returning to our service during 2008.

Compared to other metros, Metro de Santiago has become, also, one of the most accessible in the world. Its fare to the public does not reach a dollar, much less than the prices in other countries.

Combination Stations with the Highest Flow in 2008 (thousands)

Stations	Average Income Working Day	Average outcome Working Day	Average transfers Working Day	Total Station
Los Héroes	50	69	298	417
Tobalaba	63	54	204	321
Baquedano	32	47	240	318
Santa Ana	57	50	115	222
Vicente Valdés	31	20	164	216
La Cisterna	71	74	51	195
Vicuña Mackenna	20	22	76	119

» There currently exist seven combination stations in the Metro network. By the end of 2009, San Pablo station will be added, and it will combine Lines 2 and 5.

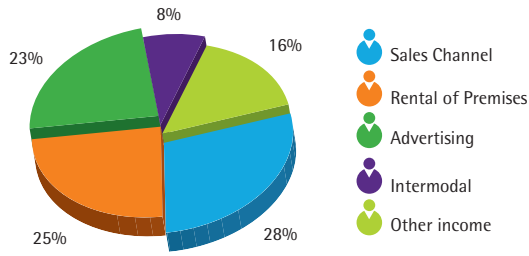
Metro is also made by its users, because the subway train transports the residents of Santiago 365 days a year in an efficient and safe way. Men and women, children, young people and senior citizens who travel to their works, schools and universities, people who use the metro to go shopping and run their errands, but also to meet with friends, see a free play, attend a concert or visit an exhibit.

Stations with the Highest Flow in 2008 (thousands)

Stations	Average Income Working Day	Average outcome Working Day	Total Station
Escuela Militar	96	94	190
Universidad de Chile	92	89	181
Las Rejas	69	70	139
Estación Central	58	81	139
Cal y Canto	61	47	108
Pedro de Valdivia	53	53	106
La Moneda	49	51	100
Plaza de Armas	56	44	100
República	42	53	95
Los Leones	49	45	94

* Line 1 is undoubtedly the most overloaded in the network: it receives close to one million 400 thousand users. The four stations in the network which register the most flow belong to Line 1 and 649 thousand people travel on them everyday.

Other Metro incomes (%)



» Metro's income, different from transport, represented in 2008 8% of the total income.

The fare to the public is different to the one Metro perceives per transported passenger. While customers paid during 2008 \$420 on peak hours and \$380 in off-peak hours, as an average Metro perceived \$278 per passenger. Metro's fare was defined with the objective that

Metro de Santiago has an operational cash flow with which it also finances a third of its expansion projects.

However, in these four decades, Metro's business has expanded considerably, being the incomes different than transport – which represented in 2008 8% of the total income- a support to get a positive operational result and allowing us to deliver to our passengers a higher added value.

Kinds of Service in the Metro Network

Type	quantity
Commercial Premises	287
Public Telephones	471
Automatic Tellers	194

» Services other than transport improve the service to users. For example, in Metro Santiago the largest network of automatic tellers in the country may be found.

The different commercial strategies have contributed to this, for example, the charge of mobile phones in the subway ticket offices, as well as the rent of premises, the management of intermodal terminals, among other projects. In Metro, for example, the country's largest network of automatic tellers can be found. These initiatives contribute, as well, to improve the service to users, who count with a large network of services which directly cover 18 communes of the capital. At Metro stations you can have coffee, buy bread, pay bills, send letters, buy the newspaper and much more.

Advertising in trains and stations is another important element. This is recognized by agencies and advertisers, and confirmed by the fact that Metro is leader in the public advertising industry, with 50% of the investment in this means, a unique commune coverage and a public flow of 2.3 million passengers per day. Undoubtedly, a great opportunity for any company which definitely wants to reach the consumer with its message: from a fix panel format to completely themed stations.

Metro has also been the scenario of most of the latest technological and creative innovations in the advertising industry: walls and floors with special adhesives for monumental campaigns, pillars with blue tooth technology and tunnels with messages that can be appreciated from the moving train, among others.

And since Metro de Santiago is much more than a means of transport, it cares about going to the surface and integrating to its environment. This is how "BiciMetro", for example, is born, bicycle custody facilities in subway stations, or SubCentro Las Condes in Escuela Militar station, a meeting point for those who travel around the area and mainly for the network users. With this center, the neighborhood was provided with a space of more than 5,000 m² of galleries and plazas. Also, 80 commercial premises, restaurants and cafes were implemented to give new life to the area.

Characteristics of the Network 2008

	Number of Stations	Km. Network	Served Communes
L1	24	15,9	5
L2	22	20,5	4
L4	22	24,4	8
L4A	6	8,3	4
L5	18	16	6
Net	92	85,1	18

Metro moves the city subterraneanly and also on the surface, it connects people inside and outside the stations. Thanks to the significant expansion of its network in the last five years and the integration of Metro to the capital's transport system, the number of people who has access to this transport system has increased considerably, and along with it, also the possibility of them connecting among themselves, with their neighborhoods, their city, their history, culture and entertainment, with

technology and its possibilities, with diverse services and city campaigns.



WE HAVE CONSOLIDATED AS AN EFFICIENT MEANS OF TRANSPORT



*"Because we are in daily contact with people, helping to make their passing through the station and their trip more enjoyable"
I got you under my skin*

Nélida Pinto / Station Master



2008 OPERATION

Total flow per Line (million trips)

Flow	2006	2007	2008
Line 1	167	256	272
Line 2	59	120	129
Line 4	48	114	124
Line 4A	3	21	21
Line 5	53	89	96
Total	331	601	642

» During 2008 the total flow registered an increase of 6.8% compared to 2007.

2008 was a consolidation year in post-Transantiago Metro operation. From a 2006 with 331 million trips per year, we went in 2007 to more than 600 million trips, with an impact in the quality of service.

In 2008, although we kept growing, we managed to have regularity in the operation and improve the offer, even on peak hour, where we were already working to our full capacity. In 2008 we reached 642 million trips, which meant an increase of 6.8%

compared to 2007. The increase was higher on peak hours reaching 10.4%, which implied a greater challenge to our quality of service.

In 2008 the offer measured in coach-kilometer increased from 94 to 105 million, an 11.8% growth compared to 2007.

Given this growth in kilometers, 2008 had an increase of 9.6% on the amount of train maintenance activity compared to 2007, thus exceeding the 8 thousand activities of programmed maintenance.

In relation to the maintenance of fix equipment and systems, due to the higher passenger flow, we exceeded 17,500 maintenance activities. With the development of all these planned and eventual activities, the safety, availability and trustworthiness of the equipment were guaranteed.

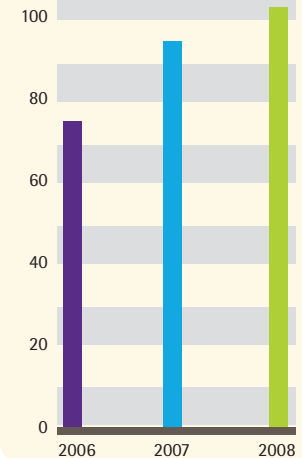
A higher transport offer plan was implemented for off-peak hours (less demand) and Saturdays,

Sundays and holidays, which had the objective of having a maximum density of 3 passengers per m² on these days a periods, thus obtaining a high standard of service quality, allowing all customers to board the first train and have a trip with space in the coaches.

«In 2008 operation regularity is accomplished, thus consolidating a wide action plan».

On peak hours, several operative strategies were implemented in order to improve the offer in the points of higher demand, accomplishing an increase of this demand in 6.2% compared to 2007. These actions permitted that the higher demand in 2008 had a minimum effect on the density of the trains.

Annual Offer (million coach-km)



» The coach-km offer increased in 2008 by 11.8% compared to 2007.



A) Main strategies implemented

Metro de Santiago has shown signs of permanent innovation in generating a higher transport offer, and so has been recognized by transport specialists and representatives of other metros, who have arrived to Santiago to inform themselves of the **Metro Expreso service**.

This method, implemented for the first time in 2007 on Line 4, consists on having trains not stop at all stations, thus traveling in a faster way. In order to better understand this system, two routes are established and marked with colors (red and green) each one of them with alternate stop stations in which only the trains marked with the respective color stop.

The express operation helps optimizing the service, increasing the transport offer and reducing travel times. Its benefits are evident, which reflects in a high approval from the customers. A survey carried out in October 2008 shows that 82% of users agree with the implementation of the service and the same percentage considers it a good or very good measure.

In 2008 the express operation extended to Line 5 in the morning and afternoon peak hours on the ways of less demand. The results obtained with this were the decrease on the average travel time and a higher transport offer of 7%.

Also in 2008 the reach of the express operation was extended on Line 4, operating on both directions on morning peak hour and towards Tobalaba on afternoon peak hour.

What are the benefits of Metro Expreso?

Shorter Travel Time

Líne 4 8 minutes less (trip Puente Alto - Tobalaba)

Líne 5 2 minutes less (trip Quinta Normal - Vicente Valdés)

Higher Train Frequency (between 6 and 9 am.)

Líne 4 10 more trains

Líne 5 7 more trains

How does the Public Evaluate it?

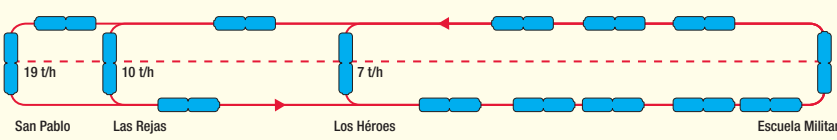
82% of the clients say measure is good or very good

This allowed a decrease of more than eight minutes on the travel time between Puente Alto and Tobalaba on morning peak. Meanwhile, the offer between 6:00 and 9:00 am with the express operation increased by 20%, which is equivalent to a frequency increase of 10 additional trains during those three hours in the morning.

As part of the offer management, in 2008 empty trains began to be injected in Alcántara station towards San Pablo. This way, every two trains towards downtown, one stops at Escuela Militar, allowing a smaller interval between trains and ensuring more comfort to users who get on at the following stations.



Double Loop Los Héroes- Las Rejas (Line 1)



» The return on Las Rejas station and the injection of empty trains at Los Héroes station helped increasing the offer between Los Héroes and Baquedano by 7% compared to 2007.

During 2008 new **short route** systems (loops) were also implemented, which consist in some trains, duly marked, not covering the whole line, but only the stretch which concentrates the highest demand.

On June 2008, on Line 2, the train operation with short route started between La Cisterna and Cal y Canto on morning peak hour, which allowed an increase of 8% on the offer in this stretch and decreasing density by 9%.

On Line 5, the short routes between Vicente Valdés and Santa Ana – which were covered in the morning – were extended to the afternoon peak hour, generating a higher transport offer of 3%.

In October 2008, a combined train operation mode was implemented on Line 1 for the morning peak hour period with return in Las Rejas and with injection of empty trains in Los Héroes. This double-loop method helped increase the transport offer on the highest demand stretch, between Los Héroes and Baquedano by 7% compared to 2007; and 19% compared to the standard operation scenario, this is, without loop.

«In 2008 The express operation range in Line 4 was extended».

B) Improvement in stations

An investment plan for US\$10 million began its implementation during 2008 in order

to adequate the stations' infrastructure. This sum implies almost double of the investment in 2007 and aims at adapting the capacity of the stations to the passenger flow, in order to improve the users' travel experience. However, along with giving more space for our customers' circulation, with these works Metro de Santiago has cared especially about reinforcing the passenger safety.

Line 1, used daily by 1 million 400 thousand people, concentrates its efforts on this matter. One of the biggest improvement projects was carried out in Tobalaba. This station of combination between Lines 1 and 4 receives 321 thousand people a day. There, during 2008, four new escalators were built to ease the combination between both lines and improve the users' movement in the spaces of Metro.



» Works in Pajaritos station.



In Vicuña Mackenna station, where Lines 4 and 4A combine, the accesses were improved and the mezzanine was enlarged. Among the works, new transfer escalators between Line 1 and Line 2 in Los Héroes can be named, as well as the enlargement of the south platform of line 2 in order to improve the passenger flow, decreasing the travel times and elevating the safety standards of the movements at the station which receives the most passengers during morning peak hour.

Likewise, works such as mezzanine enlargements, moving ticket offices, installing more barriers and exit doors in different stations were carried out.

On the other hand, during 2008, a group of short and long-term measures began being developed in order to improve the ventilation conditions on trains and stations in the network.

«The works started in 2008 to provide stations Universidad de Chile, Pajaritos and San Pablo with accesses for people with limited mobility were very relevant».

In early December the functioning of 71 new **ventilators with nebulization** began, reinforcing the system in those stations where the initiative had been working since 2007. The ventilator with

nebulization system expels evaporated water, and its effect is to lower the air temperature in the station, thus making the trip more comfortable for users, 95% of which value in a positive way this ventilation system. The centralized air extractor system was also improved in Universidad de Chile station through a Centralized Cooling Unit.

Additionally, the doors which connect the wagons of older trains (NS74) began being replaced with grilles, thus favoring ventilation inside the coaches. In the network there are 250 coaches of this model.

The works which began in 2008 in Universidad de Chile, Pajaritos and San Pablo to provide them with **access for people with reduced mobility are very relevant.**

Since 1996, even before the promulgation of the law which regulated infrastructure for disabled people in public spaces, Metro de Santiago has built its stations giving full access to people with reduced mobility, incorporating elevators, stair glides, paths for blind people, Braille system on banisters and turnstiles and elevator sound system. The intervened stations belong to Line 1, which due to its oldness has a deficit on these kinds of accesses compared to the other lines in the network.

With these works, Metro de Santiago takes another important step to provide a complete service, without exclusion, to all its users.





C) Campaigns

“Te llevo bajo la piel” [“I got you under my skin”] is the name of the campaign which marked year 2008 in Metro. Besides commemorating the 40th anniversary of the company, the campaign spread the new offer Metro makes to Santiago and its inhabitants, reflecting what the metropolitan train means to the city. Because Metro de Santiago contributes to improving the people’s quality of life, not only through the transport service, but also in other areas, which explains that the Metro stations have become real public plazas, important meeting points, with diverse additional services.

In the area of good habit campaigns, an unprecedented initiative stood out. Between March and May, important celebrities acted as inspectors during the “Incognito Passenger” campaign, searching for and rewarding those users who stood out for having a good conduct on the Metro. This way, 400 people were rewarded for their good habits, such as respecting the yellow line, letting people get off the train between getting on it and giving up their seat.



» Hogar de Cristo Social Director, Benito Baranda, searched for good Metro users and rewarded them.



«Metro de Santiago remains, despite having double the users than two years ago, the safest place in the capital».

D) Safety Plans

Metro de Santiago remains, even with double the users than two years ago, the safest place in the capital, with a rate of 0.5 crimes for every million transported passengers.

Permanently, the company has been concerned about reinforcing safety in its spaces thus increasing the safety perception of Metro users.

For example, during 2008 the staff of guards increased by 38%, as well as the number of civilian guards in the network, which increased in 50%.

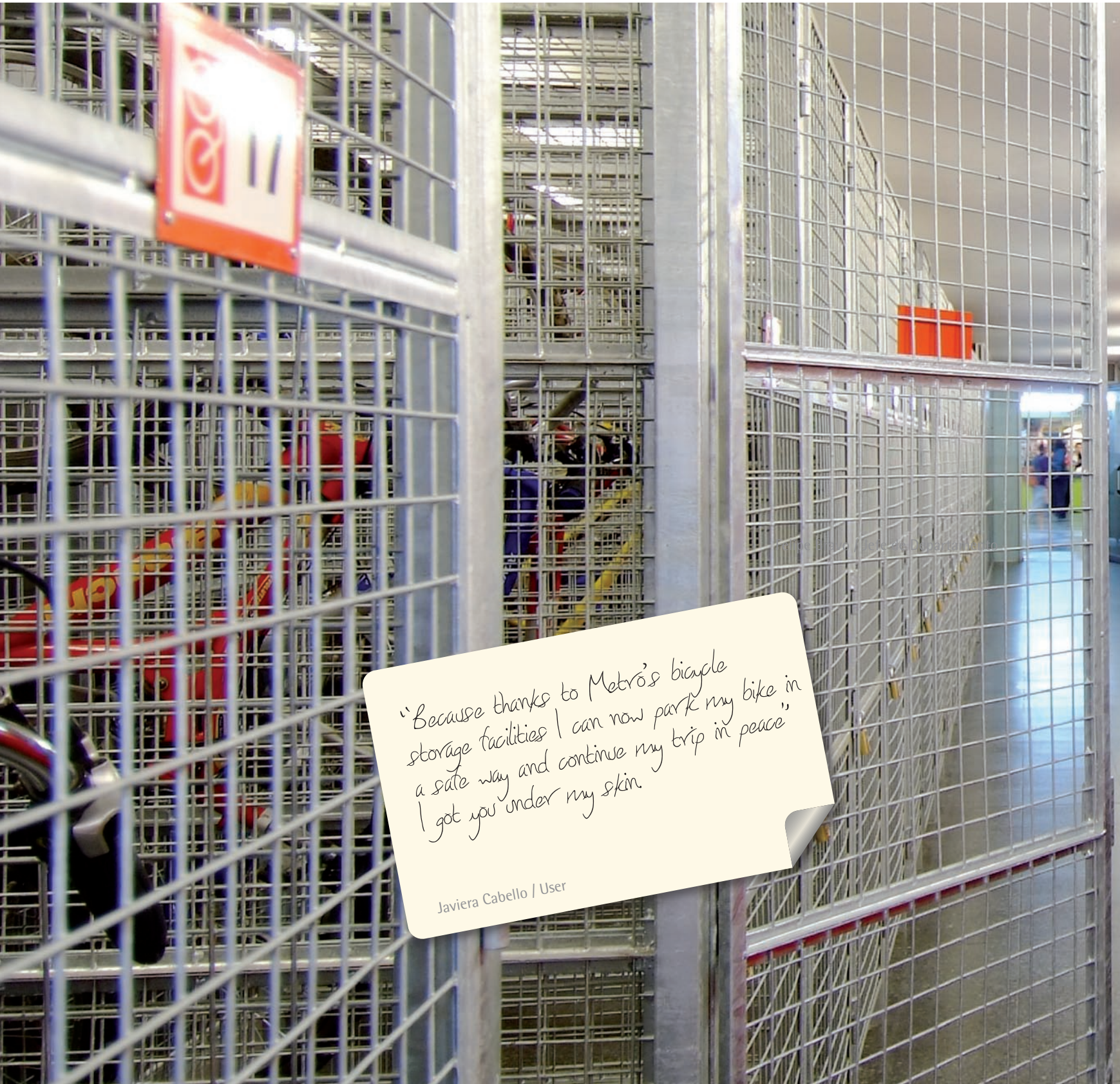
Since September, ALTO was hired to give legal assistance to people who have suffered any crime inside Metro. ALTO gives free legal advice to these users in order to persecute the offenders.

In another area, a close work with Carabineros began, specifically to control "barras bravas" [hooligans] and eradicating the occasional alcohol consumption inside Metro's premises. This is a plan of "cero tolerance" to alcohol consumption, joint procedure with the Carabineros divisions Oriente and Cordillera, consisting on monitoring different stations and trains, with special emphasis on the night hours. This plan has obtained positive results.

These and other initiatives, carried out during the year in different areas, helped to obtain an important increase of the quality of service Metro provides its users with. In fact, and compared to 2007, the percentage of net satisfaction increased in 26% and the average grade increased from 5 to 5.4 in a 1 to 7 scale. Likewise, the image of the company showed an important increase, where 67% qualifies it as good or very good.



WE KEEP THE PULSE OF THE CITY AND ITS DREAMS



"Because thanks to Metro's bicycle storage facilities I can now park my bike in a safe way and continue my trip in peace" I got you under my skin.

Javieria Cabello / User



Metro de Santiago provides its passengers with much more than transport. 2008 was no exception: numerous actions, initiatives and projects were carried out in the areas of culture, education, social service campaigns, environment and improvement of the surroundings.

A) Environment

Metro is non-pollutant means of transport and from this perspective there are many benefits it delivers to the city: less congested arteries, less atmospheric and acoustic pollution with the consequent social savings on public health expenses.

Further than this environmental contribution, intrinsic to its operation, there is a series of actions promoted by the company to increase its contribution in this area. For example, since the second semester in 2007, Metro promotes the Energy Saving Plan, which has permitted an increase on the energetic efficiency of the company of more than 5%.

One of the main actions was working at optimum voltage, thus reducing the energy loss and increasing its recovery. It also decreased the lighting in the stations, especially during off-peak hours. On this line, Metro purchased a software which graduates luminosity depending on the environment natural lighting, which is, intelligent light.

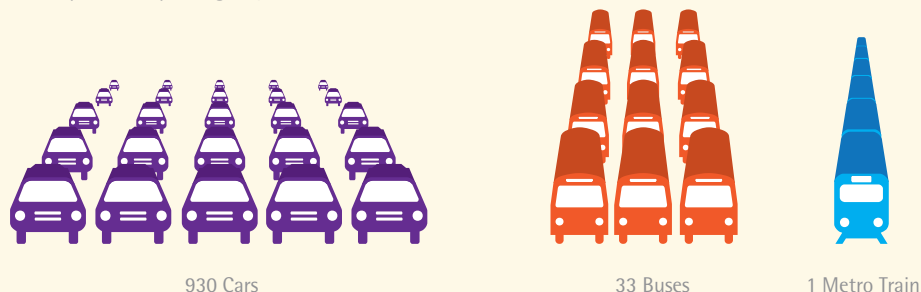
Thanks to these and other measures, Metro de Santiago was awarded in November the National Energetic Efficiency Award. The prize is given by the Energetic Efficiency Country Program from the National Energy Commission and the Trade and Production Confederation.



» Award to energetic efficiency.

Social benefit of Metro

To transport 1300 passengers you need:



In August, and with a well-attended family bike ride, the BiciMetro project was launched. This is the first bicycle custody in the facilities of the subway train. They are located in Colón, Grecia and Las Mercedes stations of Line 4, and Vespucio Norte on Line 2. These bicycle custody facilities allow the integration of two non-pollutant means of transport. This way, BiciMetro connects Metro with the bicycle riders and offers them a safe space to store their bicycles. This is a concrete contribution to improve the quality of life of the residents of Santiago.



» Family Bike ride between Colón and Grecia stations to inaugurate BiciMetro custody facilities.

Due to the sustained growth of the demand level of BiciMetro, at the end of November the construction of a third custody was announced: in Escuela Militar station. This was the most voted out of the 92 stations in the network – with 15% - on a survey published on Metro's webpage and Facebook, where the group "Make more bicycle parking in the Metro" reached more than 14 thousand members. The custody in Colón station was also enlarged, due its close to 90% occupation.

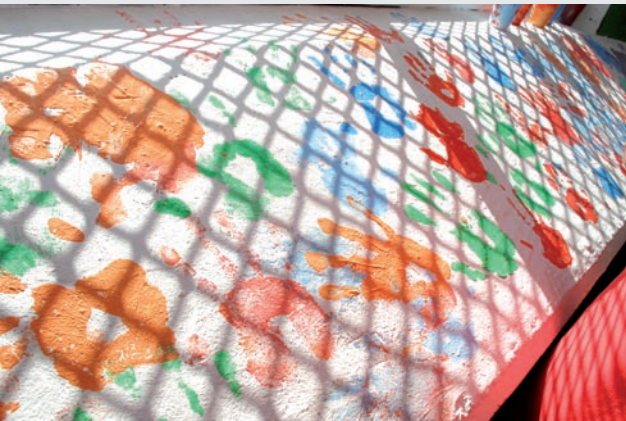


» SubCentro Las Condes at Escuela Militar station, inaugurated in March 2008.

B) Improvement of its surroundings

Since March, the surroundings of Escuela Militar have a new face. This month SubCentro Las Condes shopping center was inaugurated. Its implementation implied a significant remodeling of public spaces, accesses, commercial galleries, bus stops and the vial clover which existed there.

At Las Mercedes station, 40 children and adults with mental disabilities and integration problems from Coanil and Rostros Nuevos foundations, who transformed the surroundings with lively colors during the "Enamórate de dar" campaign ["Fall inlove with giving"]. This way, Puente Alto's community enjoys since July a new 60 m² city mural.



» The authors of the city mural printed their hands during their inauguration.

This project adds up to other five previous experiences in which Metro de Santiago has provided the community with exterior walls of its stations as expression spaces.

C) Social Service Campaigns

During the whole year, Metro de Santiago lends part of its spaces for social service institutions to show their labor or some specific campaign to the community. In 2008 there were 50 exhibiting organizations, such as Greenpeace, Teletón, Unicef, Amnesty International, Bicultura Santiago and the San Antonio Enterprising Women Network.

Along with this, the company enables making close to 30 fundraisers per year. This way, social service institutions have access to different points in a network through which more than 2 million people circulate everyday.

An example of the alliances which Metro de Santiago makes to benefit society is the "Ayúdanos a encontrarlos" campaign ["Help us find them"] launched by the company in September, along with the National Headquarters of People Search of the Investigation Police. It contemplates the exhibition through MetroTV of a spot with information on lost people. This initiative is an unprecedented experience in Chile and it enables the search of lost people, considering the number of people who use the Metro everyday.



» With spots on MetroTV the company collaborates with the search for lost people.

Another example of how Metro de Santiago goes to the surface to serve the community is the Copper Corner, joint project with Codelco, which has the objective of reinserting inmates to society. Copper handcrafts made by the inmates of Centro de Cumplimiento Penitenciario Colina I are exhibited in this space. It was inaugurated in May at Plaza de Armas station, which is daily used by 55 thousand people, with the particularity that many foreign tourists move through it and people from other regions who come to visit Santiago.



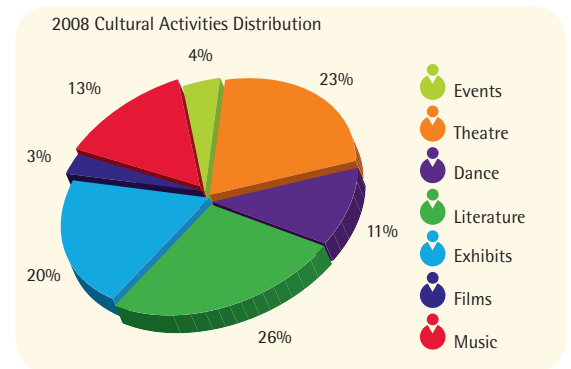
The social service campaign impulsed by Metro and Protectora de la Infancia for the second year in a row was a complete success. The campaign to gather gifts was carried out between

3rd and 24th December and it consisted on placing mailboxes at each one of the 92 stations of the network for the Metro users to make their donation, thus giving a smile to a child on Christmas. The 7 thousand gifts target was widely exceeded, collecting more that 17 thousand presents which were delivered to children and teenagers during the Christmas parties at the educational facilities (day care centers, preschools, elementary schools, among others) and, especially, in Protectora de la Infancia homes.

D) Culture and education: MetroArte Corporation

In 2008, MetroArte Cultural Corporation provided Santiago residents with more than 80 cultural activities and initiatives free of charge.

But undoubtedly, 2008 stood out in this area for being the year when Roberto Matta got on the Metro. His imposing mural "Verbo América", valued at US\$1 million, arrived after years of travelling to its permanent residence: Quinta Normal station. Donated by the artist to the Chilean people, "Verbo América" represents the continent's diversity on its 4.80 x 10.60 meters of polychromed ceramic tiles.



» During 2008, Metro's cultural offer increased by a third compared to 2007.

» "Verbo América", mural by Roberto Matta at Quinta Normal station.





Another mural is added to this MetroArte work –one of the biggest in the country – captured on the inside walls of Parque Bustamante station by Alejandro “Mono” González, founder of the Ramona Parra Brigade. It is “Vida y Trabajo” a tribute to Chilean workers.

» Mural “Vida y Trabajo” full of colors in Parque Bustamante station.

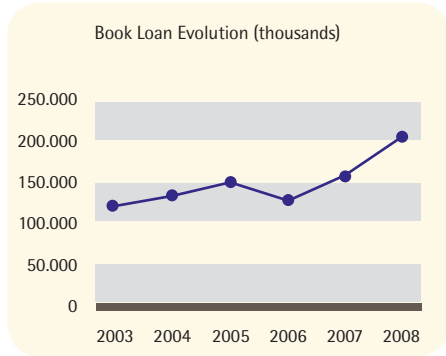
Along with “Integración”, four murals created by Teletón children inaugurated in October at Ecuador station, the number of MetroArte works increased to 26 in 2008.

Additionally, we must highlight that between March and December, the Ciclo Cultura en la Ciudad, talks with interesting people, took place. During 2008, the public had the opportunity to chat with pianist Roberto Bravo, historian Sergio Villalobos, dramatist Marco Antonio de la Parra, cultural promoter Marta Cruz-Coke and composer and National Music Prize winner 2008, Miguel Letelier, among others.

In June, Metro was flooded with music. Each week, some of the best national exponents performed in front of hundreds of people during the Pasajeros de la Música Chilena cycle. From Nicole, group Kalimarimba, Anita Tijoux, Gepe and Leo QUITeros to Sonora de Llegar and Teleradio Donoso, more than twenty artists presented their repertoire live, to the joy of an enthusiast audience.



» Nicole during her presentation in the Chilean Music cycle.



» In 2008 Bibliometro made the most book loans in its two years of existence.

August was the month of theatre in the Metro. Seven plays – among them the comedy "Sinvergüenzas Deluxe", monologue "Escape Libre" and "El Rinoceronte" by Ionesco – were performed with great attendance in different network stations. And in November it was the turn of dancing, with a cycle of four massive performances. At each performance,

images related to the respective style were projected: classic, contemporary, folkloric and show dance. Also, with the objective of promoting the practice of dancing, free classes of waltz, rock and roll, salsa and cueca were offered in Multisala Baquedano.

2008 was also a very important year for the Bibliometro Program, the book loan service from Dibam and Metro de Santiago. Along with its 12th anniversary, it loaned the most books in its history. In total, book loans increased by 25%, reaching 201 thousand during 2008. Also, more than 13 thousand new readers were registered.



This year, as well, the greatest transformation Bibliometro ever experienced was announced: ten new modules will be created, its service hours will be extended and wireless Internet will be supplied along its network.

Bibliometro network

Current	Projected	
Línea 1	Línea 1	Year
Tobalaba	Escuela Militar	2009
San Pablo	Los Dominicos	2010
Línea 2	Pajaritos	2010
Los Héroes	Línea 2	Año
Cal y Canto	Franklin	2009
Ciudad del Niño	La Cisterna	2009
Vespucio Norte	Línea 4	Año
Línea 4	Plaza Egaña	2009
Plaza de Puente Alto	Macul	2010
Línea 5	Línea 5	Año
Baquedano	Quinta Normal	2009
Bellavista de La Florida	Lo Prado	2010
Plaza de Armas	Plaza Maipú	2010

» By the Bicentenary, Bibliometro will have doubled its customer care modules.

The 8th version of Santiago en 100 palabras, the traditional short urban stories contest organized along with Minera Escondida and Plagio, received more than 37 thousand stories this time. The winners are exhibited on Metro trains and stations, pocket and desk calendars, magnets illustrated by "Siete Rayas" collective and menus distributed in cafes around the city.

The fifth version of Nanometrajes, audiovisual contest organized along with Plagio, Minera Escondida and TVN, which rewards the best story told in 30 seconds, awarded the Copper Ant to the short film "Sueños de Papel". In total, almost 650 producers participated and the winning work was chosen, for the first time, through internet voting.

Along with these shows and contests, Metro de Santiago, through Metroinvita, gave away close to 5 thousand tickets a month for theatre plays, art exhibits, films, sport events and other shows to

its users. More than 90 thousand people, thanks to the charge of their Bip! Card in Metro ticket offices, are registered in this benefit program.



» Users of the subway train receive the cultural guide "Estar Ahi" free of charge.

PRIMER LUGAR
Adrián y yo

Con Adrián vivimos en el centro. Me hace reír mucho. Está convencidísimo de que es un asesino en serie. "Soy un roba almas", dice mientras nada inquieto de un lado a otro en la pecera que le compré. Últimamente está muy callado. Intenté hacerle cariffo, pero inmediatamente comenzó a dar saltitos acrobáticos queriendo mordirme algún dedo. Se cree piraña. Un domingo lo vi devastado, así que disolví 1/4 de fluoxetina en su agua y me tomé otra pastilla yo. Estuvimos toda la tarde mirando fijo por la ventana, tarareando canciones en inglés. Es que a veces nos sentimos muy solos.

Paloma Amayo, 25 años, La Reina

santiago en 100 palabras
una ciudad que se escribe

www.santiagoen100palabras.cl
Ilustración: Alberto Muntt / www.dosidiarias.com / Colectivo Siete Rayas / www.sietereyas.cl

Users were informed about all these events and many more during 2008 thanks to "Estar ahí" ["To be there"], a free cultural guide of Santiago, also produced with Minera Escondida and distributed monthly on the first working day in the subway ticket offices. The publication has detailed information of activities and shows which happen in the capital and it allows integrating Santiago residents with more connectivity and access to entertainment and culture.

WE MOVE FORWARD
DAY BY DAY TO IMPROVE
THE PEOPLE'S LIFE
QUALITY

*"Innovating and searching for new technological solutions which improve the service we provide to our users is among my challenges"
I got you under my skin*

Felipe Bravo / Technological Projects Submanager



PROJECT DEVELOPMENT

Network growth period 2008 - 2010

	2008	2009	2010
Number of stations	92	101	108
Kilometers of network	85	94	103
Number of Coaches	751	838	967
Served Communes	18	20	21

» By the Bicentenary, Metro de Santiago will have 108 stations and will directly serve 21 communes in the capital. The investment plan for this period is US\$1,300 million.

By 2010, and thanks to the expansion plan for US\$1.300 million, Metro de Santiago will increase its network by 18 kilometers. Along with the Metro, residents of five communes will witness the arrival of more modernity, more quality of life, more connectivity and integration and more development.

During 2008 we moved forward in the different projects, respecting deadlines and budget and being the most relevant milestone the announcement of the construction of intermodal station Del Sol, which will add up to the 11 originally projected for Line 5 extension towards Maipú.

And what is an effort by the company to bring the community closer to the Metro network expansion works, close to 2 thousand people visited different work fronts of the Metro extensions during 2008. They were mainly neighbors who will benefit with the arrival of Metro to their communities in the near future and are interested on knowing the backstage of one of the most important public works in the capital.





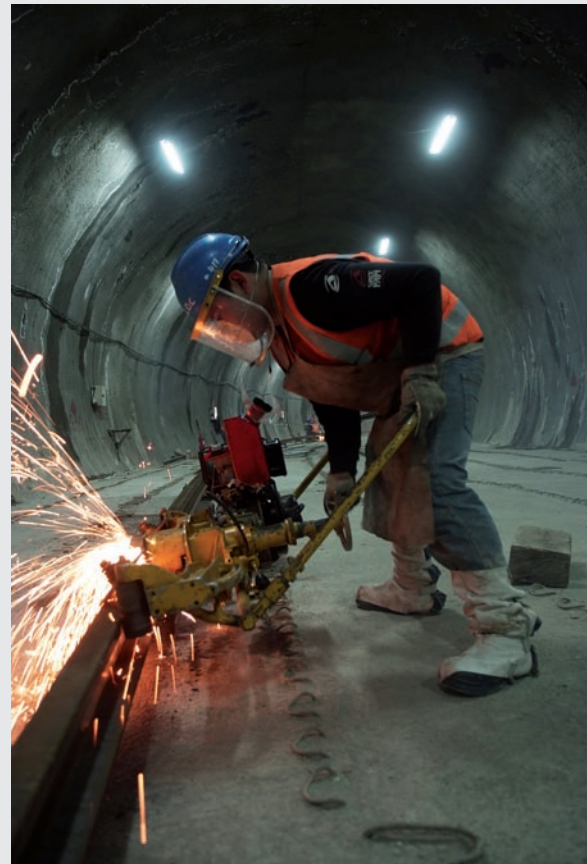
A) Line 5 Extension

The extension of Line 5 is a long awaited project for the neighbours of Quinta Normal, Cerro Navia, Lo Prado, Pudahuel and Maipú. It has a length of 14.2 kilometers, 12 stations, out of which, nine will be underground and three on the viaduct system. It is estimated that this new stretch will have a total demand of 87 million trips per year, 52 million of which will be new Metro users. Its total cost, without including rolling stock, is approximately US\$608 million. Metro de Santiago along with the Metropolitan Regional Government are in charge of this investment.

«In 2009, we will inaugurate five stations in Quinta Normal, Lo Prado and Pudahuel».

The first stretch of this extension will be presented in December 2009. This is Gruta de Lourdes, Blanqueado, Lo Prado, San Pablo (Line 5) and Pudahuel stations. The second stretch will be presented in 2010 and it comprises Barrancas, Laguna Sur, Las Parcelas, Monte Tabor, Del Sol, Santiago Bueras and Plaza de Maipú stations. By the Bicentenary, Maipú residents will be able to get to downtown in only 23 minutes.

All these stations will have a state-of-the-art design with architectural solutions which will make them an integrated part of their surroundings and accesses for people with reduced mobility. In the new stretch it will be possible to also find the traditional services and contributions which Metro Santiago delivers to its users, such as automatic tellers, television sets with MetroTV broadcast, BiblioMetro, public phones and commercial premises.



As an intermodal terminal, Del Sol station will benefit rural and suburban areas, becoming an alternative for those who choose San Borja terminal and Estación Central to travel to Santiago's downtown.

Apart from the time saving for those who travel by bus from rural areas, there will be a reduction of the number of trips on Line 1.

The extension works towards Maipú are complying with the established deadlines. During 2008, and once the preliminary works, consisting on the construction of shafts and galleries, were finished, the construction of the main works, tunnels and viaduct began.

The digging works move forward at a speed of more than two meters a day per work front. At the closing of 2009, they present 8,400 meters of interstation tunnels already digged, which means 90% of this work. These excavations are done mainly under San Pablo and Pajaritos stations, without the neighbors noticing, thanks to the tunneling technique consisting on underground excavations.

On the other hand, during May, the preliminary works for the viaduct construction began. This viaduct, built along 3.8 kilometers between Teniente Cruz and Claudio Arrau crossing and bus stop 12



in Pajaritos Avenue, will run through the median strips on avenues Teniente Cruz and Pajaritos. Even though this forces the removal of a certain number of trees, the associated landscaping project

has the objective of creating natural walls to immure the viaduct and keep the privacy of the adjacent houses.

B) Line 1 Extension

More than 250 thousand cubic meters of dirt have been moved during 2008 on the extension works of Line 1 towards Los Dominicos through its nine shafts. With this, the digging of the mail tunnel from Los Dominicos until Escuela Militar under Apoquindo Avenue came to an end.

The degree of advancement of this extension reached 55% during 2008. For 2009 there are only diggings related to venting and accesses left, works which- in comparison - are relatively minor and are done from the exterior. At the end of 2008 the mounting of the railways also began.

With the extension of Line 1 towards the east, three new stations would be added to the Metro network: Manquehue, Hernando de Magallanes and Los Dominicos, which will be inaugurated by the end of 2009. The design of these stations sought to optimize the spaces which may be obtained through mainly underground constructions. The constructive method used has generated a minimum impact on the nearby communities and many neighbors even ignore the degree of advancement the civilian works already have. All three stations will count with modern infrastructure and special access for people with reduced mobility.

Station Los Dominicos will be the terminal station for Line 1 to the east, therefore, it will have a mezzanine of important dimensions, as well as appropriate operation and security areas.

For this extension, a daily flow of 52 thousand people is forecasted, which represents an annual contribution to the Metro network of approximately 14 million trips.





» Close to 2 thousand people visited the Metro extension works during 2008.

The total estimated investment, which involves civilian and systems works, reaches US\$249 million, financed with Metro de Santiago resources and a US\$50 million contribution from Municipalidad de Las Condes.

This extension will allow to travel between Los Dominicos and La Moneda stations in only 22 minutes.

C) Other improvements on Line 1

Different improvements were also made to Line 1. One of them is the Pajaritos Loop Project; its civilian works accomplished an advancement of almost 50% during 2008. The objective of this project was to allow the return of trains to the east in order to increase the service frequency between the future Manquehue station and Palaritos station, the stretch with the highest load on Line 1.

In order to allow this return, current Pajaritos station is being enlarged, by building a second mezzanine and new platforms. On the west side of the station, it is necessary to prepare the space to give room for the return or "loop" itself. The second mezzanine will ease the entrance of users to the station and will have elevators for people with reduced mobility and services for the rest of the users.

The complexity of this project is that it must be carried out with the station and railway in operation, which has lead to reinforcing the safety measures of the works to keep from affecting the service and, in some cases, some works have been executed at night.

During 2008, civilian works of Neptuno Link Project also accomplished 56% of advancement. This project has the objective of entering trains from Neptuno Workshops to Line 1 railways in an expedite way, considering the impact of the new trains as a consequence of the ongoing enlargements.

In order to accomplish this, it is necessary to execute a new way which allows mounting the rail with its corresponding change of connection to the main way, in the stretch which joins Neptuno and San Pablo stations.

Just as the Pajaritos Loop project, the complexity of this project is that it must be carried out with the way in operation. During year 2008 the digging and concrete works were developed in order to give room to the new way.

The start of the operation of these projects will coincide with the implementation of the extensions in 2009.

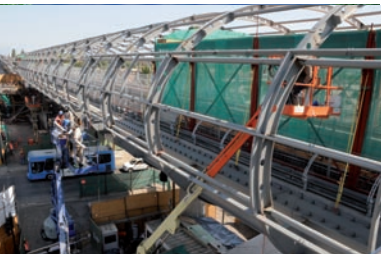
The investment for both projects is US\$36 million, which contemplate civil works, finishings, equipment, as well as associated control and communications electrical systems.



D) San José de la Estrella station

Future San José de la Estrella's construction works accomplished 25% of advancement during 2008. It will be located between the existing Trinidad and

Los Quillayes stations on Line 4, specifically in the intersection of Vicuña Mackenna and San José de la Estrella Avenues in La Florida.



The announcement of its construction was made

by President of the Republic, Michelle Bachelet, in December 2007. Originally, when Line 4 was projected, the possibility of building the station was considered as soon as the passenger demand justified the investment.

During 2008, the service modification works were carried out, the rough work at mezzanine level, the main beams mounting was finished, the manufacturing of structures was carried out and accesses began to be built. The future station will contemplate the same equipment and services of all stations on this line, such as elevators, automatic tellers and public phones.

San José de la Estrella is the first station in Metro's network which is being built on the operating railway; this is, without interrupting the service of Line 4. To accomplish this, Metro de Santiago had to reinforce the safety measures of the works, isolating the railway with a metallic fence which cover the length of the platform. Also, works are carried out at night, out of the normal operation times of the underground train.

The start of its operations is forecasted for the first quarter in 2010 and it is estimated that 13 thousand passengers will circulate on it everyday. This new station will provide around 3.5 million trips a year to Metro de Santiago.

Models	Operative 2008	Purchase	Operative 2010
NS-74	250	0	250
NS-93	236	0	236
NS-04	85	0	85
NS-07	0	144 new projects 36 offer increase	180
Total Pneumatic Network	571	180	751
AS-02	180	36 offer increase	216
Total Steel Network	180	36	216
Total Network	751	216	967

» In the 2008-2010 period, Metro will increase its coach park in 30%.

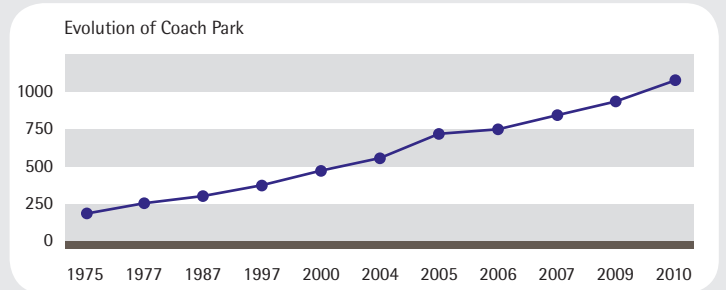
The investment of this station amounts to 17 million dollars. It also contemplates the purchase of an additional train to guarantee the transport offer, including 36 coaches purchased for the steel train network of Line 4 and 4A.

E) Rolling Stock

During 2008 the construction of new coaches continued moving forward. Once in operation, they will strongly reinforce the current fleet.



By 2010, 216 new coaches will be incorporated, out of which, 144 are destined to extension projects. Considering the total, Metro will increase with these purchases by almost 33% the stock accumulated in its 40 years.



» By 2010, the current train fleet will increase in 30%.

The new NS2007 trains, built in Spain in the CAF facilities and which, grouped in 9 coaches add up to 20, will have similar dimensions to those of NS93 and with their 135 meters long will allow a maximum use of the stations.

On the other hand, in Sao Paulo the construction of the 36 Alstom coaches which will arrive in early 2010 to Santiago moved forward. These are trains with steel wheels which will join the operation of Lines 4 and 4A and will not have a major variation from the ones which are actually in service. Both purchases sum up an additional transport capacity close to 40 thousand passengers.

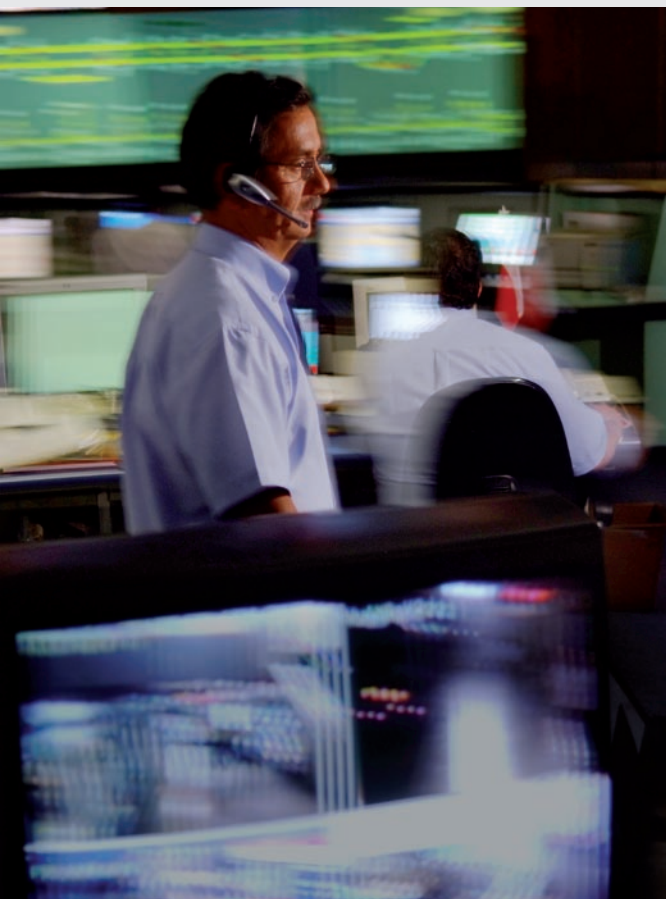
F) New technologies

During 2008, the execution of the CBTC project started (Communications Based Train Control), a milestone which brings a change on the philosophy of train operation. CBTC is a train control system

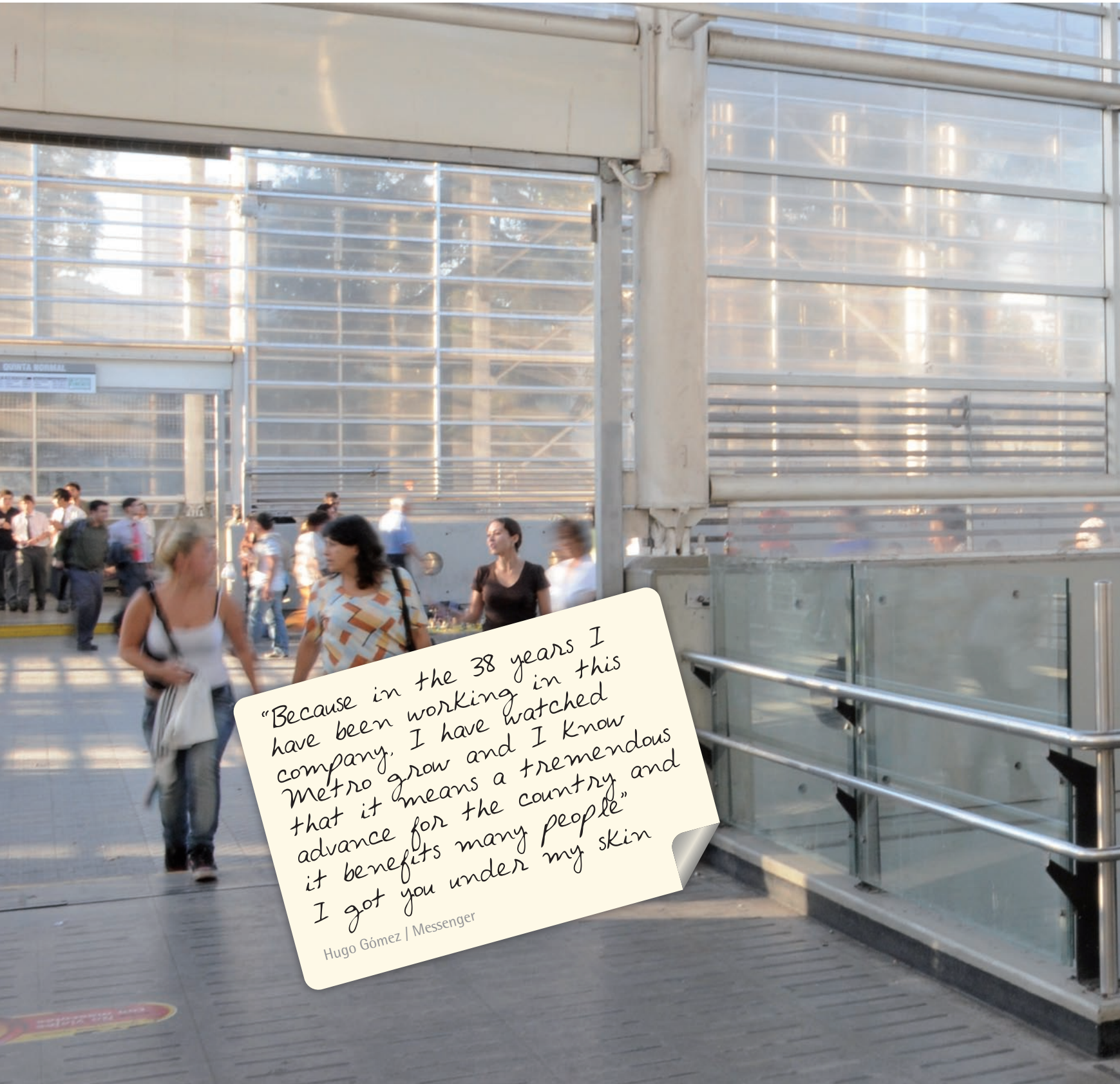
based on communications, which is estimated to be operative in 2011 on Line 1. With it, communication between trains becomes dynamic: one zone controller indicates every minute not only the position, but also the speed of the train, which generates and objective point where to stop that is not associated to determined stretches on the railway.

A series of objectives are expected to be accomplished with this new system. Among them, we can name the increase on the transport capacity, a higher commercial speed and less system response times.

CBTC will also allow an increase on the operational flexibility: by knowing the continuous positioning of trains, it is possible to get a better regulation of delays. Along with this, the operation becomes more efficient thanks to energy saving strategies and automation, consisting on returns in terminals and entrances and exits from depots without a driver.



WE GIVE OUR BEST TO BE ONE OF THE LEADING SERVICE COMPANIES



"Because in the 38 years I
have been working in this
company, I have watched
Metro grow and I know
that it means a tremendous
advance for the country and
it benefits many people"
I got you under my skin

Hugo Gómez / Messenger



OUR PEOPLE

Metro de Santiago Human Resources
(by December 2008)

	2008
Executives and Section Masters	126
Analysts	209
Administrative Staff	314
Maintenance Staff	436
Train Traffic Staff	989
Station Staff	767
Total Company's Staff	2.841

Parallel to the campaign of the company's 40th anniversary, during 2008 an internal value campaign began, focusing on Metro workers. The objective of the campaign is to reach the goals defined in

the company's strategic planning and it is centered on five fundamental principles built by Metro workers themselves.

These values will serve to mark the decisions and actions of all those who work in the company. They complement each other, no one is more important than the other and they summarize what Metro staff are and what they aspire to be.

In short, these values are:

- Care for the customer: we work to be one of the best service companies in the country.
- Safety: Your safety comes first.
- Efficiency: We hope to be a referent to other metros in the world
- Collaboration: Working together, we move forward faster.
- Transparency: Transparency is behind all our actions.

Consistently, a series of internal actions and measures lined with these values kept being promoted. In the same way, a deep intervention on those internal processes whose structure did not adjust to these principles was carried out.

The Operations Training Center, which includes a simulator, is a project of great relevance that aims to make a qualitative jump in the underground train staff formation. It is a virtual driving module, which was bid at the end of 2008, where the future driver sits and begins driving the train, with the whole environment and conditions of a real drive. This way, the formation and training in this area are optimized, improving training times and promoting learning through experience. The simulator – mainly aimed to drivers, supervisors and the Communications Center regulators – will also help training maintenance staff by simulating breakdowns which should be repaired in real time.





Apart from the associated technological advancement, this training center supposes a structural revision to drivers and supervisors training, with a curriculum which conjugates technical contents with ability, and is meant to be extended to other areas of the company in the future.

This project – with a budget which amounts to US\$3 million and promises to set a milestone on quality and efficiency on staff training – is estimated to be operative by the second term in 2009.

Training and professional development have been and will keep being central in the company's Human Resources management.

For example, during 2008 over 150 thousand man-hours of training were carried out. This includes internal training, where the transfer of knowledge and experience is done between the workers themselves.

It is also worth mentioning that 45 station Masters graduated and participated in the Station Management Diploma, dictated by the Economy and Business Faculty of Universidad de Chile. This program's objective was to reduce the formation breach among the group of station Masters of non-professional and professional formation, updating their knowledge of administration, planning and control, fidelization, among others.

Professional Mobility in Metro (by December 2008)

Position	Start in Another Position	Total Scale	% Scale
Maintenance Technician	154	383	40%
Station Masters	148	320	46%
Supervisors	94	163	57%
Executives and Heads	86	149	57%
Administrative Staff and Secretaries	52	297	17%
Drivers	63	848	7%
Operation Regulators	42	59	71%
Analysts	35	189	18%
Other	0	429	0%

These kinds of initiatives, precisely, are the ones which help promoting careers inside the company, which in Metro de Santiago is, since its beginnings, a reality. In fact, today one every two maintenance technicians or station chiefs have build a career inside the organization and seven out of ten supervisors and Masters started in other work positions, developing in the company.

During 2008, the employee assistance program continued – focused on prevention and control of alcohol and drug consumption– and a preventive health program, which work through the company's well-being program, created in the early 90s and which works through an internal counsel where there are representatives from the workers through union leaders, and administration representatives.

Initially, the Well-Being department had the function of supplying the benefits the workers had when Metro was part of the Public Works Ministry. As the company grew and the tasks and challenges changed, so did the employees demands. This is how, from a merely assisting function, the focus moved to a health prevention labor, oriented towards the workers' quality of life.





In this sense, an important accomplishment in 2008 has been the high adherence to the health program, where more than 1,100 people signed up to have preventive exams done.

In 2008, once again the good relation between the company's administration and the unions stood out. The payment of a Corporate Productivity Bonus was successfully negotiated and by the end of the year, elections were held in two of the unions.

The high percentage of syndicalization existing in Metro –which widely exceeds the national average– proves the accomplishments obtained with the joint work in benefit of the company's workers.

Verónica Gárnica, Customer Service Section Head

"I began working in Metro in 1978 as a cashier, job that I carried out for three years until I decided to retire in order to devote myself to my three daughters. When they grew up, in 1989, I had the chance to apply again to the company, again as a cashier, and this time it was for six years.

Since I love working with people, it makes me happy to help the rest and I like responsibility and challenges, I started applying to other positions. This is how I then worked as a station master and then station supervisor, in charge of a zone of the recently inaugurated Line 5, in 1997. I held this position for eight years.

I have currently worked three years as a Section Head, position I have developed on Lines 5,2 and now Line 1.

On my different stages at Metro I have taken advantage of all the training opportunities I have come across: ticket office management, leadership, customer service and many other competences in the areas of emotionality and interpersonal relations. I have also taken different courses on risk prevention. In parallel to my work, and with Metro's support, I also studied Business Administration Engineering. Those were years of great effort, but they have brought many rewards.

During all those years I have grown a lot with Metro in the work and personal levels. The most important thing is perseverance, believing and valuing the opportunities life give you. I am thankful for the people who have been with me and believed in my professionalism".





René Guajardo, Customer Service Supervisor

"I have worked in Metro half my life: 22 years. I started as a guard in 1986 through a mate from the military service. I never thought I would stay for so long, especially since at that time the banks came to Metro to look for guards, since the company has always been known for its training.

In 1996, when I was head of El Llano group, I had the opportunity to apply as Station Master for the new Line 5 stations. The process was very thorough. Once approved, we took courses outside our work hours for almost two months. It was very demanding, but very good.

As station Master, I worked for 12 years. After eight months they proposed me the challenge of being titular Station Master in Universidad de Chile, a very large and complex station. Fortunately, I accepted: that station is the best training one can have, because you learn everything there.

In 2008 I applied to the Supervisor post. The company gives us the opportunity to grow and I counted with the skills; I have a lot of experience in my work, both operative and administrative. And in 2009 I will start studying Business Administration. This is a personal commitment, although I have many courses, such as the Universidad de Chile diploma and courses on administration, accounts and computers dictated by the company.

In Metro I have lived different experiences and I have tried to find development alternatives. Here, as a guard, I even met my wife. She was a customer and she was lost. I oriented her so well, that we have been married for 20 years and we have two 18 and 14 year-old girls.

I started as a Guard, and then became Station Master and today, Supervisor; this is a tremendous achievement. In fact, I have many colleagues who see me and say 'hey, you are one of us, you started down here and now you are up here'."



WE ARE ONE OF
THE FEW METROS IN
THE WORLD WHICH
FINANCES ITS OPERATION



"Because whenever I can, I leave the car at home and I take the opportunity to shop and run errands in its stations I got you under my skin."

Claudia Munizaga / User

A) Company's results

In 2008, Metro de Santiago completed fourteen years in a row of positive operational results, which amounts to \$20,490 million, the best operational result in the history of the company. This way, not only the goal of self-financing its operation was accomplished –very rare among the metros in the world–, but it even contributes with a third of the line enlargement financing.

Operational income amounted to \$208,868 million, 8.4% over the same period in 2007. This result is mainly due to the increase on the passenger transport income of \$15,724 million, mainly generated by the increase on users.

In fact, trips increased from 601 to 642 million in 2008, raising \$278 per transported passenger.

The whole year effect of Metro operation in Transantiago(40 days more than 2007), the whole year effect of the hours extension of the commercial service from 06:00 until 23:00 hrs, and the vegetative flow growth contributed to this increase on the passenger flow,

It is important to mention that a reduction of 4% of the cost per transported passenger also contributed to the increase of the operational income.

Despite the increase on the electric energy value, the cost per transported passenger decreased from \$281 in 2007 to \$269 in 2008.



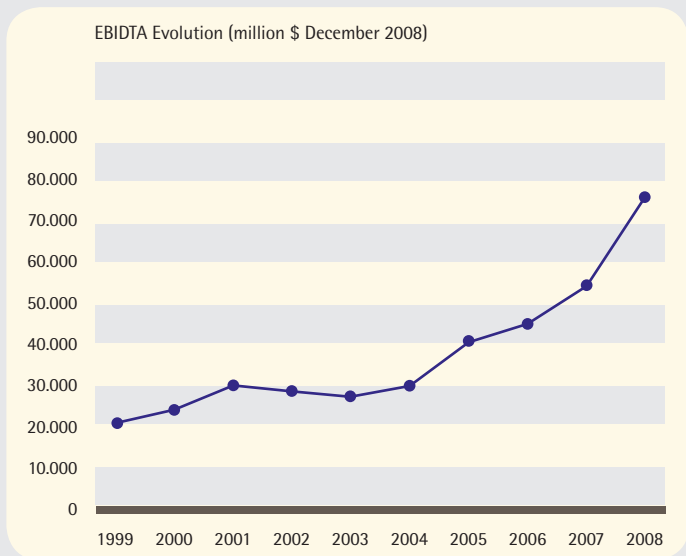
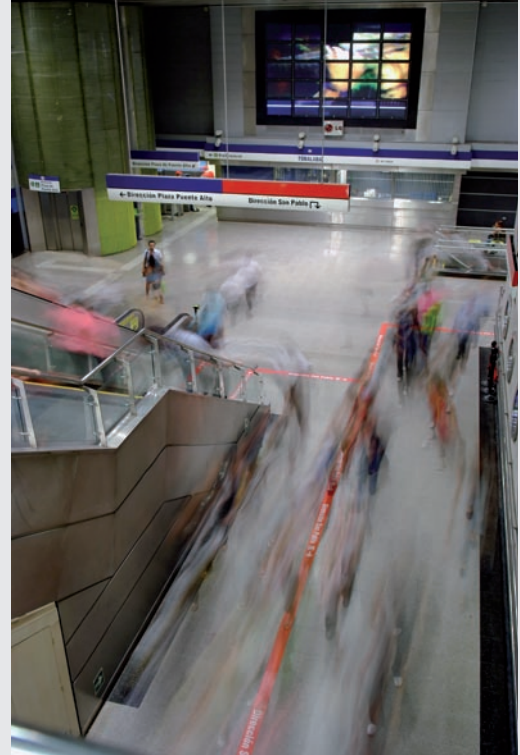


On the other hand, the operational expenses by 31st December 2008 amounted to TM\$188,379, increasing by 2,4% compared to the same period in 2007, explained mainly by the whole year effect of the expenses related to the higher activity associated to the higher Metro operation in Transantiago, the whole year effect of the extension of the commercial hours and the increase on the electricity fares.

On the other hand, the EBITDA amounted to \$76,651 million, increasing by 24% compared to the previous year, keeping the growing tendency of the last years.

The non-operational results to December 2008 was negative and it reached TM\$90,482, mainly due to the level of financial expenses which amounted to TM\$49,039, associated to the interests for the contracted debt, monetary correction loss for TM\$10,548 and the negative effect of the Exchange Difference of TM\$32,472 (including the profit for Exchange Difference of TM\$34,751 of the Cross Currency Swap operations) derived from the increase on the exchange rate of 28.1% (\$496.89 pesos per dollar by December 2007 to \$636.45 by December 2008).

Due to this, Metro registered in 2008 a net loss which amounted to \$69,992 million. The variation respect 2007, in which Metro had profit, is explained by a \$90,000 million difference in exchange rate difference produced by the strong dollar appreciation.



» EBITDA 2008 increased in 24% compared to the same period in 2007.

Metro keeps this exposition to the dollar, since part of the fare is indexed in this currency. Therefore, the losses in 2008 for exchange difference are compensated with higher operational income both in the present and the future.

The total assets of the company by 31st December 2008, amounted to \$2,470,508 million, this is, 9.0% more than 2007, which is mainly explained by the investments associated to the expansion projects of the network.

In relation to the financial indicators, the level of indebt, this is, the requirable liability/patrimony ratio, at year close was 0.97 times, higher that the one registered by December 2007, which was 0.92 times.

B) Operational Contribution of Metro S.A. to Transantiago

On 27th May 2008 the 19th Metro S.A. Extraordinary Shareholders' Meeting was held, in which shareholders unanimously agreed to authorize the Board of Directors to implement the Agreement for the Transitory Suspension of the Conciliation Mechanism and a Framework Agreement for the Operational Contribution, both documents to be subscribed between Metro S.A., Transantiago Financial Administrator (AFT) and the Ministry of Transport and Telecommunications. This contribution was totally reimbursed to Metro S.A. by the Transantiago Financial Administrator, since there was no outstanding debt.

C) Operation of By-Products

During 2008, Cross Currency Swap operations were subscribed for a total value of US\$ 263 million, in the framework of the company's Policy of Coverage of Financial Risk.

D) Issuance of Bonds

On 3rd September, Metro S.A. successfully concluded the first bond placement (H and I series) without State Guarantee, for UF 3.85 million, equivalent to 155 million dollars. Bonds Series H and I were destined to the prepayment of liabilities, especially the Financial Loan subscribed on 12 March 2005 in its two tranches (Tranche A for US\$45 million and Tranche B for UF 2.508 million). These bonds were purchased mainly by pension funds administrators and insurance companies, among other actors of the local finance market.





These two series of bonds, made with the company Celfin Capital, structuring and positioning agent, were offered through an auction on the stock exchange market of Santiago. The total issuance of Bonds Series "H" was placed, for the amount of 1,000,000 UF, at a final collocation rate of 4,45% per year (BCU 10 years plus 98 base points); and the totality of the issuance of Bonds Series "I" for 2,850,000 UF, at a final collocation rate of 4.78 per year (BTU 20 years plus 105 base points). Both issuances without State guarantee. A higher demand of close to 60% was generated by these documents, mainly centered on the long term bonds series.

The "H" Series Bonds are at 12 years, with 7 years of grace for the capital, with semester interest payment and a cover rate of 4.3% per year; while "I" series bonds are at 21 years, with a 10 years grace period for the equity, with half year interest payments and a face rate of 4.7% per year.

Both series of bonds were classified as Fitch Ratings in AA- and Humphreys in AA. This classification is sustained, mainly, on Metro exhibiting high efficiency levels on its management indicators and on its market share.

