



2018

ANNUAL REPORT



T U N E L
SAN CRISTOBAL®

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1.- LETTER FROM THE CHAIRMAN OF TSC'S BOARD OF DIRECTORS

Dear Shareholders:

On behalf of the Board of Directors of Sociedad Concesionaria Túnel San Cristóbal S.A. (TSC), I present to you the Annual Report for year 2018, providing an account of the financial statements and of the of the main facts that influenced the Company's performance during this year.

The dynamic growth of domestic economy during 2018 had a positive impact on the sale of light and medium-size vehicles which reached an annual growth of 15.6% (source: ANAC). Traffic along our highway continued to grow in this period at a rate of 6.6%, equivalent to more than 21.5 million transactions.

With regard to operations and investments, year 2018 witnessed important progress, which I share with you below.

In the area of road safety, the Company continued to implement the plan to maintain a greater presence of emergency vehicles on the road in order to strengthen safety and improve response times in the event of incidents or accidents that may affect users. In this field, during year 2018 the surveillance vehicle fleet was renewed which will result in increased security for our users and employees.

Additionally, training was reinforced in matters relating to the control of fire in vehicles, driving and safe action when providing road assistance, defensive driving, conflict management, emergency squads and use of fire extinguishers. Also, and in order to assess our safety systems, in December we conducted a fire drill into the tunnel which included the participation of Fire Companies, Carabineros and the ambulance personnel. The drill was positively evaluated.

In the framework of our Environmental Management Plan, during 2018 the Company maintained and reinforced the follow-up and control action relating with the environmental components, such as the Emission of Particles in the Air, Landscaping, Noise and Waste Control, comfortably complying with the maximum levels permitted contractually.

Our Human Resources Policy, focused on the comprehensive development of our employees, resulted during year 2018 in the execution of programs related to training, organizational climate and renewal of our performance evaluation platform. In this sense, we conducted training efforts in which more than 85% of our employees participated in more than 5 programs. In the field of labor climate, we conducted improvement programs that involved all our workers and their families.

Our organization, committed with the professional and personal development of its workers, conducted an organization-wide survey in the context of the program on Psychosocial Risks Surveillance Protocol to assess the level of exposure to labor and family-related situations that could affect their well-being as well as their physical, mental and social health. Based on these results, and in direct consultation with our employees, the company shall implement during year 2019 an action plan intended to capitalize on improvement opportunities from the current Benefit and Good Practices program, aiming at improving and strengthening on an ongoing basis the conditions for an optimum development of our employees.

The achievements that we share with you in this annual report, are the outcome of the effort deployed by all of our company's employees, who make it possible to deliver quality service to our users.

Best regards,

Ronald Paz Vargas
Chairman
Túnel San Cristóbal

2.-IDENTIFICATION OF THE COMPANY

Corporate Name	: Sociedad Concesionaria Túnel San Cristóbal S.A.
Trademark	: Túnel San Cristóbal
Legal Domicile	: La Herradura 2750, Providencia
Taxpayer Number	: 99.588.750-9
Type of Company	Closed Corporation, registered in the Special Register of Reporting Entities of the Superintendency of Securities and Insurance.
Telephone No.	: +562 2898 7553
Web Site	: www.tunelsancristobal.cl
E-mail	: contacto@tunelsancristobal.cl
External Auditors	Deloitte Auditores Consultores Limitada.

2.1 CORPORATE PURPOSE

The Company's sole purpose is the execution, repair, conservation, maintenance, and operation of the State-owned public work called "Concesión Variante Vespucio - El Salto - Kennedy" through the Concessions System, as well as the rendering and operation of the services that are agreed in the concession contract, intended to perform those works and the other activities necessary for the proper execution of the project.

2.2 LEGAL BACKGROUND

The Company was originally organized under the name of "Sociedad Concesionaria San Cristóbal Express S.A.", through a public deed dated March 16, 2005, executed at the Public Notary of Santiago Mr. José Musalem Saffie. An extract of the deed was registered in the Commerce Register kept by the Real Estate Registrar of Santiago, on page 8976, No. 6555 for year 2005, and was published on the Official Gazette issue No. 38,116 on March 21, 2005.

The Company was initially registered in the Securities Register of the Superintendence of Securities and Insurance (SVS) on September 22, 2005, under No. 917. Subsequently, and by applying what is set forth in Law No. 20,382 and in the Official Circular Letter No. 600 of the SVS, on May 9, 2010, the Company became lawfully registered in the SVS' Special Register of Reporting Entities, Registration No. 143.

2.3 MODIFICATIONS

The Company's bylaws were modified through a public deed dated July 26, 2005, executed at the Public Notary's office of Santiago of Mr. José Musalem Saffie, which summarizes the Minutes of the Second Extraordinary Shareholders' Meeting held on that same date. An extract of the deed was recorded on page 29086, No. 20889 of the Commerce Register kept by the Real Estate Registrar of Santiago for year 2005, and was published on the Official Gazette No. 38,235 on August 12, 2005. The main amendment consisted in setting a duration of 35 years for the Company, from the date of its incorporation.

The Company changed its corporate name to “Sociedad Concesionaria Túnel San Cristóbal S.A.,” modifying its bylaws through a public deed dated January 6, 2006, executed at the Public Notary’s office of Santiago of Mr. José Musalem Saffie, which summarizes the Third Extraordinary Shareholders’ Meeting held on December 22, 2005. An extract of the deed was recorded on page 2845, No. 1913 of the Commerce Register kept by the Real Estate Registrar of Santiago for year 2006 and was published on the Official Gazette No. 38,365 on January 17, 2006.

Lastly, the Company reduced the number of its directors from 6 to 5 regular directors and their respective alternates, modifying its bylaws through a public deed dated September 10, 2015, executed at the Public Notary’s office of Santiago of Mr. Juan Ricardo San Martín Urrejola, which contains a summary of the minutes of the Company’s Extraordinary Shareholders’ Meeting held on September 10, 2015. An extract of the deed was recorded on page 68890, No. 40132 of the Commerce Register kept by the Real Estate Registrar of Santiago for year 2015, and was published in the Official Gazette No. 41,261 on September 17, 2015.

2.4 CAPITAL, OWNERSHIP AND CONTROL

1.4.1 CAPITAL

According to its bylaws, the Corporate Capital is divided into five million seven hundred thousand ordinary and nominative shares, without face value. As of December 31, 2018, the capital is fully subscribed and paid-in by the shareholders and amounts to CLP 6,934,026,554.

1.4.2 OWNERSHIP OF THE COMPANY AS OF DECEMBER 31, 2018

No changes in the ownership of the Company occurred during year 2018.

Shareholders	No. of Shares	% Interest
Taurus Holdings Chile. S.A	5,699,999	99.99
Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA	1	0.01
Total	5,700,000	100.00

2.4.3 CONTROLLING PARTY

Sociedad Concesionaria Túnel San Cristóbal S.A. (TSC) is indirectly controlled by (Brookfield Asset Management Inc.

Brookfield Asset Management Inc. (“Brookfield”), is a corporation organized under the laws of the province of Ontario, Canada, that holds an indirect interest of 100% in TSC, by way of Taurus Holdings Chile S.A., which is a Chilean Corporation in which Brookfield indirectly holds 100% of the shares, by way of Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA (formerly Limitada) and of Brookfield Americas Infrastructure Holdings Chile I S.A., both companies having been organized under the laws of Chile.

Information about Brookfield

Brookfield is a corporation the shares in which are traded on the stock exchanges of New York (NYSE), Toronto (TSX) and the Pan-European stock exchange Euronext. Its property is atomized, with its main shareholders as of December 31, 2018 being the following:

Shareholder	Stock Ownership (%)
RBC Global Asset Management, Inc.	3.60%
TD Asset Management, Inc.	2.60%
Principal Global Investors, LLC	2.42%
Fidelity (Canada) Asset Management ULC	1.96%
Beutel Goodman & Company, LTD	1.60%

2.5 TERM

The Company's term is 35 years, computed from its date of incorporation.

3. CORPORATE STRUCTURE

3.1 BOARD OF DIRECTORS

The Board of Directors' Mission is to manage the Company with broad powers and carry forth the corporate purpose, in accordance with what is set forth in its bylaws and in the Corporations Law.

Pursuant to the Company's bylaws in force as of December 31, 2018, the Board of Directors is comprised of five regular directors and their respective alternate directors, appointed by the Shareholders' Meeting, who serve for 3-year terms.

As of December 31, 2018, the Company's Board of Directors is comprised of the following individuals:

Regular Directors	Alternate Directors
Ronald Paz Vargas Economist National Identification Card for Aliens No. 23.697.864-8	Marcos Pinto Almeida Economist Brazilian Passport No. FG549087
Mark Murski Auditing Accountant Canadian Passport HK958464	Carlos David Castro Ibáñez Industrial Engineer Colombian Passport No. CC72167679
Tomás Escrich Halabi Business Administrator National Identification Card No. 18.019.313-8	Salvador Valdés Correa Lawyer National Identification Card No. 9.842.734-1
Rodrigo Franco Martínez del Solar Economist Peruvian Passport No. 5871851	Benjamin Vaughan Auditing Accountant Canadian Passport WN4456646
Matthew Unruh Accountant Canadian Passport HP159277	Fernando Bernardes Boniolo Ziziotti Lawyer Brazilian Passport No. FM581911

(*) The Company's Board of Directors was renewed in an Ordinary Shareholders' Meeting held on April 26, 2018. The appointed directors are the individuals shown in the chart above.

3.2. MANAGEMENT

The Company's Management is comprised of two Executive Officers, who are responsible, in the first instance, for designing and updating the global strategy referring to the Corporate Government.

The Concession Company's business volume and compliance with the requirements of the Urban Concessions System of Santiago, have rendered advisable to subcontract the services of the commercial management and customer service. To that end, in July 2008, Túnel San Cristóbal (TSC) contracted these services with Sociedad Concesionaria Vespucio Norte Express S.A. which, in addition to having the required system, is the natural extension of Túnel San Cristóbal, sharing its traffic, users and needs.

Additionally, the Concession Company contracted Sociedad Concesionaria Vespucio Norte Express S.A. for the rendering of certain professional services covering areas such as accounting, financial, technical, legal and human resources, among others.

3.3 EXECUTIVE OFFICERS

The team of executive officers' mission is to analyze, coordinate and make decisions with respect to the operation of the Company, and review on a periodic basis the compliance with the corporate purposes.

ENRIQUE MÉNDEZ VELASCO

Chief Executive Officer

ID No. 6.996.659-4

Business Administrator

P. Universidad Católica de Chile

FELIPE MENA MUÑOZ

Chief Financial Officer

ID No. 15.636.090-2

Business Administrator

Universidad Finis Terrae

3.4 PERSONNEL

As of December 31, 2018, the Company had total of 29 employees, distributed as follows:

Managers	1
Professionals	2
Administrative	6
Technicians	0
Operations	20

4. SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

4.1 Diversity in the Board of Directors

i) Number of Individuals by Gender.

As of December 31, 2018, the Company has 10 male directors (5 regular directors and 5 alternate directors).

ii) Number of Individuals by Nationality.

As of December 31, 2018, the Company has 8 foreign directors (four regular directors and four alternate directors) and two Chilean directors (one regular and other alternate).

iii) Number of Individuals by Age Group.

As of December 31, 2018, the number of Board members whose age is between 21 and 30 is 1; between 31 and 40: 3 and between 41 and 50: 6.

iv) Number of Individuals by Seniority.

As of December 31, 2018, the number of members of the Board of Directors who have served as a director in the entity for less than 3 years is 4 and from 3 to 6 years is 6.

4.2 Diversity in the General Management and the other Managing Departments reporting to this Management or to the Board of Directors

i) Number of Individuals by Gender.

As of December 31, 2018, all of the managers in the Company are male.

ii) Number of Individuals by Nationality.

As of December 31, 2018, all of the managers in the Company are Chilean.

iii) Number of Individuals by Age Group.

As of December 31, 2018, the number of managers in the Company whose age is between 30 and 40 years is 1 and between 61 and 70 years of age is 1.

iv) Number of Individuals by Seniority.

As of December 31, 2018, all of the managers in the Company have served in the entity between 3 and 6 years.

4.3 Diversity in the Organization

i) Number of Individuals by Gender.

As of December 31, 2018, the total number of male workers is 29 and the total number of female workers is 1.

ii) Number of Individuals by Nationality.

As of December 31, 2018, the total number of Chilean workers is 30.

iii) Number of Individuals by Age Group.

As of December 31, 2018, the total number of workers whose age is less than 30 years is 4; between 30 and 40 years: 13; between 41 and 50 years: 12; and between 61 and 70 years: 1.

iv) Number of Individuals by Seniority.

As of December 31, 2018, the total number of workers who has served in the Company for less than 3 years is 11; between 3 and 6 years: 7; more than 6 but less than 9 years: 2; between 9 and 12 years: 9; and more than 12: 1.

4.4 Wage Gap by Gender

As of December 31, 2018, the proportion represented by the average gross salary in the Company, of female executives and workers to that of male executives and workers is as follows:

It is not possible to make an adequate comparison because there is only one female worker in the Company.

5. COMPANY'S ACTIVITIES AND BUSINESS

5.1 Description of the Activities and Business of the Sector in Which the Company Participates.

The "Concesión Variante Vespucio - El Salto - Kennedy" contract forms part of the Chilean Ministry of Public Work's Urban Concessions System. The project noticeably improves the urban transportation system in the North-east part of the Metropolitan Region creating a fast and safe means of connection between areas that have been historically separated by the San Cristóbal Hill, also resulting in the reduction of the congestion of the area called "La Pirámide".

Since 1993, the concessions system promoted by the Chilean Government by way of the Ministry of Public Works, has made it possible to renew an important portion of the country's infrastructure with more than 90 projects on an open tender basis so far, with a total actual investment as of the first half of 2018 in the amount of US\$ 17.03 billion.

The system is regulated by Executive Decree No. 900 of the Ministry of Public Works, which set the updated text of Law Force Decree No. 164 of 1991 on the Law of Public Works Concessions ("Concessions Law") and by Executive Decree No. 956, Regulations of the Law of Public Works Concessions (the "Concessions Regulations").

The Company's activity and business is the operation of the Concession through the collection of toll corresponding to the transactions carried out by means of the electronic toll collection device called Tag or Televía.

The urban highways built in Santiago have different areas of influence. For this reason, competition per se occurs in only a few areas where users have the possibility to access one same destination using different highways.

5.2 SUPPLIERS

During year 2018, TSC's main suppliers and service providers were the following:

Supplier	Amount paid in CLP
Soc. Concesionaria Vespucio Norte Express S.A.	790.245.565
Constructora Cogutsa Ltda.	218.022.561
Altrónica Ingeniería y Servicios Ltda.	217.478.681
Taurus Holdings Chile S.A.	193.809.026
Enel Distribución Chile S. A.	179.844.799
Seguros Generales Suramericana S.A.	172.110.980
Rescates y Asistencias Viales RAV Ltda.	123.486.820
Larraín y Compañía Abogados Ltda.	104.900.359
Indra Sistemas Chile S.A.	85.590.089
Constructora Be & Asociados Ltda.	79.857.654
CL Computación Ltda.	75.147.594
Banco Itau Corpbanca	69.580.435
Rentaequipos del Pacífico Ltda.	60.821.342
Autorentas del Pacífico S.A	54.400.484
Deloitte Auditores y Consultores Ltda.	40.727.517
Bitumix S.A.	40.217.926
APIA S.A.	38.033.027
Flesan S.A.	37.215.467
G4S Security Services Limitada	34.942.058
Pablo Aguirre Figueroa	21.882.197

5.3 USERS

Users correspond to individuals who drive a motor vehicle with an enabled TAG along the San Cristóbal Tunnel.

During year 2018 no single user accounted for more than 10% of the Company's revenue.

5.4 TRADEMARKS AND PATENTS

Sociedad Concesionaria Túnel San Cristóbal S.A. owns the following trademarks registered with the Industrial Property Department of the Ministry of Economy:

- Trademark: Túnel San Cristóbal. Type: Mixed. Classes 9, 16, 35, 36 & 39.
- Trademark: San Cristóbal Express. Type: Designation. Classes 9, 35, & 39.

Likewise, the following web page domain names have been registered:

Web Domains
www.tunelsancristobal.cl
www.tsc.cl

6 OPERATION OF THE CONCESSION

6.1 BACKGROUND OF THE PROJECT

Túnel San Cristóbal is located in the city of Santiago, Chile. With a length of approximately 4 km, it is comprised of two parallel tunnels with a length of 1,850 meters and 2 lanes each, passing through the San Cristóbal Hill and connecting the district of Providencia on the South side, with the districts of Recoleta and Huechuraba on the north part of the capital city. The structures are joined by 7 galleries for pedestrians and one for vehicles, which provide appropriate operating safety.

The project under concession, that considerably reduces congestion in the area known as “La Pirámide”, also includes the accesses from El Salto Avenue as far as the North portal and from El Cerro Avenue as far as the South portal, as well as connection branches towards the Lo Saldes Bridge and Kennedy Avenue. On February 18, 2017 the so-called Cajón Lo Saldes was placed into service. It connects, without any traffic lights, the South portal with the Kennedy tunnel providing a fast and direct alternative to users heading for the boroughs of Vitacura and Las Condes, minimizing the congestion in the tunnel towards Providencia during the morning and evening peak hours.

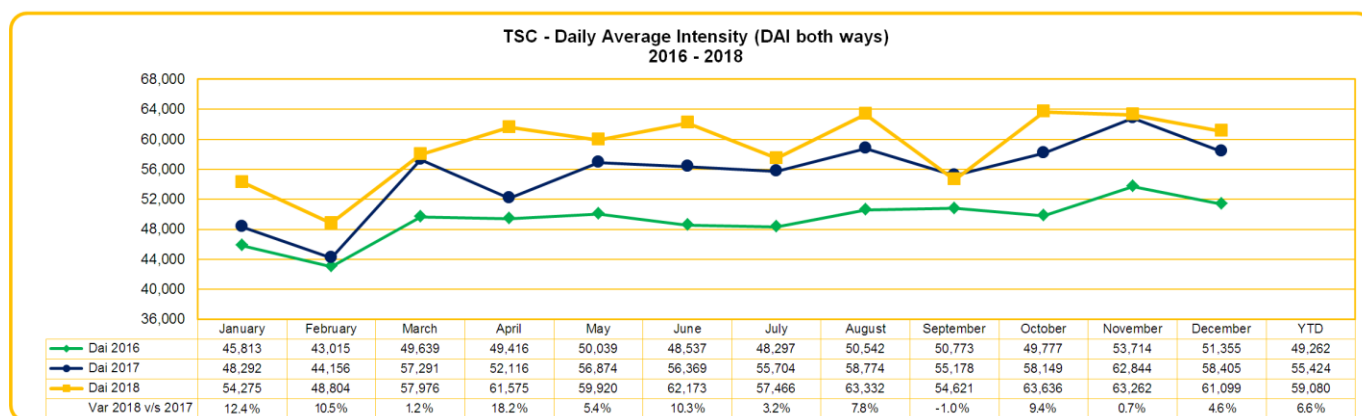
Túnel San Cristóbal has noticeably contributed to the improvement of the urban transportation system in the North-east part of the Metropolitan Region creating a fast and safe mean of connection between areas that have been historically separated by the San Cristóbal Hill.

Additionally, the Company has premises in an area of 2,500 square meters, which includes a 650 square meter building, located on La Herradura 2750, borough of Providencia.

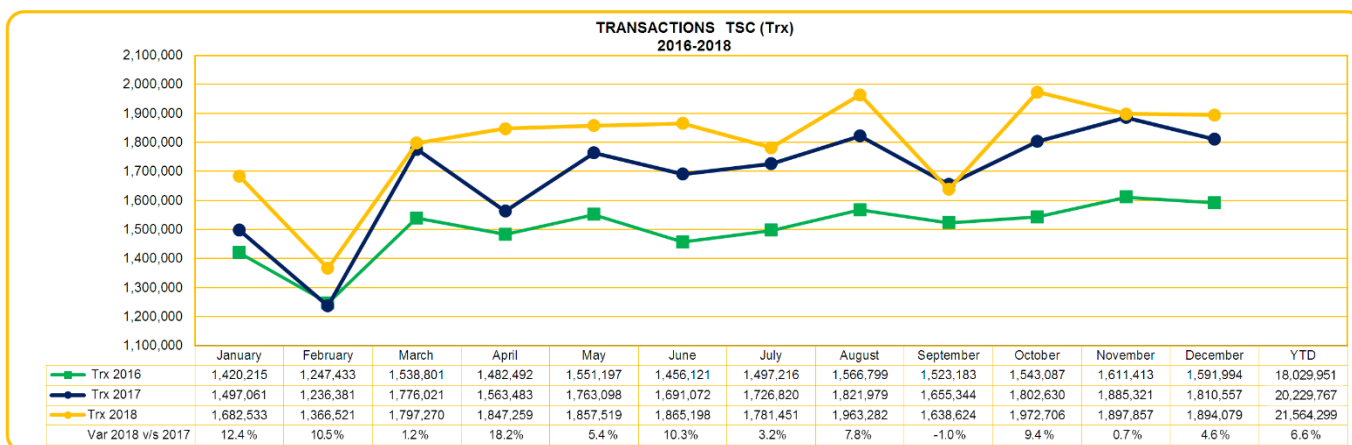
As this enterprise is a concession of the State of Chile, all of the aforementioned facilities must be returned to the State upon termination of the concession.

6.2 TRAFFIC

In 2018, traffic measured as Daily Average Intensity (DAI) grew at a rate of 6.6% on a year-to-date basis.



In 2018 a total of 21,6 million transactions was processed, 95.63% of which corresponds to motorcycles and cars, 3.86% to simple trucks and buses, and 0.52% to trailer trucks.



6.3 REVENUE FROM OPERATION

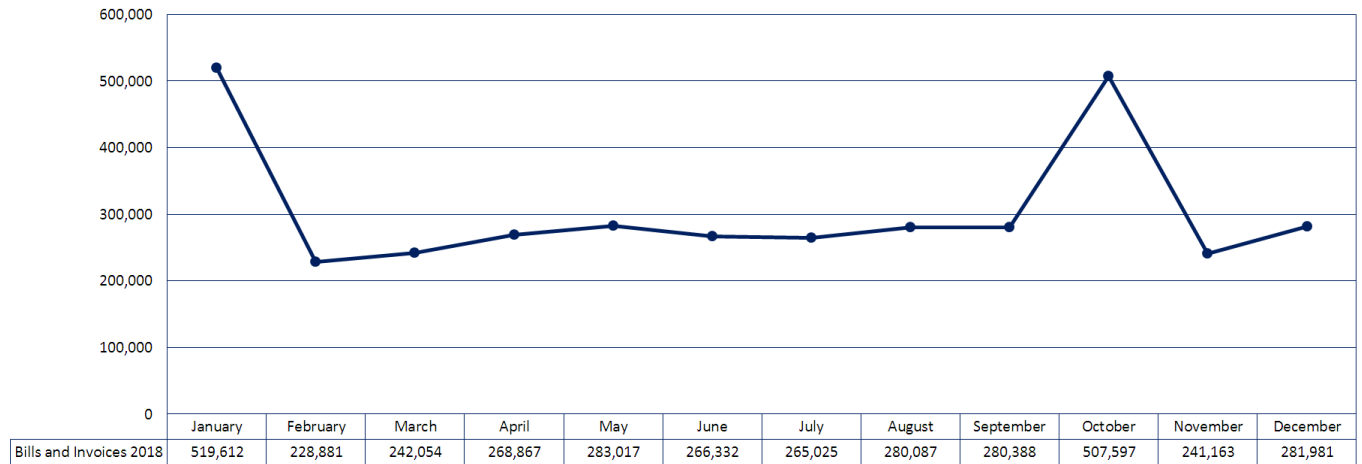
Revenue from operation during year 2018 amounted to CLP 10,635,470,255. In comparison to the revenue for the previous year, the increase was 14.2%.

TSC Revenue from Operation (CLP thousands)	2018	2017	Var %
Tolls	10,133,366	8,845,372	14.6%
Offenders	167,267	149,029	12.2%
Daily Pass	141,243	113,639	24.3%
Other ordinary revenue	43,305	63,398	-31.7%
Ad Ref. Agreement No. 2	83,635	88,168	-5.1%
Revenue received in advance	66,654	55,381	20.4%
Total	10,635,470	9,314,987	14.2%

6.4 BILLING

During year 2018, Túnel San Cristóbal processed 3,665,004 collection instruments, including Bills and Invoices corresponding to clients with a contract for the TAG device. This meant a 19.55% rise from year 2017.

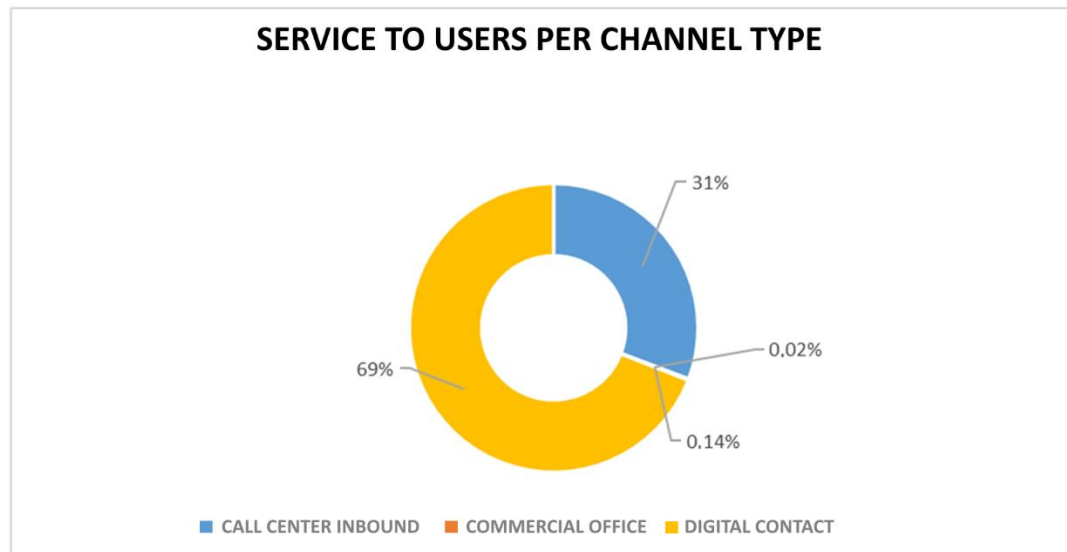
2018 Bills and invoices (Clients with Enabled Tags)



6.5 USER SERVICES

During year 2018, Túnel San Cristóbal attended to a total of 90,715 user contacts, which represents a 74% rise versus year 2017, mainly explained by the fact that in this period Túnel San Cristóbal managed the interoperable unified daily pass.

The distribution of the user contacts per channel is as follows:



Contact Channels

Web Site

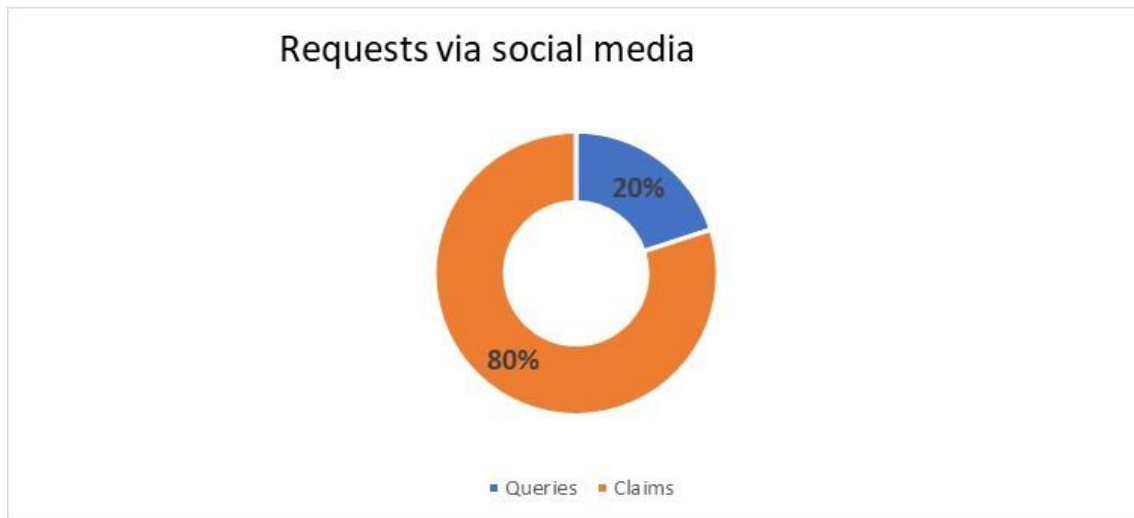
During 2018, 62,531 users visited the concession company's website, www.tunelsancristobal.cl. This represents a 22% rise versus 2017. Those users made a total of 212,319 visits to various sections of the site.

Of the total web site visits during 2018, 10% corresponds to logins, i.e. users who access the virtual office by way of their user name and the respective password.

Social Media

At the closing of 2018, TSC had 5,805 followers on Facebook, representing a 4% drop as compared to 2017, resulting from the strict commercial policies implemented by this platform worldwide, as it makes invisible unpaid postings from company profile accounts. Additionally, followers on Twitter totaled 23,415, representing a 12% increase in the year.

The main types of contacts by users in social media are the following:



Call Center and Commercial Office

In the frame of the joint operation between TSC and AVN in what refers to channels with executives' assistance (in person and on a remote basis), a total of 27,898 calls and 130 visits were attended to at the commercial office during 2018, representing a 30% rise in this type of contacts, considering both channels, versus the previous period.

For the case of the Call Center, most of the contacts were queries (93%), just as for the case of the Commercial Office, where queries represent 66% of the contacts. In the Call Center more than half of the queries corresponded to unified daily pass issues. For the case of the Commercial Office, most contacts corresponded to billing questions.

6.5 ROAD SAFETY AND TRAFFIC MANAGEMENT

The Area of Road Safety and Traffic Management is in charge of dealing with incidents, which include both direct assistance to users and other events rendered as potential generators of accidents, such as: picking up dangerous objects,

interventions for maintenance of the infrastructure, picking up dead animals from the lanes, etc. In order to carry out these tasks it is necessary to coordinate the use of multiple resources such as tow vehicles, ambulances, rescue units, road assistance vehicles and cleanup teams, as well as the participation of public entities such as the Police, Ambulances and Fire Trucks.

To operate with maximum safety, Túnel San Cristóbal has a System of Traffic Management and Tunnel Operation integrated by the Traffic Control Center (CCT), from where the operation of the following systems is centralized:

- Traffic Count Stations.
- Vehicle Weighing and Classification Systems.
- Variable Messaging Billboards and Signaling.
- Traffic Lights.
- Emergency Intercom (SOS poles).
- Megaphone System.
- Closed-circuit Television (CCTV) System.
- Automatic Incident Detection (AID) System.
- Meteorology Stations.
- Gauge Control Systems.
- Linear Fire Detection System.
- Ventilation Control System.
- Lighting Control System.
- System for Detection of Environmental Conditions Inside the Tunnels.
- Energy Control System.
- Firefighting System.

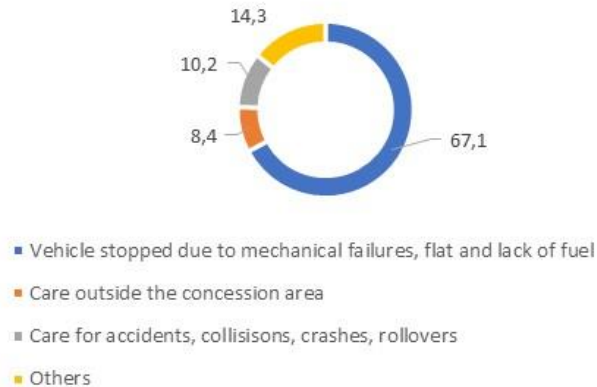
Túnel San Cristóbal has the following fully equipped assistance vehicles:

- 1 Multipurpose Truck (for towing, patrolling, providing assistance, serving as a rescue unit).
- 1 Platform Truck and Tow Vehicle.
- 1 Firefighting and Assistance Truck.
- 1 Vehicle for Supervision
- 2 Vehicles for Surveillance

During year 2018, TSC's area of Road Safety and Traffic Management attended to 1412 incidents. From this total, 67.1% corresponded to stopped vehicles (mechanical failures, flat tires or running out of fuel), 10.2 % corresponded to accidents, collisions, crashes, overturned vehicles, 14.3 % to other types of assistance, and 8.4 % to assistance outside the concession area; mainly assistance support provided to Autopista Vespucio Norte.

At the end of year 2018, the total number of accidents recorded was 118, equivalent to a 20.4% rise in accidents attended to, in contrast with the 98 accidents occurred in 2017.

Type of incidents on the road



6.7 MANAGEMENT AND MAINTENANCE OF THE INFRASTRUCTURE

During 2018, both the preventive maintenance tasks stipulated in the Annual Maintenance Plan and the corrective maintenance tasks required by the operation of the various elements that make up the concession's infrastructure were performed. These tasks were carried out by different companies with a vast experience in the respective lines of business.

Road Infrastructure

The efforts are essentially focused on assuring that the road infrastructure directly used by the highway's users (pavements, tunnel, signals, road defenses, sidings, etc.), remain within the service thresholds stipulated in the Concession Contract. The foregoing by maintenance works performed during daytime and at night, such as cleaning of the aforesaid elements. Other tasks are performed periodically or deferred in time, such as the cleaning of glasal panels on a quarterly basis, and corrective tasks, which purpose is to restore these elements to their regular condition after an accident or incident.

The Road Infrastructure activities also include the maintenance of the project's landscaping, namely spaces that are located at the north and south ends of the San Cristóbal tunnel. During the year, the activities performed included were: the control of weeds, fertilization, application of drip irrigation, ornamental pruning, and road safety works. Additionally, trees, bushes and ground-cover species were planted as part of the maintenance works.

During year 2018, modifications in the concession's infrastructure were performed. Particularly relevant is the expansion from 2 to 3 lanes at the South end connection of the tunnel to Providencia. This was done in order to increment the capacity and to provide a more expedite exit to Los Conquistadores Street, which used to be limited due to the presence of the traffic lights in the area.

Electric and Electronic Maintenance

The purpose of this is to maintain the different electric and electronic systems required for the operation of the tunnel in good operating conditions. These systems include power, lighting, communication, messaging, point of collection, surveillance, monitoring of traffic inside the tunnel, etc., all of which is performed as routine maintenance work in daytime and/or nighttime, such as the cleaning of road lights, temperature sensors. Other tasks are performed deferred in time, such as the maintenance of the CO and OP sensors which is done on a monthly basis.

During 2018 the equipment operated in accordance with the services levels required by the concession contract.

6.8 MANAGEMENT AND MAINTENANCE OF TECHNOLOGY

During 2018, the Electronic Toll Collection System operated in accordance with the service levels required by the concession contract.

6.9 PROJECTS AND CIVIL WORKS

6.9.1 Projects

- **Construction of the Concession called “Concesión Américo Vespucio Oriente. Tramo Avenida El Salto – Príncipe de Gales”**

This project, executed by Concesionaria Vespucio Oriente S.A., contemplates the connection of the Avenida El Salto area, situated in the boroughs of Huechuraba and Recoleta, up to the Príncipe de Gales area in the borough of La Reina. The main purpose of this project is to complete the Américo Vespucio loop improving the urban road infrastructure in the Metropolitan Region. During your 2018, the Vespucio Oriente Concession started the on-site work, including interventions in the area of Avda. El Salto and segregations for various preparation tasks in the work area.

6.9.2 Civil Works

- **Construction of the Expansion of Exit Los Conquistadores C1 Axis**

During February 2018, the extension of the C1 exit lane to Avda. Los Conquistadores in the borough of Providencia was performed. These works contemplated the extension along 100 m to the west of the aforementioned exit, which also required the execution of a minor cut with support in the area, as well as the modifications and reinforcement of the existing cameras, modification of a traffic control camera (CCTV), and other road safety measures as appropriate.

7 COMMERCIAL PERFORMANCE

7.1 Túnel San Cristóbal's Tariffs for 2018

In accordance with the Concession Contract, Túnel San Cristóbal's Base Tariff for 2018 was **294.677 \$/km**, as per the following tariff structure:



2018 TARIFFS

TÚNEL SAN CRISTÓBAL

VARIANTE VESPUICIO - EL SALTO – KENNEDY

In accordance with the Concession Contract called "Concesion Variante Vespucio El Salto Kennedy" awarded as per MOP S.D. No. 1129 dated November 26, 2004 and published in the Official Gazette on February 21, 2005, Sociedad Concesionaria Túnel San Cristóbal S.A. informs the tariffs to be in effect as from January 1, 2018.



TARIFFS APPLICABLE TO USERS WITH ENABLED TOLL DEVICE (TAG)

OFF-PEAK HOUR BASE TARIFF (TBFP)		MOTORCYCLES - SCOOTERS CARS - PICKUP TRUCKS	BUSES - TRUCKS	TRAILER TRUCKS
DIRECTION	TYPE OF TARIFF			
EL SALTO - KENNEDY	TBFP	\$ 385	\$ 1155	\$ 1842
KENNEDY - EL SALTO	TBFP	\$ 385	\$ 884	\$ 1473

PEAK-HOUR BASE TARIFF (TBP)		SATURATION TARIFF (TS)*		MOTORCYCLES - SCOOTERS CARS - PICKUP TRUCKS	BUSES - TRUCKS	TRAILER TRUCKS
DIRECTION	TYPE OF DAY	HOURS	TYPE OF TARIFF			
El Salto - Kennedy	Working	07:00 - 08:00	TBP	\$ 589	\$ 1768	\$ 2947
El Salto - Kennedy	Working	08:00 - 11:00	TS	\$ 737	\$ 2210	\$ 3683
El Salto - Kennedy	Working	11:00 - 11:30	TBP	\$ 589	\$ 1768	\$ 2947
El Salto - Kennedy	Working	12:00 - 14:00	TBP	\$ 589	\$ 1768	\$ 2947
El Salto - Kennedy	Working	16:30 - 17:30	TBP	\$ 589	\$ 1768	\$ 2947
El Salto - Kennedy	Working	17:30 - 20:30	TS	\$ 737	\$ 2210	\$ 3683
El Salto - Kennedy	Saturday	10:00 - 14:00	TBP	\$ 589	\$ 1768	\$ 2947
El Salto - Kennedy	Holiday	10:00 - 14:00	TBP	\$ 589	\$ 1768	\$ 2947
Kennedy - El Salto	Working	07:00 - 10:00	TBP	\$ 442	\$ 1326	\$ 2210
Kennedy - El Salto	Working	17:30 - 20:30	TBP	\$ 442	\$ 1326	\$ 2210
Kennedy - El Salto	Saturday	10:00 - 14:00	TBP	\$ 442	\$ 1326	\$ 2210
Kennedy - El Salto	Sunday	17:00 - 21:00	TBP	\$ 442	\$ 1326	\$ 2210
Kennedy - El Salto	Holiday	10:00 - 14:00	TBP	\$ 442	\$ 1326	\$ 2210

*For the rest of the hours, TBFP is applied

UNIFIED DAILY PASS TARIFFS		PDU	PDUT
MOTORCYCLES - SCOOTERS - CARS - PICKUP TRUCKS		\$ 8800	\$ 10700
BUSES - TRUCKS - TRAILER TRUCKS		\$ 14800	\$ 20600

Unified Daily Pass (PDU): Prior to circulating until 2 days after circulating without an enabled Tag.
Postpaid Daily Pass (PDUT): From the third day or up to 20 days after circulating without an enabled Tag.
 PDU's and PDUT's allow users without an enabled Tag to circulate for an entire calendar day along the 4 urban highways of Santiago under concession, the San Cristóbal Tunnel and the access to AMS Airport. Sold at WWW.PASEDIARIO.CL, SERVIPAG and PRONTO COPEC. A user may buy a maximum of 15 Daily Passes in a year per license plate number.
 The effective date for PDU tariffs is January 1, 2018 or as from the completion of the MOP's administrative act whereby the same are approved, whichever occurs last. Prior to that, the reported PDU tariffs in force for 2017 will remain in force.

The Concession Company is empowered by the standing laws and the concession's terms and conditions to apply the following tariffs per day of use to violators who circulate without an enabled Tag device or without an alternative interpretable means of collection (Daily Passes), and also to users with a contract in force who do not carry their Tag or who, in the event of malfunction, fail to have their device replaced. Paying the aforementioned violator tariff does not exempt the user from paying a fine for the benefit of the State, pursuant to Article 114 of the Traffic Law. Failure to pay the violator tariff will empower the Concession Company to exercise the collection action contemplated in Article 42 of the Law on Public Works Concessions.

SPECIAL TARIFF: During 2018, Túnel San Cristóbal (TSC) will allow free of charge traffic along the concession to emergency vehicles from the following institutions: Sistema de Atención Médica de Urgencia (SAMU), Cuerpo de Bomberos de la Región Metropolitana de Santiago, Junta Nacional de Bomberos de Chile and Carabineros de Chile, that use this concession while performing their work, which must be duly registered with TSC. The foregoing is notwithstanding what may be provided by the authority for the implementation of Law No. 20.906.

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7.2 Unified Daily Pass (PDU) and Late Payment Unified Daily Pass (PDUT)

The Unified Daily Pass (PDU) or Postpaid Unified Daily Pass (PDUT) are alternative means to the Tag for collection and allow infrequent users who do not have an enabled TAG, to circulate for an entire calendar day along the four Urban Highways in Santiago under concession, the San Cristóbal Tunnel and the access to the AMB Airport.

A Unified Daily Pass (PDU) may be purchased ahead of the day of intended circulation until two days after circulating without an enabled TAG.

A Postpaid Unified Daily Pass (PDUT) may be purchased from the third day after circulation up to twenty days after circulating without an enabled TAG.

A user may purchase a maximum of 15 Daily Passes each year per national license plate number.

During year 2018, a total of **31,993** transactions with the use of PDU were recorded in the Concession.

The prices in force for year 2018, were the following:

UNIFIED DAILY PASS TARIFFS	PDU	PDUT
CARS, PICKUP TRUCKS, MOTORCYCLES, SCOOTERS	\$6,800	\$10,750
BUSES, SIMPLE TRUCKS, TRAILER TRUCKS	\$14,500	\$20,600

8 FINANCIAL DATA

8.1 Remuneration of the Board of Directors and Executive Officers

During year 2018 the Directors have not received any remuneration whatsoever for their functions.

The company does not have an executive officer payroll as there is a Managerial Services contract in place with Sociedad Concesionaria Vespucio Norte Express S.A., whereby executive officers from this last-mentioned company performs the managing roles. The payments made for these services amount to CLP 207,674,607. In 2018 no indemnity payments were made to the organization's executives.

The company's executives have no stock ownership interest in the company.

8.2 INVESTMENT AND FINANCING POLICY

During 2018, Túnel San Cristóbal carried out investments in the amount of CLP 25.4 million. Also, CLP 2.2 million from the major maintenance provision was used for the maintenance of systems and technology.

These investments were financed with resources from the operation and funds available in the Major Maintenance Reserve Account.

With regard to financial investments, the company invests in the type of instruments and with the maturities permitted by the financing contracts.

8.3 Insurance

In order to comply with the Tender's Terms and Conditions, as well as to protect the Company against possible economic consequences derived from the occurrence of accidents, a wide coverage insurance program has been contracted with domestic and international insurance companies.

The insurance program has been contracted with Compañía de Seguros Generales PENTA Security S.A.

The civil liability policies were renewed on January 31, 2018, and the all-risk policies covering physical assets were renewed on December 31, 2016. The insurance program contemplates the following coverage:

- Material damages on the access, road, structure, roadway safety, lighting, utility changes, landscaping, civil works for SIGTTP, engineering, La Pirámide alternative, external roads, reinforced slopes, system of collection and points of collection and control center of Túnel San Cristóbal for an amount of UF 3,305,078 and damages for stopped service in amount of UF 1,307,522.
- Damages to third parties, in the amounts listed in the table below.

With regard to the Company's fixed assets, the following insurance has been contracted:

- Real estate: Coverage against risk of fire and catastrophic events related to the Concession Company's offices.
- Vehicles: The Company's vehicles have "all-risk" coverage, namely, damages, civil liability, larceny and theft.
- Computer equipment: This equipment is covered against possible damage or loss caused by fire, lightning, explosion, sudden voltage changes, theft, effect of water and moisture, et cetera.

In sum, the current policies in force are the following:

Policy No.	Insurance Company	Subject Matter	Expiration	Currency	Insured Amount or Limit	Gross Premium
05264298	RSA	Catastrophic events	12-31-2018	UF	3,305,078	13,824.813
05264749	RSA	All risk including loss of procedes	12-31-2018	UF	3,612,600	1,286.340
23016963	PENTA	Civil liability	07-31-2019	UF	12,500	1,905.19
23016958	PENTA	Excess civil liability	07-31-2019	UF	487,500	1,726.69
20325975	LIBERTY	Fire	10-19-2019	UF	8,107.48	16.76
13026396	LIBERTY	Theft	10-19-2019	UF	8,107.48	24.60
24043061	LIBERTY	Electronic equipment	10-19-2019	UF	7,198.28	16.53

9 RISK FACTORS

Dependency of the project on the economic performance of the country

Domestic demand in the services industry, in general, and particularly in the urban highway concessions, is materially contingent upon the levels of GDP growth. The fact that the Tunnel maintains its dynamic growth in demand will depend on the GDP growth scenario occurring as from 2019.

Contractual risks

The Concession Company conducts its operation by way of a service-rendering contract model with third parties, which allows it to take advantage of the synergies and expertise of companies in this line of business. In this context, it is important to

highlight the joint operation contract in place with Autopista Vespucio Norte, relating to the management of TSC's users, invoicing and toll collection.

Catastrophes, force majeure and civil liability

The Company keeps insurance policies that provide both the Company and the MOP with due coverage in the event of earthquakes, floods, acts of terrorism, strikes, accidents and other occurrences.

Connectivity

With the opening of the direct connection towards Kennedy Avenue in 2017 and the expansion of the exit to Av. Los Conquistadores in 2018, eastbound traffic became smoother minimizing to a great extent the congestion inside the San Cristóbal Tunnel on peak hours.

With regard to connectivity in the north area, in January 2014 the Ministry of Public Works awarded the so-called “Concesión Américo Vespucio Oriente, Tramo Av. El Salto-Príncipe de Gales (AVO I)”. Changes are expected to occur in the operating conditions of La Pirámide and in the connectivity of Vespucio Norte with the San Cristobal Tunnel. Works started in late 2018, there being no material impact on the operation of Túnel San Cristóbal. Coordinate work is underway with the management of AVO to minimize eventual disturbances in this roadway configuration.

Tariff Adjustment

The Tender's Terms and Conditions contemplate an annual mechanism to adjust the tariffs for the different hours, vehicle categories and sections of the highway.

10 RELEVANT FACTS FOR THE PERIOD

1. On April 26, 2018, a General Ordinary Shareholders' Meeting was held in which the following main agreements were adopted: i) the Annual Report, Balance Sheet and other audited Financial Statements for the year ended on December 31, 2017 were approved, and the Company's external auditors' report was informed; ii) the Company's Board of Directors was renewed in its entirety, with the new regular and alternate directors for the period of time contemplated in the bylaws being:

Regular Directors	Alternate Directors
Ronald Paz Vargas	Marcos Pinto Almeida
Mark Murski	Carlos David Castro Ibáñez
Tomás Escrich Halabi	Salvador Valdés Correa
Rodrigo Franco Martínez del Solar	Benjamín Vaughan
Matthew Unruh	Fernando Ziziotti

iii) the firm of Deloitte Auditores y Consultores Limitada was appointed as the Company's external auditors for year 2018; iv) it was left on record that no dividends were to be distributed taking into consideration the Company's accumulated losses; and v) other business pertaining to this Ordinary Shareholders' Meeting were addressed.

Subsequent Relevant Facts

On February 7, 2019, a General Extraordinary Shareholders' Meeting was held, in which it was agreed to renew the entirety of the Board of Directors as follows:

11 OTHER SUBSEQUENT RELEVANT FACTS

- 1.- On January 11, 2019, an Essential Fact was reported to the CMF, namely the fact that on that same date an agreement had been entered into between Frontal Trust Administradora General de Fondos S.A., acting on behalf of Frontal Trust Infraestructura Alpha Fondo de Inversión (the "Fund") and Brookfield Americas Infrastructure Holdings I S.L., by virtue of which the Fund undertakes to acquire between 20% and 33% of the shares in Brookfield Americas Infrastructure Holdings Chile I S.A., which indirectly owns 100% of the shares in Sociedad Concesionaria Túnel San Cristóbal S.A. and in Sociedad Concesionaria Vespucio Norte Express S.A. The closing of the sale is subject to the discharge of certain conditions that are common for this type of contracts.

- 2.- On February 07, 2019, a General Extraordinary Shareholders' meeting was held, in which the Company's Board of Directors was renewed in its entirety, with the new regular and alternate directors for the period of time contemplated in the bylaws being:

Regular Directors	Alternate Directors
Ronald Paz Vargas	Marcos Pinto Almeida
Carlos David Castro Ibáñez	Mark Murski
Rodrigo Franco Martínez del Solar	Salvador Valdés Correa
Tomás Escrich Halabi	Fernando Ziziotti
Sergio Merino Gómez	Eduardo Andrés Beffermann Córdova

11.1 DIVIDEND POLICY

As of December 31, 2018, the Company has agreed not to distribute any dividends. Taking into consideration the restrictions set forth in the Company's financing contracts, accepted by all of the shareholders and in accordance with the Policy on Dividends approved in the latest Ordinary Shareholders' Meeting, no dividends were to be distributed to the stockholders during year 2018.

12 FINANCIAL STATEMENTS

13 FINANCIAL ANALYSIS

14 SUBSCRIPTION OF THE ANNUAL REPORT AND STATEMENT OF LIABILITY

ANNUAL REPORT

AFFIDAVIT

In accordance with General Character Norm No. 30 from the Financial Market Commission (formerly Superintendence of Securities and Insurance), this Annual Report for year 2018, is signed by the majority of the members of the Board of Directors and the Chief Executive Officer of Sociedad Concesionaria Túnel San Cristóbal S.A., undersigned, who declare to be responsible for the truthfulness of the information provided in the same.

NAME AND ID NUMBER

SIGNATURE

DIRECTORS:

Ronald Paz Vargas
Identification Card for Aliens
No. 23.697.864-8



Carlos David Castro Ibáñez
Colombian Passport CC72167679



Tomás Escrich Halabi
National Identification Card No. 18.019.313-8

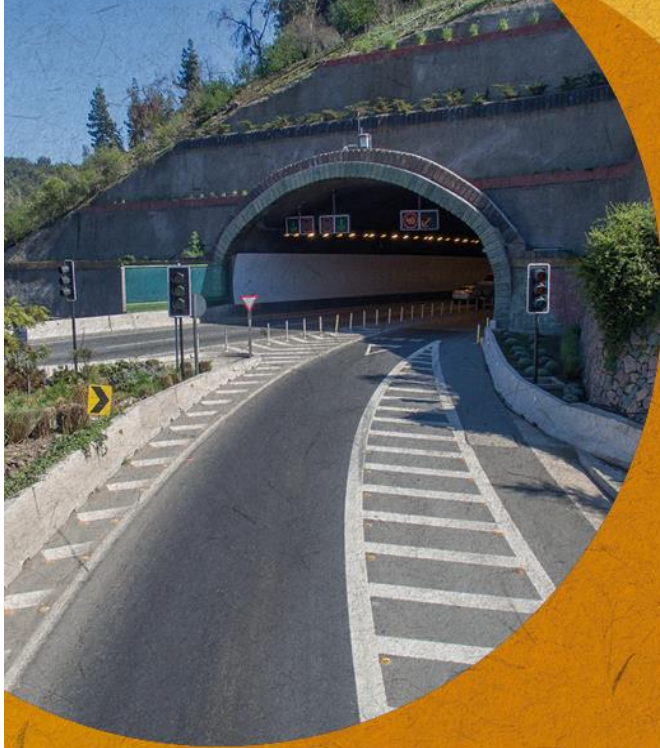


CHIEF EXECUTIVE OFFICER:

Enrique Méndez Velasco
National Identification Card No. 6.996.659-4



Santiago, Chile, March 18, 2019



FINANCIAL STATEMENTS

2018
ANNUAL REPORT



FINANCIAL STATEMENTS

As of December 31, 2018 and 2017

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

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ThCL\$: Thousands of Chilean pesos

INDEPENDENT AUDITOR'S REPORT

To the shareholders and directors of
Sociedad Concesionaria Túnel San Cristóbal S.A.

We have audited the attached financial statements of Sociedad Concesionaria Túnel San Cristóbal S.A., which comprise the statements of financial position at December 31, 2018 and 2017 and the related statements of comprehensive income, of changes in equity and of cash flow for the years ended on those dates and the related notes to the financial statements.

Responsibility of the Management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"). The management is also responsible for designing, implementing and maintaining an appropriate internal control for the preparation and reasonable presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

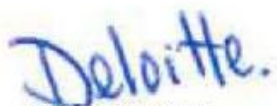
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on our audits, the aforementioned financial statements fairly present, in all material respects, the financial position of Sociedad Concesionaria Túnel San Cristóbal S.A. at December 31, 2018 and 2017, and the results of its operations and the cash flows for the years then ended, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

A blue ink signature of a Deloitte representative.

Marzo 18, 2019
Santiago, Chile

A blue ink signature of Milton Catacoli.

Milton Catacoli
Rut: 25.070.919-6

CLASSIFIED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017
(Amounts in thousands of Chilean pesos - ThCL\$)

ASSETS	Notes	12.31.2018	12.31.2017
	No.	ThCL\$	ThCL\$
Current assets			
Cash and cash equivalent	4	951,504	6,354,847
Other financial assets, current	5	415,616	333,491
Other non-financial assets, current		195,351	274,081
Trade debtors and other accounts receivable, current	6	3,341,831	3,653,968
Accounts receivable from related parties, current	7 - a	6,609	-
TOTAL CURRENT ASSETS		4,910,911	10,616,387
Noncurrent assets			
Other non-financial assets, noncurrent		15,179	15,179
Intangible assets other than goodwill	9	43,434,529	45,407,599
Property, plant and equipment	10 - a	71,694	60,291
Tax assets, noncurrent	8	1,166,405	1,123,657
Deferred tax assets	23	13,762,704	12,745,638
TOTAL NONCURRENT ASSETS		58,450,511	59,352,364
TOTAL ASSETS		63,361,422	69,968,751

The attached notes form an integral part of these financial statements.

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2018 AND 2017

(Amounts in thousands of Chilean pesos - ThCL\$)

NET EQUITY AND LIABILITIES	Notes	12.31.2018	12.31.2017
	No.	ThCL\$	ThCL\$
Current liabilities			
Other financial liabilities, current	22 - a	1,253,708	1,051,628
Trade creditors and other accounts payable, current	16	552,237	501,655
Accounts payable to related entities, current	7 - b	2,259,814	162,196
Other provisions, current	12	16,942	16,954
Tax liabilities, current		3,009	563
Other non-financial liabilities, current	14	79,746	83,473
TOTAL CURRENT LIABILITIES		<u>4,165,456</u>	<u>1,816,469</u>
Noncurrent liabilities			
Other financial liabilities, noncurrent	22 - c	55,293,622	54,801,874
Accounts payable to related entities, noncurrent	7	28,086,667	36,486,307
Other provisions, noncurrent	15 - c	831,953	676,208
Other non-financial liabilities, noncurrent	15 - d	1,449,184	1,522,622
TOTAL NONCURRENT LIABILITIES	15	<u>85,661,426</u>	<u>93,487,011</u>
TOTAL LIABILITIES		<u>89,826,882</u>	<u>95,303,480</u>
Equity			
Issued capital	17 - b	6,934,027	6,934,027
Accumulated losses		<u>(33,399,487)</u>	<u>(32,268,756)</u>
TOTAL NET EQUITY		<u>(26,465,460)</u>	<u>(25,334,729)</u>
TOTAL LIABILITIES AND EQUITY		<u>63,361,422</u>	<u>69,968,751</u>

The attached notes form an integral part of these financial statements.

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

COMPREHENSIVE PROFIT AND LOSS STATEMENT BY FUNCTION
FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND 2017
(Amounts in thousands of Chilean pesos - ThCL\$)

Profit and Loss Statement by Function	Notes	ACCUMULATED	
		01.01.2018 12.31.2018	01.01.2017 12.31.2017
	No.	ThCL\$	ThCL\$
Revenues from ordinary activities	18	10,635,470	9,314,987
Cost of sales	19	<u>(4,950,320)</u>	<u>(4,430,085)</u>
Gross margin		<u>5,685,150</u>	<u>4,884,902</u>
Other revenues, by function		9,347	1,458,593
Administrative expenses	19	(698,951)	(649,360)
Financial income		391,812	366,424
Financial costs	22 - d	(4,995,866)	(5,183,468)
Results per indexation units	21	<u>(2,536,670)</u>	<u>(1,535,867)</u>
Loss before taxes		(2,145,178)	(658,776)
Expense for income tax	23	<u>1,014,447</u>	<u>296,382</u>
Loss from ongoing operations		<u>(1,130,731)</u>	<u>(362,394)</u>
Loss		<u>(1,130,731)</u>	<u>(362,394)</u>
Comprehensive profit and loss statement			
Loss		<u>(1,130,731)</u>	<u>(362,394)</u>
Total comprehensive profit		<u>(1,130,731)</u>	<u>(362,394)</u>

The attached notes form an integral part of these financial statements.

SOCIEDAD CONCESIONARIA TUNEL SAN CRISTOBAL S.A.

STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND 2017
(Amounts in thousands of Chilean pesos - ThCL\$)

	Note No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2018	17	6,934,027	(32,268,756)	(25,334,729)
Changes in equity				
Comprehensive income				
Loss		-	(1,130,731)	(1,130,731)
Increase caused by other changes, equity		-	-	-
Total changes in equity		-	(1,130,731)	(1,130,731)
Total changes in equity as of 12.31.2018		6,934,027	(33,399,487)	(26,465,460)

	Note No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2017	17	6,934,027	(31,906,362)	(24,972,335)
Changes in equity				
Comprehensive income				
Loss		-	(362,394)	(362,394)
Increase caused by other changes, equity		-	-	-
Total changes in equity		-	(362,394)	(362,394)
Total changes in equity as of 12.31.2017		6,934,027	(32,268,756)	(25,334,729)

The attached notes form an integral part of these financial statements.

SOCIEDAD CONCESIONARIA TUNEL SAN CRISTOBAL S.A.

DIRECT CASH FLOW STATEMENT

FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND 2017

(Amounts in thousands of Chilean pesos - ThCL\$)

	Notes	Accumulated	
		01.01.2018 12.31.2018	01.01.2017 12.31.2017
	No.	ThCL\$	ThCL\$
Cash flow statement, direct method			
Cash flows from (used in) operating activities			
Collection for operating activities		11,063,113	8,655,213
Payments to vendors for the provision of goods and services		(2,948,833)	(2,598,855)
Payments to and on behalf of the employees		(454,559)	(416,642)
Other charges for operating activities		42,144	200,924
Interest paid		-	(3,640)
Interest received		143,387	197,998
Net cash flow from operating activities		7,845,252	6,034,998
Cash flows used in investment activities			
Amounts from the redemption of financial instruments		-	2,148,252
Purchases of property, plant and equipment		(33,078)	(29,371)
Payments for investments in financial instruments		(77,282)	(333,435)
Net cash flows from (used in) investment activities		(110,360)	1,785,446
Cash flows used in financing activities			
Payment of loans		(895,798)	(296,058)
Interest paid		(3,172,437)	(3,432,979)
Interest paid to related entities		(9,070,000)	-
Net cash flows used in financing activities		(13,138,235)	(3,729,037)
Net increment of cash and cash equivalents		(5,403,343)	4,091,407
Cash and cash equivalents at the beginning of the year		6,354,847	2,263,440
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	951,504	6,354,847

The attached notes form an integral part of these financial statements.

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SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

(In thousands of Chilean pesos - ThCL\$)

1. GENERAL INFORMATION

Incorporation

Sociedad Concesionaria Túnel San Cristóbal S.A., hereinafter “the Company”, was incorporated as a closed corporation, subject to the regulations of open corporations, granted through a public deed on March 16, 2005, executed before Notary Public Mr. José Musalem Saffie.

Corporate purpose

The Company's corporate purpose is the execution, repair, conservation, maintenance, and operation of the State-owned public works called Concesión Variante Vespucio - El Salto - Kennedy, by way of the concessions system, as well as rendering and operating the services as may be agreed in the concession contract aimed at developing those works and the other necessary activities for the proper execution of the project.

Sociedad Concesionaria Túnel San Cristóbal S.A.'s domicile and main offices are on La Herradura No. 2750, Providencia.

The Company's bylaws were amended through a public deed dated July 26, 2005 executed at the Notary Public's office of Mr. José Musalem Saffie, whereby its term was set to 35 years from the date of incorporation. This amendment had been agreed in an Extraordinary Shareholders' Meeting held on July 26, 2005.

Through a public deed dated January 6, 2006, executed at the Notary Public's Office of Mr. José Musalem Saffie, the corporate name of “Sociedad Concesionaria San Cristóbal Express S.A.” was changed to the current “Sociedad Concesionaria Túnel San Cristóbal S.A.”. This amendment was agreed in an Extraordinary Shareholders' Meeting held on December 22, 2005.

On September 22, 2005, the Company was registered in the Securities Register under number 917, therefore it is subject to the supervision of the Superintendence of Securities and Insurance. Nevertheless, on March 10, 2010 this same entity issued general nature norm No. 284, whereby it created a new register for those entities that under a legal provision shall become subject to the supervision of that Superintendence provided that they are not among the entities referred to in paragraph 1st of article 1st of Law No. 18,045 on Securities Market. Consequently, the Company ceased to be included in the securities register and became registered in the new “Special Register of Reporting Entities”. An immediate consequence of this modification is the fact that the Company only has the obligation to file annual financial statements with the Superintendence of Securities and Insurance instead of doing so on a quarterly basis as it used to be prior to this modification.

As of December 31, 2018, the accumulated result in the financial statement shows a deficit: This is within expectations, as the non-operating factors have a material impact on costs, especially in initial stages, such as the financial debt resulting from the construction of the works. The business model projects that these losses will be progressively offset as the concession period approaches its end.

2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CRITERIA APPLIED.

2.1 Bases of Presentation

a) Accounting Standards Applied

The financial statements as of December 31, 2018 and 2017, have been prepared in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board (hereinafter, the IASB).

New Accounting Pronouncements

The following new standards and interpretations have been adopted in these financial statements. Their adoption, where applicable, has not had a material impact on the amounts reported in these financial statements. However, they could affect the accounting of future transactions or agreements:

- a) The following IFRS, IFRS Amendments and Interpretations have been adopted in these financial statements.

New IFRS	Mandatory Effective Date
IFRS 9, <i>Financial Instruments</i>	Annual periods started on or after January 1, 2018
IFRS 15, <i>Revenue from Contracts with Clients</i>	Annual periods started on or after January 1, 2018
IFRS Amendments	Mandatory Effective Date
Classification and measurement of share based payment transactions (Amendments to IFRS 2)	Annual periods started on or after January 1, 2018.
Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)	Approach on effective superposition when applying IFRS 9 for the first time. Effective delay approach for annual periods started on or after January 1, 2018, and only available for three years after that date.
Transfers of Investment Property (Amendments to IAS 40)	Annual periods started on or after January 1, 2018.
Annual improvements to 2014-2016 cycle (Amendments to IFRS 1 and IAS 28)	Annual periods started on or after January 1, 2018.
New interpretations	Mandatory Effective Date
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Annual periods started on or after January 1, 2018.

Impact of applying IFRS 9 Financial Instruments

IFRS 9 introduces new requirements on (1) classification and measurement of financial assets and financial liabilities, (2) impairment of financial assets, and (3) hedge accounting. Details of these new requirements, as well as the impact on the Company's interim financial statements are described below. The Company has applied IFRS 9 as from January 1, 2018 (initial application date) and has chosen not to restate comparative information for previous periods with regard to the classification and measurement requirements (including impairment).

As of December 31, 2018 and 2017, the Company has no hedge derivatives that should have been valued under IAS 39 or migrate to the IFRS 9 requirements.

Classification and measurement of financial assets

The initial application date on which the Company has measured its current financial assets and financial liabilities in terms of the IFRS 9 requirements is January 1, 2018. Consequently, the Company has applied the IFRS 9 requirements to instruments that have not been written off as of January 1, 2018 and has not applied the requirements to instruments that have already been written off as of January 1, 2018. The comparative amounts in connection with the instruments that have not been written off as of January 1, 2018, have not been restated.

All financial assets within the scope of IFRS 9 are required in order to be subsequently measured at amortized cost or fair value.

Specifically, the debt instruments that are kept within a business model the purpose of which is to collect the contractual cash flows, and that have contractual cash flows that solely consist of payments of principal and interest over the outstanding principal are generally measured at amortized cost at the closing of the subsequent accounting periods. The debt instruments that are maintained within a business model the purpose of which is achieved by way of the collection of the contractual cash flows and the sale of financial assets, and that have contractual terms that on specified dates give rise to cash flows consisting in payments of principal and interest over the outstanding principal, are generally measured at fair value with changes in other comprehensive income. All of the other debt instruments and equity instruments are measured at their fair value as of the closing of the subsequent accounting periods. Additionally, under IFRS 9, the entities could irrevocably choose to present subsequent changes in the fair value of an equity instrument (which is not held for negotiation, or a contingent consideration recognized by an acquiring party in a business combination) in other comprehensive income, where, generally, income from dividends would be recognized in results.

With regard to the measurement of financial liabilities designated to be measured at fair value with changes in results, IFRS 9 requires that the amount of the change in the fair value of a financial liability attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of those changes in other comprehensive income would result in the creation or expansion of an accounting imbalance in results. Changes in the fair value attributable to the credit risk of a financial liability are not classified subsequent to results. Under IAS 39, the total amount of the change in the fair value of the financial liability designated to be measured at fair value with effect on results is presented as a profit or loss.

The Company's directors reviewed and evaluated the Company's financial assets existing as of January 1, 2018 based on the facts and circumstances prevailing at that time and concluded that applying IFRS 9 had had the following impact on the Company's financial assets with regard to their classification and measurement:

- The financial assets classified as ‘maintained upon maturity’ and ‘loans and accounts receivable’ under IAS 39 that used to be measured at amortized cost, continued to be measured at amortized cost under IFRS 9 as they are maintained within a business model for collecting the contractual cash flows, and these contractual cash flows solely consist of payments of principal and interest over the outstanding principal;
- The financial assets that used to be measured at fair value with changes on results (FVWCR) under IAS 39 continued to be measured as such under IFRS 9.
None of the changes in the classification of financial assets has had an impact on the financial position, results, other comprehensive income or on the Company’s comprehensive income.

The following table shows the classification and measurement of financial assets under IFRS 9 and IAS 39 as of the date of initial application, January 1, 2018:

Type of Financial Instrument	Original Measurement Category Under IAS 39	New Measurement Category Under IFRS 9	Original Book Value Under IAS 39 ThCL\$	New Book Value Under IFRS 9 ThCL\$
Cash and cash equivalent	Financial assets at amortized cost	Financial assets at amortized cost	6,354,847	6,354,847
Trade receivables and other accounts receivable	Financial assets at amortized cost	Financial assets at amortized cost	3,653,968	3,653,968

Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates with the accounting of the changes in fair value of a designated financial liability on Fair Value with Changes in Results (FVWCR) attributable to changes in the issuer’s credit risk.

Specifically, IFRS 9 requires that changes in fair value of the financial liability that is attributable to the changes in that liability’s credit risk be presented in comprehensive income, unless the recognition of the effect of the changes of the liability’s credit risk in other comprehensive income would create or increment in accounting asymmetry on results. Changes in the fair value attributable to the credit risk of up financial library are not reclassified subsequently to results; instead they are transferred to withheld results when the financial liability is written off. In the past, under IAS 39, the total amount of the change in the fair value of the financial liability designated to FVWCR used to be presented in results.

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

The following table shows the classification and measurement of financial liabilities under IFRS 9 and IAS 39 as of the date of initial application, January 1, 2018:

Type of Financial Instrument	Original Measurement Category Under IAS 39	New Measurement Category Under IFRS 9	Original Book Value Under IAS 39 ThCL\$	New Book Value Under IFRS 9 ThCL\$
Trade creditors and other accounts payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost	501,655	501,655
Other financial liabilities	Financial liabilities at amortized cost	Financial liabilities at amortized cost	55,853,502	55,853,502
Accounts payable to related entities	Financial liabilities at amortized cost	Financial liabilities at amortized cost	36,648,503	36,648,503

Impairment: With regard to the impairment of financial assets, IFRS 9 requires a model of expected credit losses versus the model of incurred credit losses under IAS 39. The model of expected credit losses requires that an entity keeps an account of the expected credit losses and the changes in those expected credit losses as of each reporting date to reflect the changes in the credit risk from the initial recognition. In other words, it is not necessary for a credit event to occur for the credit losses to be recognized.

Additionally, IFRS 9 establishes a simplified approach to measure the correction of value from losses to an amount equal to the expected credit loss during the asset's life for trade receivables, assets from contracts and accounts receivable for leases under certain circumstances.

As of January 1, 2018, the Company's directors reviewed and evaluated for impairment the Company's financial assets, amounts owed by clients and financial guarantee contracts using reasonable and sustainable information that was available at no disproportionate cost or effort in accordance with IFRS 9 to determine the credit risk of the respective financial assets as of the date on which they were initially recognized and compared the same with the credit risk as of January 1, 2018. The outcome of the comparison is that there is no impact from changes in the estimations of expected losses.

Hedge Accounting: The new overall hedge accounting requirements maintain the 3 types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, increased flexibility to the type of eligible transactions for hedge accounting has been introduced. Specifically, the types of instrument that qualify as hedge instruments and the types of risk components of nonfinancial items that are eligible for hedge accounting have been expanded. Additionally, the effectiveness test has been reviewed and replaced by the 'economic relationship' principle. The retrospective assessment of hedge effectiveness shall no longer be required. Additionally, improved disclosure requirements about the entity's risk management activities have been introduced.

Impact of applying IFRS 15 Ordinary Activity Revenue from Contracts with Clients

In the current year, the Company has applied IFRS 15 Ordinary Activity Revenue from Contracts with Clients. IFRS 15 introduces a 5-step approach for recognizing revenues. Much more prescriptive guidelines have been added in IFRS 15 to address specific scenarios. Details of these new requirements, as well as the impact on the Company's consolidated financial statements are described below.

The Company has adopted IFRS 15 using the accumulated effect method without using the practical solutions available, recognizing the accumulated effect of the initial application of this Standard as an adjustment of the opening balance of withheld results as of January 1, 2018. Consequently, the presented comparative information has not been restated.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what would commonly be known as 'accrued income' and 'deferred income'. However, the Standard does not prohibit the use of alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to described those balance sheet balances.

The Company's accounting policies for its income flows are disclosed in detail in Note 18. In addition to providing more extensive disclosures about the Company's income flows, the application of IFRS 15 has not had an impact on the Company's financial position or its financial performance.

In connection with the aforementioned standard, in the business of highway concession management - operating segment which represents the Company's main revenue, the application of the criteria contained in IFRS 15 has not implied a change in the recognition of revenue from what used to be applied until December 2017.

- b) Standards, Amendments and Interpretations that have been issued but the application of which is not in force yet:

New IFRS	Mandatory Effective Date
IFRS 16, <i>Leases</i>	Annual periods started on or after January 1, 2019.
IFRS 17, <i>Insurance Contracts</i>	Annual periods started on or after January 1, 2021.
IFRS Amendments	Mandatory Effective Date
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date postponed indefinitely
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Annual periods started on or after January 1, 2019.
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Annual periods started on or after January 1, 2019.
Annual improvements to 2015-2017 cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods started on or after January 1, 2019.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods started on or after January 1, 2019.
Definition of a Business (Amendments to IFRS 3)	Annual periods started on or after January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods started on or after January 1, 2020
Revised Conceptual Framework for Financial Reporting	Annual periods started on or after January 1, 2020
New Interpretations	Mandatory Effective Date
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	Annual periods started on or after January 1, 2019.

The management is assessing the impact of applying IFRS 16 and IFRIC 23. However, it is not possible to provide a reasonable estimate of the effects of these standards until the Management conducts a detailed review. In the Management's opinion, applying other norms and amendments and interpretations in the future is not expected to have a material effect on the financial statements.

b) Responsibility for the Information and Estimations Made.

The Company's Board of Directors is responsible for the information contained in these financial statements. It expressly states that all of the principles and criteria included in the IFRS have been applied in full.

These financial statements were approved by the board of directors in a meeting held on March 18, 2019.

In preparing the financial statements, estimations made by the Company's Management to quantify on an appropriate accounting basis assets, liabilities, revenues, expenses and commitments recorded in the same have been used.

These estimations basically refer to:

The assets' useful life – The useful life of the elements comprising property, plant and equipment used for the purposes of calculating the depreciation is determined by the management on the basis of the evaluation of the use.

Impairment of assets – As of the date of the financial statements, the Company reviews the carrying value of its tangible and intangible assets with a definite useful life to determine whether there are any indicators that those assets have suffered any impairment in their value. In the presence of any such indicator, the recoverable amount of the asset is estimated to calculate the amount of the impairment loss.

Amortization of assets – The projected flow of vehicles until the end of the concession period to amortize the intangible assets with a definite useful life "Concession Right".

Estimation of bad debt - The Company has estimated the risk of recovery of its accounts receivable.

Bad debt is estimated by applying a model designed based on the Company's past collection experience. The model distinguishes the type of user (with a tag device or offenders). To determine the amount of the provision, three user segments have been established: i) users with an enabled tag device, ii) offenders without a tag device, and iii) offenders whose tag device has been disabled. In each case, the bad debt percentages are 2%, 39% and 80%, respectively, calculated over the total invoicing in each segment, for all the periods presented herein. The segment of users with an enabled tag device represents 98.3% of the invoicing.

Fair value of financial instruments - The assumptions used to calculate the fair value of the financial instruments.

Recovery of tax losses - Estimations of the realization of tax losses, in accordance with IAS 12.

Litigation and contingencies - The Company periodically assesses the likelihood of loss in connection with its litigation and contingencies in accordance with IAS 37 and on the basis of the estimations made by its legal counsel. For the periods represented in these financial statements, the Company is not a party to any labor or civil litigation, therefore, no provisions have been computed.

Despite the fact that the estimations have been made on the basis of the best information available at the date of issuance of these financial statements, it is likely that certain events that may take place in the future render necessary to modify the same (upwards or downwards) in the forthcoming years, which would be done recognizing the effects of the change in estimation in the respective future financial statements.

2.2 Main Accounting Criteria Applied

The main accounting policies adopted in the preparation of these financial statements, as required by IAS 1, are described below. These policies have been defined on the basis of the IFRSs in force as of December 31, 2018, which have been applied in a uniform manner to all the periods presented in these financial statements.

a) Accounting period

These financial statements cover the following periods:

	Accumulated	
	12.31.2018	12.31.2017
Statement of financial position	X	X
Comprehensive profit and loss statement	X	X
Statement of changes in net equity	X	X
Statement of cash flow	X	X

b) Functional currency

In accordance with what is stated in IAS 21, the Company's management determined that the Company's functional currency is the Chilean peso, as this is the currency used in the main economic environment where the Company operates. The currency in which these financial statements are presented is the peso, which is also its functional currency.

c) Transactions and balances in foreign currency

The transactions in a currency other than the Chilean peso are converted using the exchange rate in force at the date on which the respective transaction takes place. The monetary assets and liabilities agreed in currencies other than the functional currency are converted using the exchange rate in force at closing. The profits and losses resulting from the conversion are included in the comprehensive profit and loss statement.

d) Conversion bases

The assets and liabilities in foreign currencies and unidades de fomento (UF) are translated into Chilean pesos at the exchange rate in force on the closing date of the financial statements, as per the following breakdown:

	12.31.2018	12.31.2017
	CL\$	CL\$
Unidad de Fomento (UF)	27,565.79	26,798.14
United States Dollar (USD)	694.77	614.75
Euro (EUR)	794.75	739.15

e) Offsetting of balances and transactions

As a general norm, in the financial statements neither the assets and liabilities nor the profits and expenses are offset, except in those cases where the offset is required or permitted by a norm and this presentation is a reflection of the funds employed in the transaction.

The profits or expenses originating in transactions that, either contractually or by the command of a legal norm contemplate the possibility of offsetting, and the Company has the intention to settle at its net amount or of realizing the asset and proceed to pay the liabilities concurrently, are presented net in the comprehensive profit and loss statements and in the statement of financial position.

These financial statements do not present any net revenues or expenses in its comprehensive profit and loss statement.

The following offsetting of items has been performed in the balances in the statement of financial position:

The assets and liabilities from current taxes are presented net when the Company has the legally applicable right to offset tax current assets with tax current liabilities, whenever the same are related with taxes issued by the same tax authority, and that authority allows the entity to settle or receive one single net payment.

Other items that are presented net in the financial statements are the deferred tax assets and liabilities. Trade debtors are presented discounted from the bad debt provision.

f) Intangible assets other than goodwill – “Right of Concession”

IFRIC No. 12 “Service Concession Arrangements”, provides guidelines for accounting the public Service Concession Arrangements with a private operator. This accounting interpretation is applicable to this Company as the two premises contained in the same are met, namely:

- i) The grantor of the concession (State of Chile) controls or regulates which services the operator must provide with the infrastructure, to whom they should be provided and at what price.
- ii) The grantor of the concession controls –via ownership, right of usufruct or otherwise– any material residual ownership interest in the infrastructure upon completion of the term of the agreement.

The company has recognized an intangible asset, in accordance with what is set forth in paragraph No. 17 of IFRIC No. 12: “The operator will recognize an intangible asset to the extent that he receives a right (a license) to charge users for the public service. A right to charge users for a public service is not an unconditional right to receive cash, since the amounts are subject to the extent to which the public uses the service”. The concession contract includes no other type of payments guaranteed by the Ministry of Public Works.

The intangible asset specified in the preceding paragraph has a definite useful life, which started in January 2009 with the start of operations of the entire works (during the second half of 2008 only one of the two tunnels was in operation, and with time restrictions), and ends with the termination of the concession contract on August 20, 2037. Consequently, the total useful life is 344 months, and the remaining useful life of the intangible asset at the date of these financial statements is 224 months.

The valuation of the intangible asset was determined by way of an assessment, the conclusion of which was the amount to be recognized in the books is the cost of construction of the works, measured by fully applying the IFRS as if those standards had been in force at the date on which the asset was ready to operate.

g) Property, plant and equipment

The Company chose to record property, plant and equipment using the cost model, under IAS No. 16. In other words, property, plant and equipment is recognized initially at purchase or construction cost, plus other directly related costs, net of accumulated depreciation and any impairment loss as may have occurred.

Property, plant and equipment, net as applicable of their residual value, are depreciated by distributing on a straight-line basis the cost of the different elements comprising it through the years of estimated useful life, namely the period of time in which the Company expects to use them. The useful life is revised periodically and does not exceed the term of the concession.

The estimated useful life for the depreciation of the element classes of property, plant and equipment is shown below:

	Average useful life in years
Office furniture	7
Office equipment	3
Computer equipment	6
Vehicles	7
Safety equipment	7
Third-party installations	4
Own tags	5

The property, plant and equipment are revised on each reported date to determine whether there is any evidence that these assets have undergone a loss for impairment in value. If there are any traces of an eventual impairment in value, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying value. If the estimated recoverable value is lower, the amount in books is written down to the estimated recoverable amount, and a loss for impairment in value is recognized in the results.

If a loss for impairment in value is subsequently reverted, the carrying value of the asset (or group of related assets) is incremented up to the revised estimation of its recoverable value, without exceeding the amount that would have been determined if no loss for impairment in the value of the asset (or group of assets) had been recognized in previous years. A reversal of a loss for impairment in value is immediately recognized in results.

h) Impairment in the value of the assets

h.1) Nonfinancial assets

Throughout the period and essentially on the closing date of the same, and evaluation is made as to whether there is any evidence that an asset may have undergone a loss for impairment. If so, an estimation of the recoverable amount of that asset is made to determine, in its case, the amount of the impairment. If it is the case of identifiable assets that do not generate cash flows in an independent manner, the recoverability of the Cash Generating Unit (CGU) which the asset is a part of is estimated, with this being understood as the smaller identifiable group of assets that generates independent cash inflows.

Aside from what has been stated in the preceding paragraph, for the case of the Cash Generating Units to which goodwill has been assigned or intangible assets with an indefinite useful life, the analysis of recoverability is systematically performed at the closing of each period.

The recoverable amount is the higher of the fair value less the necessary cost to sell the same in the in-use-value, with the latter being understood as the present value of the future estimated cash flows. For the calculation of the recovery value of property, plant and equipment, and of the intangible asset, the value being used is the criterion used by the Company.

To estimate the in-use value, the Company prepares the future cash flow projections before taxes on the basis of the most recent assumptions available obtained from the Company's business plan. These assumptions incorporate the Company's management's best estimates over the revenues and costs of the Cash Generating Units using the sector's projections, past experience and future expectations.

These flows are deducted at a market rate, calculated at a comparable rate of that CGU.

In case that the CGU's recoverable amount is less than the asset's net carrying value, the respective impairment loss provision for the difference is recorded, charged against the item "Losses for Impairment in Value (Reversals)" in the comprehensive profit and loss statement. That provision is allocated, in the first place, to the GCU's goodwill value, if any, and subsequently to the other assets that comprise of the same, at pro rata on the basis of the accounting value of each one of them, with their limit being their fair value less the cost of sale, or their use value, and the result may not be a negative value.

The losses due to impairment recognized for an asset in prior years are reversed when a change in the estimation's recoverable amount occurs, such reversal being limited to the carrying value that the asset would have if the accounting adjustment had not been made. For the case of goodwill, the accounting adjustments as may have been made are not reversible.

h.2) Financial assets

The Company recognizes a correction in value for expected credit losses ("ECL") over financial assets that are measured at amortized cost or at Fair Value with Changes in Other Comprehensive Income (FVWCOCI), as well as a commitment of loans and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of the expected credit losses is updated as of each reporting date to reflect the changes in the credit risk from the initial recognition of the respective financial assets.

The Company always recognizes expected credit losses during the life of the asset for trade receivables, amounts owed by client under construction contracts and accounts receivable for leases. The expected credit losses in these financial assets are estimated using a provision matrix based on the Company's credit loss past experience, adjusted for factors that are specific to the debtors, overall economic conditions and an assessment of the current as well as the projected direction of the conditions as of the reporting date, including the value of cash in time where appropriate.

For all other financial instruments, the Company recognizes expected credit losses during the life of the asset when there has been a significant increase in the credit risk since the initial recognition. If, on the other hand, credit risk in the financial instrument has not increased significantly since the initial recognition, the Company measures the correction of value for losses for this financial instrument at an amount equal to the expected credit losses in the following twelve months. The evaluation on whether expected credit losses should be recognized during the life of the asset is based on significant increases in the likelihood or risk of a default to occur since the initial recognition instead of on the basis of the evidence of a financial asset with impaired credit value as of the reporting date or the occurrence of a default.

During the asset's life, ECLs represent the expected credit losses that will result from all the possible events of default during the expected life of a financial instrument. In contrast, the expected credit losses in the next twelve months represent the portion of the expected credit losses during the life of the asset that are expected to result from possible events of default over a financial instrument within 12 months after the reporting date.

i) Leases

There are two types of leases:

- Financial leases - This is the case in which the lessor transfers substantially all of the risks and benefits inherent to the ownership of the asset to the lessee. The ownership of the asset may or may not be transferred.

When the Company acts as the lessee of an asset under a financial lease, the cost of the leased assets is presented in the statement of financial position depending on the nature of the asset subject matter of the contract and, concurrently, a liability for the same amount is recorded in the statement of financial position. That amount will be the lower value between the fair value of the leased asset or the total of the present values of the amounts to be paid to the lessor plus, if applicable, the price of the purchase option.

These assets are amortized using similar criteria to those applied to the aggregate of property, plant and equipment for the Company's own use.

The financial expenses derived from the financial update of the recorded liabilities are charged in the item "Financial expenses" in the Comprehensive Profit and Loss Statement.

- Operating leases - Operating leases are those in which the ownership of the leased asset and substantially all the risks and benefits related to the asset remain with the lessor. The operating lease installments are recognized as an expense during the life of the contract.

j) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual clauses of the instrument.

Financial assets and financial liabilities are initially measured at fair value. The transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than the financial assets and financial liabilities at fair value with changes in results) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, in the initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value with changes in results are immediately recognized in results.

J.1) Financial assets

They are elements representative of rights of collection in the Company's favor as a consequence of investments or loans. Those rights are computed as current and noncurrent on the basis of the term of maturity; current for those the term of which is less than 12 months, and noncurrent if the term exceeds 12 months. The Company keeps the following financial asset categories:

- Cash and cash equivalents
- Loans and accounts receivable.

The classification depends on the nature and the purpose of the financial assets and is determined at the moment of initial recognition.

As of December 31, 2018 the classification and measurement of financial assets has been performed under the standing IFRS 9 standard.

j.1.1) Financial assets at amortized cost

The amortized cost of a financial asset is the amount at which a financial asset was measured in its initial recognition, less refunds of principal, plus the accumulated amortization, using the effective interest method, of any difference between the initial amount and the amount upon maturity, adjusted for any correction in value due to losses. On the other hand, the gross carrying value of a financial asset is the amortized cost of the financial assets prior to adjusting it for any correction in value due to losses.

(i) Cash and cash equivalents

This item in the Statement of Financial Position includes cash in hand, balances in bank accounts, time deposits and other short-term high liquid investments with maturity from acquisition date of less than three months, readily convertible to known amounts of cash and which have low risks of changes in value.

Cash surpluses are invested subject to the restrictions imposed on the Company by long-term financing contracts.

For the different bank accounts contemplated in those contracts, the permitted investments are the following below:

- a) Fixed income instruments.
- b) Covenants at no more than 30 days.
- c) Mutual fund shares (fixed income).

(ii) Investments held to maturity

The investments held until their maturity correspond to non-derivative financial assets with fixed or determinable payments and specified maturity which the Company intends and has the capacity to hold until maturity. The financial assets held until their maturity are computed at amortized cost using the effective interest rate method less any impairment in value, and revenues are recognized on the basis of actual profitability.

(iii) Loans and accounts receivable

Trade receivables, other accounts receivable and accounts receivable from related parties which have fixed or determinable payments and are not traded in an active market are classified as loans and accounts receivable. They are valued at amortized cost using the effective interest rate method less any impairment loss.

The item trade receivables and other accounts receivable mainly include the sales documents issued to the users of the highway for their use of the same an accessory operations to that end, such as the lease of the "tag" device. These accounts receivable are valued as per the amount of the sales documents, after deducting the estimation for bad debt. Eventual interest is only documented for past due periods.

j.2) Financial liabilities

Until December 31, 2017, the instruments of debt and equity are classified as Equity Instruments or as financial liabilities, as per the essence of the contractual agreement.

(i) Equity instruments

An equity instrument is any contract evidencing a residual interest in the assets of an entity once all liabilities have been deducted. The equity instruments issued by the Company are computed at the amount received, net of the direct costs of issuance plus the accrued and unpaid interest as of the closing date of the period. Financial expenses are recorded on an accrued basis in the results account, using the effective interest method which equalizes the net value of the revenue received with the current value of future refunds. The Company, currently, has only issued shares of a single series.

(ii) Other financial liabilities

Other financial liabilities, including loans, are initially valued at the effective amount received, net of the transaction costs. The other financial liabilities are subsequently valued at amortized cost using the effective interest rate method, recognizes interest expenses on the basis of effective profitability.

As of December 31, 2018 the application of IFRS 9 has not had an impact on the classification and measurement of the Company's financial liabilities, which are considered as financial liabilities at amortized cost.

The Company's main financial liabilities have been generated to hedge the financing of the construction of the State-owned public works, and consist of a bank credit in the principal amount of UF 2,150,000 and subordinate debt with the Stockholders in an initial amount of UF 747,937.23, both of them with a long-term maturity (see Notes 3.a and 15).

Classes of Financial Liabilities in Force	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Loans with financial entities, including accrued interest	56,547,330	55,853,502
Subordinated debt with shareholders, including accrued interest	30,162,124	36,486,307
Totals	86,709,454	92,339,809

j.3) The method of effective interest rate

It is a method of calculating the amortized cost of a financial asset or liability (or of a group of financial assets or liabilities) and in computing the financial income or expense throughout the relevant period. The effective interest rate is not discount rate that exactly equalizes the estimated cash flows receivable or payable along the expected life of the financial instrument (or, where appropriate, over a shorter period of time) with the net carrying value of the financial asset or liability.

j.4) Fair value and classification of the financial instruments

The fair value of the different financial instruments will be calculated using the following procedures:

- For financial instruments listed in an active market, at their quotation as of the closing of the period.

- For the case of financial instruments not negotiated in organized markets, the Company will use the discounted cash flow methodology and option valuation models generally accepted, on the basis of the market conditions, for both payments in cash and futures as of the period's closing date.

The fair value of financial instruments is equivalent to their face value, except for the case of the bank credit presented in Note 22, where this instrument is valued at the effective rate.

Taking into consideration the hierarchy of the inputs used in the procedures described above, the Company classifies the financial instruments into the following levels:

Level 1: Quoted price (not adjusted) in an active market for identical assets and liabilities;

Level 2: Inputs that are different from the quoted prices included in level 1 and that are observable for assets or liabilities, either directly (that is, as a price) or indirectly (that is, derived from a price). The methods and hypotheses used to determine the level 2 fair values, or class of financial assets or financial liabilities, take into consideration the estimation of future cash flows, discounted with the zero-coupon interest rate curves of each currency.

All the valuations described above are performed by means of external tools, for instance "Bloomberg"; and

Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs).

As of December 31, 2018 and 2017, the Company has no derivatives contracts.

j.5) Writing-off of financial assets and liabilities

When a financial asset measured at amortized cost is written off, the difference between the asset's carrying value and the total consideration received and to be received is recognized in results. Additionally, when an investment in a debt instrument classified at fair value with changes in other comprehensive income (FVWCOCI) is written off, the accumulated profit or loss previously recognized in the "Reserve of profits and losses over financial assets measured at fair value with changes in other comprehensive income" is reclassified to results. Conversely, when writing off an investment in an equity instrument which the Company has chosen to measure at FVWCOCI in the initial recognition, the accumulated profit or loss previously recognized in the "Reserve of profits and losses over financial assets measured at fair value with changes in other comprehensive income" is not reclassified to results, but it is transferred to retained results.

The Company writes off financial liabilities if and only if the Company's obligations are discharged, canceled or have expired. The difference between the carrying value of the written off financial liability and the consideration paid and payable is recognized, including any transferred asset other than the assumed asset or liability, is recognized in results.

k) Provisions and contingent assets and liabilities

The provisions are recognized when the Company has a present (legal or implicit) obligation as a result of a past event, where the Company is likely to use resources to settle the obligation and over which it may do a reliable estimation of the amount of the obligation. The amount recognized as a provision represents the best estimation of the payments required to settle the present obligation as of the closing date of the financial statements, taking into consideration the risks of uncertainty relating to the obligation.

When a provision is determined using the estimated cash flows to settle the present obligation, its carrying value is the present value of those cash flows.

When the recovery of part or all of economic proceeds required to settle a provision from a third party is expected, the amount receivable is recognized as an asset, if there is practical certainty that the refund will be received, and the amount receivable may be reliably measured.

Contingent liabilities are obligations originating in past events, the realization of which is subject to the occurrence or not of events beyond the company's control, or present obligations derived from previous events, the amount of which may not be reliably estimated, or in the liquidation of which it is unlikely that an outflow of resources occurs.

The Company does not record any contingent assets or liabilities except for those derived from contracts on a consideration basis, which are recorded as a provision and are revised as of the date of each statement of financial position to adjust them to reflect the best estimation.

l) Major maintenance provision

This provision was made to recognize an obligation to maintain and repair the public works under concession and maintain the quality standards defined in the terms and conditions of the tender during the operating period.

This provision is made in accordance with paragraph 21 of IFRIC 12 and what is set forth by IAS 37, according to the technological cycles of maintenance and repair of the infrastructure of the public works under concession, and considers the best estimates of future disbursements at present value, discounted at a pre-tax rate determined according to the current evaluation of the financial market and the specific risks of the obligation covered by the provision.

Any variance in the provision based on annual updates of the factors mentioned in the previous paragraph is recognized in the profit and loss statement each year.

m) Other provisions

Vacation pay and the annual allowance for vacation granted to the workers are recognized in results on an accrual basis, when the workers render the services that entitle them to this benefit.

Additional employee benefits, such as National Holiday allowances, Christmas allowances and others similar in nature, are reflected in the results for the period in which they are granted, which is the same period in which they become entitled to the benefit.

n) Income tax and deferred taxes

The Company accounts the Income Tax on the basis of the taxable net income determined as per the norms contained in the Law on Income Tax.

The deferred taxes originating in temporary differences and other events that give rise to differences between the accounting basis and the tax basis of assets and liabilities are recorded in accordance with IAS 12 "Income Tax".

The result for income tax for the period is determined as the total current tax and is the result of the application of the type of lien over the taxable base for the period, once the tax deductions have been applied, plus the variation in assets and liabilities for deferred taxes and tax credits. The differences between the accounting value of the assets and liabilities and their tax base generate the deferred tax balances of assets or liabilities that are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized.

The current tax and the variances in the deferred taxes are recorded in results or in net equity items in the statement of financial position, on the basis of where the profits or losses that originated them have been recorded.

The assets from deferred taxes and tax credits are only recognized when it is considered likely that there shall be sufficient future tax profits to recover the deductions from temporary differences and collect the tax credits. Liabilities from deferred taxes are recognized for all the temporary differences.

o) Recognition of income and expense

As of December 31, 2018 ordinary income includes the fair value of the consideration received or to be received for the sale of goods and services during the Company's ordinary course of business. Ordinary income is presented in the of value added tax, refunds, deductions, discounts and the corresponding allocation of the same to the provision for insolvency/delinquency.

The Company recognizes the income when the amount of the same may be reliably valued, future economic profits are likely to flow to the entity and the specific conditions for each one of the Company's activities are met.

Ordinary income derived from the rendering of service

Income from toll transactions shall be recognized upon occurrence, provided that they are likely to generate a profit to the Company. Income from the administration of the daily pass sale system is accrued on the basis of the number of actual sales, therefore they shall be recognized on the moment a sale occurs.

Ordinary income is valued at fair value of the consideration received or to be received.

Therefore, the Company shall value its ordinary income taking into account the invoiced or invoiceable value on the basis of the respective tariffs and the extent of rendering of the service when appropriate.

Whenever doubt arises in connection with the possibility to collect an amount already included in the net ordinary income, the balance considered as Baghdad is recognized in the results account.

As of December 31, 2018 the Company analyzes and takes into consideration all of the relevant facts and circumstances when applying each step of the model established by IFRS 15 to the contracts with its clients: (i) identification of the contract, (ii) identification of performance obligations, (iii) determine the transaction price, (iv) allocate the price, and (v) recognize revenue.

By virtue of IFRS 15, revenue should be recognized as the obligations are fulfilled, i.e. when "control" of the underlying assets or services in connection with the respective obligation is transferred to the client. Likewise, guidelines of a much more prescriptive character for specific scenarios are incorporated, which require a more precise breakdown of information.

In connection with the aforementioned standard, in the highway concession management business - operating segment, which already represents 100% of the Company's revenue, the application of the criteria from IFRS 15 has not implied a change in the recognition of revenue from the recognition performed until December 2017.

In accordance with the foregoing, ordinary revenue includes the fair value of the consideration received or to be received for the sale of goods and services during the Company's ordinary course of business. Ordinary revenue is presented net of income tax, refunds, deductions, discounts and the corresponding allocation of the same to the provision for insolvency/delinquency.

The Company recognizes the income when the amount of the same may be reliably valued, future economic profits are likely to flow to the entity and the specific conditions for each one of the Company's activities are met.

p) Information on environment

The Company has implemented an Environmental Management Plan approved by the Chilean Ministry of Public Works (MOP), in accordance with what is set forth in chapter 2.7 of the Tender Terms, which implies adopting several measures for the mitigation, repair, compensation, risk prevention and control of accidents, as appropriate, for those activities and works of the project that, during the operating stage, produce a negative impact on some environmental component which may not be reversed without applying such measures, or whenever it is necessary to apply the same, to be compliant with the standing regulations. The aforementioned Plan contains the following management topics:

- Air
- Noise
- Landscaping
- Risk prevention
- Accident control

Additionally, the Company must report on a periodic basis, by means of the so-called Sustainable Development Follow-Up Report, on each one of the above-mentioned topics.

q) Statement of cash flow

The cash flow statement encompasses the cash movements that have taken place during the period, determined by means of the direct method, using the following expressions in the sense shown below:

- Cash flows: Inflows and outflows of cash or at other equivalent media, this being understood as time investments over a period of less than three months, with high liquidity and low risk of fluctuation in value.
- Operating activities: The activities that comprise the main source of ordinary revenue, as well as other activities that may not be classified as investment or financing.
- Investment activities: The activities of acquisition, sale or disposal by other means of noncurrent assets and other investments not included in cash or cash equivalent.

- Financing activities: The activities that produce changes in the size and structure of the total equity and of the financial liabilities.

r) Financing costs

The costs from borrowings that are directly attributable to the acquisition, construction or production of assets are capitalized in accordance with IAS 23, forming part of the cost of such assets.

s) Classification of balances as current and noncurrent

The Statement of Financial Position classifies assets and liabilities in terms of their maturity dates, so that current ones are those that mature in twelve months or less, and non-current ones are those that mature in over twelve months. For the case of obligations the maturity of which is within twelve months or less, but the long-term refinancing of which is guaranteed at the Company's discretion, by way of credit contracts unconditionally available with a long-term maturity, may be classified as noncurrent liabilities.

t) Trade creditors and other accounts payable

Trade accounts payable and other accounts payable are initially recognized at their fair value and subsequently at their amortized cost, considering the effective interest rate.

3. FINANCIAL RISK MANAGEMENT

Financial risk management means ensuring availability of funds, so that the Company is able to meet its financial obligations, as well as manage the risk associated with interest rate fluctuations, exchange rate fluctuations in foreign currency operations, fluctuations of other indexed units, and fluctuations of any financial variables in the market that could affect this Concession Company.

a) Interest rate risk

It consists of possible changes in interest rates that could affect the Company's future cash flows. The case of this Company this type of risk appears in the obligations undertaken at a variable interest rate, the most significant figure of which is given by the subordinated debt with the Stockholders. No hedges have been contracted for this obligation.

The Company's financial debt (bank credit and subordinated debt) has the following interest rate structure:

Classes of Financial Liabilities in Force	Rate	12.31.2018	% of total	12.31.2017	% of total
		ThCL\$		ThCL\$	
Loans with financial entities, current portion	Fixed	1,253,708	1.4%	1,051,628	1.1%
Loans with financial entities, noncurrent portion	Fixed	55,293,622	63.8%	54,801,874	59.4%
Subordinated debt with stockholders, includes accrued interest	Variable	30,162,124	34.8%	36,486,307	39.5%
Totals		86,709,454		92,339,809	

In the month of July 2014, the Company entered into a financing opening contract with bank Corpbanca, the nominal accrued fixed interest rate of which is 5.25%.

b) Exchange rate risk and indexation

It consists of possible changes in the Company's cash flows when they involve collections and/or payments that must be made in a currency other than the Chilean peso. Accounts receivable do not involve any currencies or indexation units other than the functional currency. In contrast, for accounts payable, both the bank debt with Corpbanca and the subordinated debt with the stockholders are denominated to Unidades de Fomento (UF) and therefore, are subject to inflation, which is the variable that modifies the value of the UF.

Nevertheless, pursuant to the Terms and Conditions of the Tender, the tariffs charged to the tunnel users are also adjusted on an annual basis as per the variation in the Consumer Price Index (CPI).

There are no other significant liabilities denominated to a foreign currency that involve exchange rate risk.

c) Credit risk

The Company is exposed to credit risk because of the nature of the free flow system used in the operation of the tunnel; drivers use the service and pay later.

To address this risk, TSC has a joint-operation contract in place with AVN, through which collection management is performed, generating differentiated strategies per user segment, age of the debt and providers in charge of collection, in the following lines:

- Collection via automatic payment.
- Collection via websites.
- Collection via third-party cashiers.
- Collection via in-house cashiers.

Trade debtors present the risk of bad debt as a result of the system, in which the user uses the highway service and receives the collection document later, leaving the Concession Company exposed to an eventual default in payment. This risk is limited by the large number of users of the highway. To mitigate this risk, the Company has implemented several measures including collection activities -both direct and through third parties- which contemplate the disablement of the transponder unit of delinquent users, prejudicial collection and judicial collection, with what is provided in article 42 of the Concessions Law being applied in this last case.

Additionally, it is important to state that those users who use the highway without a tag device or an alternative means of payment (Daily Pass), incur into a traffic violation contemplated in article 114 of the Traffic Law, and the violations are reported by the Concession Company to the respective Municipal Court.

d) Liquidity risk

This risk involves the need to meet payments for investments, normal operating expenses and debt service.

The Company's financing structure includes mechanisms for mitigating this risk. It considers the project's ability to generate operating revenue as the primary source of liquidity. If operating revenue is not sufficient, there is a structure of reserves and guarantees that ensures meeting those obligations, such as the debt service reserve account (which consists of the equivalent to one semesters' worth of debt service), the major maintenance reserve account (which is funded on the basis of the major maintenance budget).

4. CASH AND CASH EQUIVALENTS

The detail of the cash and cash equivalent balances is as follows:

Item	Currency	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Cash (a)	Chilean Peso \$	600	600
Banks (b)	Chilean Peso \$	2,353	4,091
Time deposits and mutual funds (c)	Chilean Peso \$	948,551	6,350,156
Total cash and cash equivalent		951,504	6,354,847

The detail of each cash and cash equivalent concept is as follows:

- Cash: The cash balance comprised of, cash, checks and cashier checks collected and to be deposited, plus fixed funds to cover minor expenses.
- Banks: Bank balances consist of funds kept in checking accounts.
- The composition of time deposits and mutual funds by year, is as follows:

As of December 31, 2018:

Institution	Type of Investment	Maturity	Monthly interest rate	Amount of investment plus interest ThCL\$
Banco Corpbanca	Time Deposit (1)	01.31.2019	0.24%	160,038
Banco Corpbanca	Time Deposit (1)	01.31.2019	0.24%	751,904
ScotiaAzul	Mutual Fund (2)	Daily maturity	0.24%	36,609
Totals				<u>948,551</u>

- (1) Includes deposit, plus the interest accrued as of December 31, 2018, which corresponds to the "Revenue Account" in the amount of ThCL\$ 160,000, "Major Maintenance Reserve Account" in the amount of ThCL\$ 751,723, (See Note 13), and additionally includes ThCL\$ 219 corresponding to interest.
- (2) Mutual Fund of the V-Corporativo Series of BBVA Fondos Mutuos, of 23,490.0136 share numbers, with a share value of CL\$1,558.4862.

As of December 31, 2017:

Institution	Type of Investment	Maturity	Monthly interest rate	Amount of investment plus interest ThCL\$
Banco BCI	Time Deposit (1)	01.31.2018	0.28%	3,878,724
Banco Corpbanca	Time Deposit (1)	01.31.2018	0.24%	2,000,930
Banco Corpbanca	Time Deposit (1)	01.31.2018	0.24%	342,858
BBVA Fondos Mutuos	Mutual Fund (2)	Daily maturity	0.22%	127,644
Totals				<u>6,350,156</u>

- (1) Includes deposit, plus the interest accrued as of December 31, 2017, corresponding to the “Revenue Account” in the amount of ThCL\$ 3,878,000, “Debt Service Reserve Account” in the amount of ThCL\$ 2,000,610, “Major Maintenance Account” in the amount of ThCL\$ 342,803, and additionally includes ThCL\$ 1,099 corresponding to interest.
- (2) Mutual fund of the V-Corporativo Series of BBVA Fondos Mutuos of 84,139.8433 share numbers, with a share value of CL\$ 1,517.05.
- d) The following table provides a detail of the changes in liabilities originating in Sociedad Concesionaria Túnel San Cristóbal’s financing activities, including those changes that represent cash flows and changes that do not represent cash flows as of December 31, 2018. Liabilities originating in financing activities are those for which cash flows were, or cash flows will be, classified in the cash flows statement as cash flow from financing activities.

Liabilities originating in financing activities	Balance as of 01.01.2018 (1)	Financing cash flows			Changes that do not represent cash flow		Balance as of 12.31.2018 (1)
		From	Used	Total	Exchange rate differences	Other changes (2)	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Bank loans (Note 22)	55,853,502	-	(4,068,235)	51,785,267	1,608,872	3,153,191	56,547,330
Loans from related parties (Note C.1 b))	36,486,307	-	(9,070,000)	27,416,307	960,886	1,784,931	30,162,124
Total	92,339,809	-	(13,138,235)	79,201,574	2,569,758	4,938,122	86,709,454

(1) Balance corresponds to the current and noncurrent portion

(2) Corresponds to interest accrual

5. OTHER CURRENT FINANCIAL ASSETS

They correspond to time deposits the maturity of which is greater than three months from the date of acquisition.

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Time deposits	<u>415,616</u>	<u>333,491</u>

The structure of this item, as of December 31, 2018 and 2017, is as follows:

As of December 31, 2018

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of investment plus interest ThCL\$
Banco Corpbanca	Time deposit	06.10.2019	0.28%	353,446
Banco Corpbanca	Time deposit	05.28.2019	0.28%	<u>62,170</u>
				<u>415,616</u>

As of December 31, 2017

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of investment plus interest ThCL\$
Banco Corpbanca	Time deposit	06.11.2018	0.25%	<u>333,491</u>
				<u>333,491</u>

6. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT

The composition and ageing analysis of the balances that comprise this item as of December 31, 2018 and 2017, is as follows:

As of December 31, 2018

Item	Currency	Age of the balances				Totals
		Up to 90 days ThCL\$	90-180 days past due ThCL\$	181-365 days past due ThCL\$	365+ days past due ThCL\$	
Trade debtors						
Sales debtors	Non-adjustable CL\$	866,563	316,865	451,339	836,233	2,471,000
Accrued income provision	Non-adjustable CL\$	679,870	5,940	7,502	132,586	825,898
Bad debt provision (1)	Non-adjustable CL\$	-	-	-	(162,943)	(162,943)
Subtotal trade debtors		1,546,433	322,805	458,841	805,876	3,133,955
Other Accounts Receivable						
Accounts receivable from the MOP	Non-adjustable CL\$	111,110	-	-	6,804	117,914
Accounts receivable from personnel	Non-adjustable CL\$	2,104	418	136	241	2,899
Other accounts receivable	Non-adjustable CL\$	82,592	13	18	4,440	87,063
Subtotal other accounts receivable		195,806	431	154	11,485	207,876
Total trade debtors and other accounts receivable		1,742,239	323,236	458,995	817,361	3,341,831

As of December 31, 2017

Item	Currency	Age of the balances				Totals
		Up to 90 days	90-180 days past due	181-365 days past due	365+ days past due	
Trade debtors		ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Sales debtors	Non-adjustable CL\$	641,046	232,084	295,873	505,778	1,674,781
Accrued income provision	Non-adjustable CL\$	691,414	36,154	99,449	81,484	908,501
Bad debt provision (1)	Non-adjustable CL\$	-	-	-	(183,396)	(183,396)
Subtotal trade debtors		1,332,460	268,238	395,322	403,866	2,399,886
Otras Cuentas por Cobrar						
Accounts receivable from the MOP	Non-adjustable CL\$	1,126,051	-	-	-	1,126,051
Accounts receivable from personnel	Non-adjustable CL\$	3,209	667	265	46	4,187
Other accounts receivable	Non-adjustable CL\$	117,828	-	1,575	4,441	123,844
Subtotal other accounts receivable		1,247,088	667	1,840	4,487	1,254,082
Total trade debtors and other accounts receivable		2,579,548	268,905	397,162	408,353	3,653,968

(1) The balance of the bad debt provision is presented in the segment of greater than 365 days, as it is impracticable to make the segregation, taking into consideration the nature of the Company's calculation of uncollectibility.

Given the nature of the service and the fragmentation of clients, the existence of accounts receivable at periods greater than 365 days is common, as these clients may continue to use the highway, and there is a percentage of these balances that is actually paid even after a year. The Management has reached the conclusion that, due to several regulatory milestones in the granting of circulation permits, after 3 years the probability of recovery of these debts is almost zero. For this situation, the Company annually writes off the debt balances that reach 3 years.

As per the company's experience, there is a very high probability of collection of receivables between 90 and 1095 days old, as the process to obtain the circulation permits before the entities of the State identifies highway concession debtors and requires them to become up to date in payment prior to the renewal of their circulation permits. The maturity period of this process is of up to 3 years due to the lack of instant data shared online between the concession companies and the entities that grant the circulation permits.

The fair value of trade receivables and other accounts receivable are the same values expressed in the previous tables, as they represent the amounts of cash that the Company expects to collect for those concepts.

As of December 31, 2018, the charge to results for the increase in the provision for bad debt was ThCL\$ 314,114 (ThCL\$ 277,678 as of December 31, 2017). That amount is presented in the item "Cost of Sales" in the Profit and Loss Statement by Function. As of December 31, 2018, the Company has written-off uncollectible accounts for ThCL\$ 334,566 (as of December 31, 2017, the write-off was ThCL\$ 278,831). The amounts written off in 2018 and 2017 reduced the provision set in place for such purposes.

The impairment of trade debtors is presented as a bad debt provision, and is determined on the basis of a percentage of the values associated to each user type (tag, offenders, disabled tags). These percentages are based in the clients' past payment behavior, which are evaluated periodically to decide whether to maintain or update them.

No significant commercial risk is observed in the Other accounts receivable.

7. DISCLOSURE OF INFORMATION ON RELATED PARTIES

Sociedad Concesionaria Túnel San Cristóbal S.A. is indirectly controlled by Brookfield Asset Management Inc., a Canadian consortium.

a) Accounts receivable from related parties:

As of December 31, 2018 and 2017, the Company has the following accounts receivable from related parties:

Taxpayer No.	Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Current	
						12.31.2018	12.31.2017
						ThCL\$	ThCL\$
96.992.030-1	Sociedad Conc. Vespucio Norte Express S.A.	Chile	Stockholder in common	Current account	CLP	6,609	-
	Totals					6,609	-

b) Accounts payable to related parties:

A detail of the balances and transactions with related parties is shown below:

Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Current		Noncurrent	
					12.31.2018	12.31.2017	12.31.2018	12.31.2017
					ThCL\$	ThCL\$	ThCL\$	ThCL\$
Taurus Holdings Chile S.A.	Chile	Stockholder	Subordinated debt (1)	UF	2,075,457	-	28,086,667	36,486,307
Taurus Holdings Chile S.A.	Chile	Stockholder in common	Current account	CLP	78,176	55,364	-	-
Sociedad Conc. Vespucio Norte Express S.A.	Chile	Stockholder in common	Current account	CLP	106,181	89,341	-	-
Brookfield Inversiones Chile Ltda.	Chile	Stockholder in common	Current account	CLP	-	17,491	-	-
Totals					2,259,814	162,196	28,086,667	36,486,307

(1) The stockholders have granted the Company financing line in the nature of long-term subordinated debt. This has been formalized by means of a contract that set bi-annual capitalizable interest, calculated at the maximum conventional rate in the modality of operations in domestic currency subject to indexation, at more than one year's term and in excess of UF 2,000. This is a Bullet-type contract, with both the amortization of the principal and interest accrued being payable on demand at the end of the specified period of time. This term has been set by means of debt recognition documents for each disbursement, with the end of the term being December 16, 2028.

c) Transaction with related parties:

Taxpayer No.	Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Amount of the transaction	Effect on Result
						12.31.2018 Balances ThCL\$	12.31.2018 Income (expense) ThCL\$
76.060.273-6	Brookfield Inversiones Chile Ltda.	Chile	Stockholder	Professional services	CLP	-	-
76.060.273-6	Brookfield Inversiones Chile Ltda.	Chile	Stockholder	Payment for professional services	CLP	(14,699)	-
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Professional services	CLP	30,801	(30,801)
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Payment for professional services	CLP	(14,699)	-
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Subordinated debt interest	UF	1,784,931	(1,784,931)
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	UF indexation Subordinated Debt	UF	960,886	(960,886)
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Subordinated debt interest payment	UF	(9,070,000)	-
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Technical assistance	CLP	157,156	(157,156)
96.931.450-9	Taurus Holdings Chile S.A	Chile	Stockholder	Technical assistance payment	CLP	(153,505)	-
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Stockholder in common	Joint operation service	CLP	486,202	(486,202)
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Stockholder in common	Payment for joint operation service	CLP	(473,175)	-
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Stockholder in common	Management services	CLP	176,874	(176,874)
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Stockholder in common	Payment for management services	CLP	(176,458)	-

d) Remuneration of the Board of Directors and Executive Officers

As of the date of these financial statements, the Directors have not received any remuneration whatsoever for serving as such, and no payments have been generated for the concept of Board meeting expenses.

The Company does not have an executive payroll as it keeps a service contract with Sociedad Concesionaria Vespucio Norte Express S.A. for Management Services.

8. TAX ASSETS, NON-CURRENT

The accounts receivable for current taxes at December 31, 2018 and 2017, are shown below:

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
VAT Credit Remnant	<u>1,166,405</u>	<u>1,123,657</u>

The VAT credit remnant mainly originates in the construction services and operation of the concession. As of December 31, 2018 and 2017 this remnant corresponds to 24,122.70 Unidades Tributarias Mensuales (UTM) and 23,897.93 UTM, respectively.

The VAT tax credit amounts will be recovered in accordance with what is set forth in 1.12.3 of the Terms and Conditions of the Tender.

9. INTANGIBLE ASSETS OTHER THAN GOODWILL

a) General Information

In accordance with what is stated in Note 2.2 letter f), the Company has recognized an intangible asset replacing the public works consisting of the built Tunnel.

The asset under concession was recorded at historical cost in accordance with what is set forth in IAS 38 "Intangible Assets".

The intangible asset's useful life is 344 months. At the date of these financial statements, the amortization of 224 months is pending.

The Company classified the following as an intangible asset:

- All of the infrastructure of the tunnel built which communicates the Américo Vespucio-El Salto Junction with Avenida El Cerro in the borough of Providencia.
- The electronic toll collection system.
- The Building located on the side of the San Cristóbal hill, on La Herradura No. 2750, borough of Providencia.

As of the date of approval of these financial statements there are no indicators of impairment affecting the value of the intangible assets recorded by the Company.

b) Balances

The balances of the intangible assets in the classified financial position statement, with its respective amortizations, are the following:

Detail	12.31.2018			12.31.2017		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
State-owned public works	52,379,033	(8,944,504)	43,434,529	52,379,033	(6,971,434)	45,407,599

c) Movements of intangible assets

The movements of intangible assets as of December 31, 2018 and 2017, are the following:

Movements of intangible assets	State-owned Public Works	
	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening balance	45,407,599	47,172,200
Amortization	(1,973,070)	(1,764,601)
Final balance	43,434,529	45,407,599

d) Insurance

To address eventual damages, contingencies, third-party claims and to safeguard the State-owned public works, the Company has contracted the following insurance policies:

Type	Insurer	Policy No.	Expiration	Coverage	Insured Matter	Currency	Insured Amount	Deductible
General Civil Liability	Liberty	23016958	07.31.2019	MOP Policy	Damages to third parties	UF	487,500	Without deductible
General Civil Liability	Liberty	23016963	07.31.2019	2nd Layer RC	Damages to third parties	UF	12,500	UF 200 per occurrence
All-Risk Physical Assets	Sura	5990437	12.31.2019	All Risk	MOP Policy, All-risk physical assets	UF	3,305,078	2% of the insured amount
All-Risk Physical Assets	Sura	6016513	12.31.2019	All Risk	DIC Policy, All-Risk Physical Assets and Damages for Stopped Operation	UF	3,742,577	2% of the insured amount

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment acquired by the Company at this date are recognized at attributed cost, less accumulated depreciation. There are no indicators of impairment affecting the values recorded by the Company.

The depreciation of these assets is calculated using the straight line method, being distributed on a systematic way throughout their useful life according to the table referred to in Note 2.2.g.

a) The composition by class of Property, Plant and Equipment at net and gross values, is as follows:

Concept	12.31.2018			12.31.2017		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Office furniture	36,041	(30,125)	5,916	32,936	(29,093)	3,843
Office equipment	30,491	(29,212)	1,279	29,624	(28,715)	909
Computer equipment	127,797	(90,809)	36,988	120,128	(84,179)	35,949
Vehicles	62,465	(62,465)	-	62,465	(62,465)	-
Safety equipment	127,642	(107,954)	19,688	113,865	(104,286)	9,579
Third party installations	28,610	(20,787)	7,823	28,610	(18,721)	9,889
Own assets on highway	5,120	(5,120)	-	5,120	(4,998)	122
Totals	418,166	(346,472)	71,694	392,748	(332,457)	60,291

- b) The movements as of December 31, 2018 of the items that comprise property, plant and equipment are the following:

Movements	Furniture ThCL\$	Equipment ThCL\$	Equipment ThCL\$	Vehicles ThCL\$	Equipment ThCL\$	Installations ThCL\$	the Highway ThCL\$	and Equipment, net ThCL\$
Balance as of 01.01.2018	3,843	909	35,949	-	9,579	9,889	122	60,291
Additions	3,105	867	7,669	-	13,777	-	-	25,418
Depreciation expense	(1,032)	(497)	(6,630)	-	(3,668)	(2,066)	(122)	(14,015)
Other increases (decreases)	-	-	-	-	-	-	-	-
Balance as of 12.31.2018	5,916	1,279	36,988	-	19,688	7,823	-	71,694

- c) The movements as of December 31, 2017 of the items that comprise property, plant and equipment are the following:

Office Furniture ThCL\$	Office Equipment ThCL\$	Computer Equipment ThCL\$	Vehicles ThCL\$	Safety Equipment ThCL\$	Third-party Installations ThCL\$	Own Assets on the Highway ThCL\$	Property, plant and Equipment, net ThCL\$
4,517	1,442	2,362	-	11,498	12,595	853	33,267
312	-	35,765	-	1,790	-	-	37,867
(986)	(533)	(2,178)	-	(3,709)	(2,706)	(731)	(10,843)
-	-	-	-	-	-	-	-
3,843	909	35,949	-	9,579	9,889	122	60,291

The Company does not currently have any ownership restrictions involving assets under Property, Plant and Equipment. Additionally, the Company has not furnished any asset of Property, Plant and Equipment in guarantee to third parties to allow it to operate its normal business activities or as a commitment to back up payment of obligations.

The Company currently does not have any real estate of its own for which a dismantling, removal or shutting down cost estimate would have to be defined for assets of Property, Plant and Equipment. Nevertheless, if any such assets are incorporated in future, the costs specified would be estimated on the basis of quotes by suppliers of those services in the market.

- d) Insurance: The items detailed above are incorporated in the policies listed below, where both the amount insured and the agreed deductible is shown.

Type	Insurer	Policy No.	Expiration	Coverage	Insured Matter	Currency	Insured amount	Deductible
Fire and earthquake	Liberty	20325975	19.10.2019	Fire and earthquake plus additional	Office contents at Calle La Herradura 2750, Providencia	UF	8,107.48	Earthquake: 2% of the insured amount, with a minimum of UF 50 // Other Risks: UF 10
Theft	Liberty	13023396	19.10.2019	Theft	Office contents at Calle La Herradura 2750, Providencia	UF	3,000	10% of the loss with a minimum of UF10. Applicable in each and every loss
Engineering risks	Liberty	24043061	19.10.2019	Computer and mobile equipment	Computer and mobile equipment	UF	5,448.28	Earthquake: 2% of the insured amount, with a minimum of UF 50 // Equipment operating outside the premises: 10% of the loss with a minimum of UF 20 // Other Risks: 10% of the loss with a minimum of UF 20 per piece of equipment.

11. IMPAIRMENT IN THE VALUE OF THE TANGIBLE AND INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE

In accordance with IAS 36, the Company assesses on an annual basis whether there is any indication that an asset may be impaired. If so, the Company shall calculate the asset's recoverable amount. As of December 31, 2018 and 2017, the Company has not found any indications of impairment.

12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Current Provisions

The information to be disclosed on provisions corresponds to obligations in place at the date of the financial statements arising from past events the amounts and times of payment of which are uncertain, are recorded in the financial statements at the lowest probable disburseable amount to discharge those obligations, as per estimations made by the Company.

The breakdown is the following:

Current Provisions	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Vacation provision	<u>16,942</u>	<u>16,954</u>
Total Provisions	<u>16,942</u>	<u>16,954</u>

The movements in the vacations provisions are shown below:

Movements	Vacations Provisions	
	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening balance	16,954	12,750
Increments	11,957	17,248
Provisions used	(11,969)	(13,044)
Final balance	<u>16,942</u>	<u>16,954</u>

b) Contingent Liabilities

i) Litigation or other legal action:

1.- Claims for Lost Revenues

Matter: Tariff Arbitration.

Plaintiff: Sociedad Concesionaria Túnel San Cristóbal S.A.

Defendant: Ministry of Public Works.

Amount sought: UF 38,788.34 plus CL\$ 21,127,274 for operating expenses and fees of the arbitral committee. Interest shall be applied as per the final date of payment.

Concesionaria Túnel San Cristóbal S.A.'s case and granting of what was sought, ordering the Ministry of Public Works to pay for any other damages caused by wrongfully applying the criterion that motivated Sociedad Concesionaria Túnel San Cristóbal S.A.'s action.

As of the date hereof, the only payments pending by the MOP are the operation expenses and the arbitral committee's fees.

ii) Other contingencies:

The Concession Company is compliant with all the standing provisions contained in Statutory Decree No. 900, Law of Public Woks Concessions, dated October 31, 1996, as well as its Regulations (Decree Law No. 956 dated October 6, 1997).

The foregoing is valid with regard to matters that affect the financial statements of the Company as of December 31, 2018.

13. GUARANTEES AND RESTRICTIONS

a) Direct Guarantees:

A) Guarantees:

1) As of December 31, 2018, the Concession-holding Company maintains with the Ministry of Public Works (MOP), as per what is set forth in the Tender's Terms and Conditions number 1.8.1.2, ten bank bonds for the concept of "Guarantee of Operation", issued by Banco Corpbanca, payable on demand, issued to the General Director of Public Works, for a total amount of UF 55,000, the expiration of which is July 17, 2020. These bonds correspond to a financing contract dated July 3, 2015, entered into by the Company with that bank, which established a credit line for that purpose, the expiration date of which is December 10, 2032.

- 2) Special Pledge of Public Works Concession, pursuant to Art. 43 of the Concessions Law (MOP SD No. 900 of 1996). Prohibition to sell, encumber and enter into contracts, or execute any acts that may affect the concession and/or the pledged assets, furnished by the Concession Company in favor of Corpbanca, by means of a public deed executed on July 24, 2014, Digest No. 7665 - 2014, at the Notary Public's Office of Santiago of Mr. Humberto Santelices Narducci.
- 3) Contract of Pledge without Conveyance over Monies, in accordance with law No. 20,190 and prohibition to sell, encumber and enter into any contracts or execute any acts with respect to the pledged assets, executed through a public deed dated July 29, 2014, Digest No. 7881-2014, at the Notary Public's Office of Santiago of Mr. Humberto Santelices Narducci.
- 4) Contract of Pledge over shares and prohibition to encumber, sell, dispose of or enter into any contracts or execute any acts whatsoever over the pledged assets, executed through a public deed dated July 24, 2014, Digest No. 7664-2014, at the Notary Public's office of Santiago of Mr. Humberto Santelices Narducci, in accordance with article 813 of the Code of Commerce and Law No. 4,287, by virtue of which each stockholder in the Concession Company furnished a commercial pledge over their shares registered in the Stockholders' Register at that date, in favor of Corpbanca. Those pledges and prohibitions have been duly recorded in the Concession Company's Stockholders' Register.
- 5) Subordination Agreement and Commercial Pledge of Subordinated Credits and prohibition to sell, encumber and enter into any contracts or execute any acts whatsoever that may affect the pledged credits, executed by Taurus Holding Chile S.A. , Inversiones Hochtief PPP Solutions Chile Dos Limitada, SCE Chilean Holding S.A., Sociedad Concesionaria Túnel San Cristóbal S.A. in favor of de Corpbanca, executed through a public deed dated July 24, 2014, Digest No. 7663-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.
- 6) Financing Opening Contract entered into with Corpbanca through a public deed dated June 19, 2014, Digest No. 6388-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.
- 7) Power of Attorney for Collection from the MOP, in favor of Corpbanca, to exercise on behalf of the Concession Company the powers and rights specified in that instrument, executed through a public deed dated July 24, 2014, Digest No. 7667-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.
- 8) Designation as a Beneficiary or Additional Insured in Insurance Policies and Power of Attorney pursuant to which the Concession Company appointed Corpbanca, as a beneficiary or additional insured in the insurance policies taken by the Concession Company.

As of December 31, 2018 there are no new Direct Guarantees to report. The only ones in force are those reported in the communication dated November 14, 2014.

As the Company does not own any real estate, there are no mortgages, liens, interdictions or any situation whatsoever as may affect deeds of domain over real estate.

b) Restrictions

As of December 31, 2018, the Company is subject to restrictions under the financing contracts entered into with Corpbanca. Number seven of clause eleventh of the financing contract dated June 19, 2014, forbids making restricted payments for as long as a series of copulative conditions are not met, including: i) the

achievement of a debt service coverage ratio (DSCR) equal to or greater than 1.2 times, during a certain period of time, and ii) that the reserve accounts have funds equal to or greater than those set forth in this contract.

As of December 31, 2018, the balance of the reserve accounts is the following:

- Debt Service Reserve Account: ThCL\$ 353,347; amount invested in time deposits; does not include accrued interest (see Note No. 5 Other Current Financial Assets).
- Debt Service Reserve Account: On June Con 09, 2018 this account is funded with a letter of credit in the amount of UF 74,655 and cash in the amount of ThCL\$ 62,153 (does not include accrued interest) which totals UF 76,910.
- Major Maintenance Reserve Account: ThCL\$ 751,723; amount invested in time deposits; does not include accrued interest (see Note 4 Cash and Cash Equivalents).

As of December 31, 2018, the Company is compliant with the aforementioned restrictions.

14. OTHER NONFINANCIAL LIABILITIES, CURRENT

The structure of this item is as follows:

Concepts	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Revenues received in advance, supplementary agreements No. 1 and 2 (1)	71,622	64,838
Lease services collected in advance	<u>8,124</u>	<u>18,635</u>
Total other non-financial liabilities, current	<u>79,746</u>	<u>83,473</u>

- (1) Revenues received in advance under Complementary Agreement No. 1 and No. 2, correspond to the short-term portion of the amounts that the Ministry of Public Works (MOP) recognized and paid to the Company in the frame of the Complementary Agreement No. 1 and No. 2, for the concept of increased future expenses in administration, control and conservation, maintenance, and operation of the additional works set forth in the aforementioned agreements.

15. NON-CURRENT LIABILITIES

As of the date of these financial statements structure of this item is as follows:

Liabilities, noncurrent		12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Other financial liabilities, noncurrent	a)	55,293,622	54,801,874
Accounts payable to related entities, noncurrent	b)	28,086,667	36,486,307
Other provisions, noncurrent	c)	831,953	676,208
Other non-financial liabilities, noncurrent	d)	<u>1,449,184</u>	<u>1,522,622</u>
Total Noncurrent Liabilities		<u>85,661,426</u>	<u>93,487,011</u>

- a) Corresponds to a debt with Corpbanca. Details in Note No. 22; b and c.
- b) Corresponds to the year-end balance with related parties. Details in Note No. 7.
- c) This item reflects the provision for maintenance.

The movement of the provision for maintenance is shown below:

Maintenance Provision	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening balance	676,208	1,224,686
Increments	158,006	65,928
Provisions used	(2,261)	(138,079)
Decreases (1)	<u>-</u>	<u>(476,327)</u>
Final balance	<u>831,953</u>	<u>676,208</u>

(1) The decrease occurred in 2017, originates in the effect of the change in the parameters used in the estimation of the provision for maintenance as a result of current information from the technologies used at the gantries.

- d) Corresponds to the amounts that the Ministry of Public Works recognized and paid to Sociedad Concesionaria Túnel San Cristóbal S.A. in the frame of Complementary Agreements 1 and 2, for the concept of increased future costs to be incurred in the administration, control and conservation, maintenance, operation and exploitation of the additional works set forth in the aforesaid agreement. These amounts are accrued on a periodic basis in results as ordinary revenues, in order to correlate them with the respective expenses.

16. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

As of December 31, 2018 and 2017, the Company had the following accounts payable:

Trade creditors and other accounts payable	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Trade creditors	234,402	250,434
Other accounts payable (1)	317,835	251,221
Totals	552,237	501,655

- (1) It corresponds to provisions for services that have been rendered but for which the respective invoice has not been received.

17. NET EQUITY

The Company's capital is represented by 5,700,000 shares without face value; all of them fully subscribed and paid-in.

a) Number of shares:

Period	Series	No. of shares
12.31.2018	Single	5,700,000
12.31.2017	Single	5,700,000

On July 8, 2015 the following share transactions took place:

- i. Taurus Holdings Chile S.A. acquired a total of 2,849,999 shares, sold by Hochtief PPP Solutions Chile Dos Limitada (1,710,000 shares) and SCE Chilean Holdings S.A. (1,139,999 shares). With this purchase, Taurus Holdings Chile S.A. accumulates a total of 5,699,999 shares.
- ii. Brookfield Americas Infrastructure Holdings Inversiones Chile I SPA acquired 1 share from SCE Chilean Holdings S.A.

Capital

Period	Series	Subscribed capital ThCL\$	Paid-in capital ThCL\$
12.31.2018	Single	6,934,027	6,934,027
12.31.2017	Single	6,934,027	6,934,027

b) Capital Management

The purpose of the Company is to comply with the requirements set forth in the Terms and Conditions of the Tender relating to corporate capital and assure, through its adequate capitalization, the normal access to financial markets to carry-out its obligations as established in the concession contract. This is supplemented with long-term subordinated debt with the shareholders whenever financial circumstances require so.

The Terms and Conditions of the Tender established a minimum nominal capital in the amount of ThCL\$ 5,700,000, fully subscribed and paid-in by the Company's stockholders, which had to be maintained unaltered throughout the Construction Stage of the State-owned public works. As a result of the legal indexation for inflation applied until December 31, 2009, the subscribed and paid-in capital at the date of these financial statements amounts to ThCL\$ 6,934,027.

In accordance with the Terms and Conditions of the Tender, during the Operation Stage the Concession Company may reduce the corporate capital, with the MOP's consent. To that end, the Concession Company's representative must submit a request to the General Director of Public Works explaining the reasons for the intended reduction. The DGOP may authorize such capital decrease provided that doing so does not affect the proper operation of the concession. At the date of these financial statements the Company has neither requested nor has the intention to request any such capital decrease.

c) Accumulated Losses

As of the date hereof, the Company records accumulated financial and tax losses. These losses are expectable for the type of business during the first years of the concession, where non-operating factors, such as the financial debt incurred for the construction of the works under concession has a material impact on the Company's final results.

According to the projections and the business model determined by the Management, both the accumulated financial losses and tax losses will be recovered in the forthcoming years.

18. ORDINARY REVENUES

The revenues originating in all of the regular operations are recorded at their fair value received or receivable, taking in consideration the discounts or deductions that have been granted. The following chart provides a detailed view of them:

Concepts	Accumulated	
	01.01.2018	01.01.2017
	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Revenue from tolls	10,133,366	8,845,372
Revenue from offenders	167,267	149,029
Revenue from daily passes	141,243	113,639
Other ordinary revenue	43,305	63,398
Revenues from Ad Ref No. 2 Agreement	83,635	88,168
Revenues received in advance	66,654	55,381
Totals	10,635,470	9,314,987

19. REVENUES FROM EXPLOITATION AND COSTS OF OPERATION AND MAINTENANCE

In accordance with what is set forth in letter a) number 1.8.6.2 of the Tender's Terms and Conditions, which form part of the Concession Contract for the Public Works called "Concesión Variante Vespucio - El Salto - Kennedy", the current operating income and operating and maintenance costs for the years ended December 31, 2018 and 2017 are broken down as follows:

Concepts	Accumulated	
	01.01.2018	01.01.2017
	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Revenues from Operation:	10,635,470	9,314,987
Income from collection of tariff	10,441,876	9,108,040
Other charges authorized by the MOP	193,594	206,947
Cost of Sales:	4,950,320	4,430,085
Operation	4,061,718	3,669,789
Amortization and depreciation	1,986,252	1,774,719
Bad debt	314,114	277,678
Collection management	492,662	433,188
Personnel (1)	324,549	340,921
Fees and advisory services	238,763	164,883
Insurance	237,511	232,370
Supervision of the concession contract	80,475	78,955
Other operating expenses	387,392	367,075
Maintenance	888,602	760,296
Maintenance of infrastructure	849,985	721,033
Evaluation and condition of the pavement	29,227	33,133
Other maintenance expenses	9,390	6,130
Administrative Expenses	698,951	649,360
Personnel (1)	75,222	88,220
Fees and advisory services	191,714	153,624
Amortization and depreciation	833	725
Maintenance of administrative equipment	54,406	48,651
Insurance	8,951	6,533
Other administrative expenses	367,825	351,607

- (1) The Company currently has 28 employees as of December 31, 2018, and the breakdown of these expenses is the following:

	Accumulated	
	01.01.2018 12.31.2018	01.01.2017 12.31.2017
Personnel expenses:		
	ThCL\$	ThCL\$
Remuneration	289,461	312,373
Employee benefits	104,424	116,768
Indemnity payments	5,886	-
Totals	399,771	429,141

20. LEASES

a) Financial leases

Leases are classified as financial leases when the risks and benefits of ownership of the leased assets are transferred to the lessee, which normally has the option of acquiring the asset at the end of the lease under the conditions agreed to when the transaction was formalized.

The assets acquired under finance leases are classified in Property, Plant and Equipment, according to the nature of the asset, and recorded as a counterpart to a liability for the same amount, at the lesser of the fair value or the current value of the amount to be paid to the lessor included in the price of the purchase option. These are amortized using similar criteria to those applied to the set of the same kind of assets.

At the closing of these financial statements the Company had not entered into any contracts of this type.

b) Operating leases

Operating leases are those in which the implicit risks and benefits of ownership of the asset are not transferred by the lessor.

Operating lease charges are charged systematically to income for the period in which they are incurred; payments made for lease of vehicles are included under this concept:

Operating lease as a lessee	Accumulated	
	01.01.2018 12.31.2018	01.01.2017 12.31.2017
	ThCL\$	ThCL\$
Lease installment	<u>136,028</u>	<u>100,266</u>

21. EFFECT OF VARIATIONS IN THE EXCHANGE RATE, FOREIGN CURRENCY AND INDEXATION UNITS

Transactions in foreign currencies are converted into the functional currency using the standing exchange rates on the dates of the transactions. Losses or profits in foreign currency resulting from the conversion of the balances of assets and liabilities at the year-end exchange rate are recognized in the statement of comprehensive income, save that they are related to cash flow hedges and investment hedges.

- a) As of December 31, 2018 and 2017, the Company has no effects on results caused by exchange rate differences.
- b) Details of the effect of the exchange rate differences on results at December 31, 2018 and 2017, respectively, are shown in the following table:

Breakdown by indexation units:

Concepts	Indexation Unit	Accumulated	
		01.01.2018 12.31.2018	01.01.2017 12.31.2017
		ThCL\$	ThCL\$
Assets (charges / credits)			
Assets from current taxes	UTM	<u>32,202</u>	<u>18,542</u>
Subtotal (charges / credits)		<u>32,202</u>	<u>18,542</u>
Liabilities (charges / credits)			
Other financial liabilities, noncurrent	UF	(1,566,046)	(933,154)
Accounts payable to related parties, noncurrent	UF	(960,886)	(595,817)
Other current financial liabilities	UF	(42,832)	(26,638)
Trade creditors and other accounts payable, current	UF	<u>892</u>	<u>1,200</u>
Subtotal (charges / credits)		<u>(2,568,872)</u>	<u>(1,554,409)</u>
Total Variances	UF	<u>(2,568,872)</u>	<u>(1,554,409)</u>
Total Variances	UTM	<u>32,202</u>	<u>18,542</u>
Total effects on results per indexation units		<u>(2,536,670)</u>	<u>(1,535,867)</u>

c) Detail of assets and liabilities by currency

Assets	Currency	Functional Currency	12.31.2018	12.31.2017
			ThCL\$	ThCL\$
Current assets				
Cash and cash equivalent	Non-adjustable CL\$	CL\$	951,504	6,354,847
Other financial assets, current	Non-adjustable CL\$	CL\$	415,616	333,491
Other non-financial assets, current	Non-adjustable CL\$	CL\$	195,351	274,081
Trade debtors and other accounts receivable, current	Non-adjustable CL\$	CL\$	3,341,831	3,653,968
Accounts receivable from related entities, current	Non-adjustable CL\$	CL\$	6,609	-
Total current assets			4,910,911	10,616,387
Noncurrent assets				
Other non-financial assets, noncurrent	Non-adjustable CL\$	CL\$	15,179	15,179
Intangible assets other than goodwill	Non-adjustable CL\$	CL\$	43,434,529	45,407,599
Property, plant and equipment	Non-adjustable CL\$	CL\$	71,694	60,291
Tax assets, noncurrent	Non-adjustable CL\$	CL\$	1,166,405	1,123,657
Assets from deferred taxes	Non-adjustable CL\$	CL\$	13,762,704	12,745,638
Total noncurrent assets			58,450,511	59,352,364
Total assets			63,361,422	69,968,751
Liabilities				
			ThCL\$	ThCL\$
Current Liabilities				
Other financial liabilities, current	U.F.	CL\$	1,253,708	1,051,628
Trade creditors and other accounts payable, current	Non-adjustable CL\$	CL\$	552,237	501,655
Accounts payable to related parties, current	Non-adjustable CL\$	CL\$	2,259,814	162,196
Other provisions, current	Non-adjustable CL\$	CL\$	16,942	16,954
Tax liabilities, current	Non-adjustable CL\$	CL\$	3,009	563
Other non-financial liabilities, current	Non-adjustable CL\$	CL\$	79,746	83,473
Total current liabilities			4,165,456	1,816,469
Noncurrent liabilities				
Other financial liabilities, noncurrent	U.F.	CL\$	55,293,622	54,801,874
Accounts payable to related parties, noncurrent	U.F.	CL\$	28,086,667	36,486,307
Other provisions, noncurrent	Non-adjustable CL\$	CL\$	831,953	676,208
Other non-financial liabilities, noncurrent	Non-adjustable CL\$	CL\$	1,449,184	1,522,622
Total noncurrent liabilities			85,661,426	93,487,011
Total liabilities			89,826,882	95,303,480

The following chart shows details of financial liabilities per type of currency and per maturity as of December 31, 2018 and 2017:

As of the closing of the year 12.31.2018	Currency	Functional Currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	715,114	538,594	-	-	-	1,253,708
Trade accounts payable and other accounts payable	Non-adjustable CL	CL\$	522,734	29,503	-	-	-	552,237
Accounts payable to related parties, current	Non-adjustable CL	CL\$	183,091	2,076,724	-	-	-	2,259,814
Other current provisions	Non-adjustable CL	CL\$	16,942	-	-	-	-	16,942
Tax liabilities, current	Non-adjustable CL	CL\$	3,009	-	-	-	-	3,009
Other non-financial liabilities, current	Non-adjustable CL	CL\$	71,622	8,124	-	-	-	79,746
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	3,008,654	4,933,708	47,351,260	55,293,622
Accounts payable to related parties, noncurrent	U.F.	CL\$	-	-	-	-	28,086,667	28,086,667
Other provisions, noncurrent	Non-adjustable CL	CL\$	-	831,953	-	-	-	831,953
Other non-financial liabilities, noncurrent	Non-adjustable CL	CL\$	-	-	144,530	151,943	1,152,711	1,449,184
Sub-total liabilities			1,512,512	3,484,898	3,153,184	5,085,651	76,590,638	89,826,882

As of the closing of the year 12.31.2017	Currency	Functional Currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	612,885	438,743	-	-	-	1,051,628
Trade accounts payable and other accounts payable	Non-adjustable CL	CL\$	438,621	63,034	-	-	-	501,655
Accounts payable to related parties, current	Non-adjustable CL	CL\$	162,196	-	-	-	-	162,196
Other current provisions	Non-adjustable CL	CL\$	16,954	-	-	-	-	16,954
Tax liabilities, current	Non-adjustable CL	CL\$	563	-	-	-	-	563
Other non-financial liabilities, current	Non-adjustable CL	CL\$	64,838	18,635	-	-	-	83,473
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	2,237,542	3,930,902	48,633,430	54,801,874
Accounts payable to related parties, noncurrent	U.F.	CL\$	-	-	-	-	36,486,307	36,486,307
Other provisions, noncurrent	Non-adjustable CL	CL\$	-	676,208	-	-	-	676,208
Other non-financial liabilities, noncurrent	Non-adjustable CL	CL\$	-	-	69,670	213,632	1,239,320	1,522,622
Sub-total liabilities			1,296,057	1,196,620	2,307,212	4,144,534	86,359,057	95,303,480

22. OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

For the periods ended as of December 31, 2018 and 2017, the Company had the following obligations with banks, which gave rise to interest:

a) Current financial liabilities

Concepts	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Obligations with domestic banks	1,078,087	878,162
Interest payable domestic banks	175,621	173,466
Totals	1,253,708	1,051,628

a.1) The maturity and currency of the Obligations are presented below:

As of December 31, 2018

Creditor	Country	Currency	Type	Interest Rate			Accounting Value			Non-deducted Value (Interest until the end)		
				Base	Nominal	Actual	Up to 6 months	6 to 12 months	Totals	Up to 6 months	6 to 12 months	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Corpbanca	Chile	UF	Fixed	n/a	5.25%	5.55%	715,114	538,594	1,253,708	2,120,077	2,112,653	4,232,730
Totals							715,114	538,594	1,253,708	2,120,077	2,112,653	4,232,730

As of December 31, 2017

Creditor	Country	Currency	Type	Interest Rate			Accounting Value			Non-deducted Value (Interest until the end)		
				Base	Nominal	Actual	Up to 6 months	6 to 12 months	Totals	Up to 6 months	6 to 12 months	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Corpbanca	Chile	UF	Fixed	n/a	5.25%	5.55%	612,885	438,743	1,051,628	2,000,610	1,987,612	3,988,222
Totals							612,885	438,743	1,051,628	2,000,610	1,987,612	3,988,222

b) Detail of financial liabilities in effect

Bank credit with Corpbanca

The conditions of the long-term financing obtained through a bank credit are shown below:

Bank	:	Corpbanca
Opening of the Loan	:	On June 19, 2014, the Company entered into a Financing Opening contract.
Purpose	:	To prepay the entirety of the credit with BBVA and Banco Estado; to pay the break costs associated to the prepayment and the payment of the

related derivative; to cover the refinancing expenses and commissions; to fund the reserve accounts of the new financing contract; to finance the operating and maintenance costs of the concession; and finance the working capital needs of the Company.

Currency	:	U.F.
Loan Amount	:	U.F. 2,150,000.
Term	:	19 years.
Interest period	:	Biannual
Interest payment	:	Biannual payment on June 10 and December 10 each year.
Repayment of principal	:	There is a 3-year grace period for the principal. The principal becomes payable from June 2017 through December 2032.
Debt's interest rate	:	5.25% fixed per annum.

The execution date of this credit was July 24, 2014.

c) Non-current financial liabilities

Concepts	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Obligations with domestic banks (1)	55,293,622	54,801,874
Totals	55,293,622	54,801,874

(1) The expiration and currency of the Obligations is shown below:

As of December 31, 2018																
Creditor	Country	Currency	Interest rate				Accounting value					Nondiscounted value (Interest until the end)				
			Type	Base	Nominative	Effective	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Corpbanca	Chile	UF	Fixed	-	5.25%	5.55%	3,008,654	4,933,708	22,937,718	24,413,542	55,293,622	9,124,406	10,625,525	33,762,204	27,526,267	81,038,402
Totals							3,008,654	4,933,708	22,937,718	24,413,542	55,293,622	9,124,406	10,625,525	33,762,204	27,526,267	81,038,402

As of December 31, 2017																
Creditor	Country	Currency	Interest rate				Accounting value					Nondiscounted value (Interest until the end)				
			Type	Base	Nominative	Effective	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Corpbanca	Chile	UF	Fixed	-	5.25%	5.55%	2,237,542	3,930,902	19,211,865	29,421,565	54,801,874	8,318,485	9,704,731	30,841,894	34,031,398	82,896,508
Totals							2,237,542	3,930,902	19,211,865	29,421,565	54,801,874	8,318,485	9,704,731	30,841,894	34,031,398	82,896,508

d) Effect on results

Financial costs	Accumulated	
	01.01.2018 12.31.2018	01.01.2017 12.31.2017
	ThCL\$	ThCL\$
Subordinated debt interest	1,784,931	1,890,324
Bank debt interest	3,153,191	3,236,557
Bank commissions (1)	57,744	56,587
Totals	4,995,866	5,183,468

- (1) As of December 31, 2018 and 2017, the balance corresponds, for the most part, to the bank's commission originating in 10 bank bonds delivered to the al MOP, in the total amount of UF 55,000.- in accordance with clause fourth of the Opening and Financing Contract for Bank Bonds entered into with Corpbanca on July 03, 2015.

23. INCOME TAX AND DEFERRED TAXES

The items that originate deferred taxes at the closing of each period are shown below:

Concept	Tax assets		Tax liabilities	
	12.31.2018	12.31.2017	12.31.2018	12.31.2017
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Tax loss	13,538,687	12,951,769	-	-
Accounts Receivable (revenue not earned)	-	-	891,399	1,063,853
Vacation provision	4,574	4,578	-	-
Bad debt provision	43,995	49,517	-	-
Major maintenance provision	224,627	182,576	-	-
Revenues received in advance	410,618	428,614	-	-
Financial-tax works cost difference	747,530	526,464	-	-
Financial-tax bank debt difference	-	-	315,928	334,027
Totals	14,970,031	14,143,518	1,207,327	1,397,880
Net Assets from Deferred Taxes	13,762,704	12,745,638		

The Company has not set a provision for first category income tax as there are accumulated tax losses in the amount of ThCL\$ 50,143,284 as of December 31, 2018 and ThCL\$ 47,969,514 as of December 31, 2017. A deferred tax valuation provision at the date of the statement of financial situation is not considered necessary because the deferred tax assets are likely to be realized in full.

The movements of deferred taxes are the following:

Movements of deferred taxes	Assets ThCL\$	Liabilities ThCL\$
Balance as of December 31, 2017	14,143,518	1,397,880
Increment (decrease)	<u>826,513</u>	<u>(190,553)</u>
Balance as of December 31, 2018	<u>14,970,031</u>	<u>1,207,327</u>

The effect on results as of December 31, 2018 and 2017, is the following:

Effects on results	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Deferred taxes during the year	1,016,865	296,428
Income Tax Art. 21 Paragraph 3rd.	<u>(2,418)</u>	<u>(46)</u>
Totals	<u>1,014,447</u>	<u>296,382</u>

i) Reconciliation of the accounting result and tax result

The reconciliation of the standing legal tax rate in Chile and the effective tax rate applicable to the Company, is presented below:

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Income from deferred taxes using the effective rate	579,198	167,988
Adjustment effect from tax loss for the year	7,720	671,426
variation affect from temporary differences	429,947	(542,986)
Other effects from permanent differences	<u>(2,418)</u>	<u>(46)</u>
Total adjustments to expense for taxes using the legal rate	<u>435,249</u>	<u>128,394</u>
income from taxes using the effective rate	<u>1,014,447</u>	<u>296,382</u>

ii) The tax rates used for the reconciliations of periods 2018 and 2017 correspond to the tax rate payable by the Company on its taxable profits under the standing tax regulations.

	12.31.2018	12.31.2017
Legal Tax Rate	27.0%	25.5%
Effect of tax loss of the year	0.4%	101.9%
Effect of temporary differences	20.0%	-82.4%
Effect of other variances	-0.1%	0.0%
	<hr/>	<hr/>
Tax expense using the actual rate	47.4%	45.0%
	<hr/>	<hr/>

24. ENVIRONMENT

Sociedad Concesionaria Túnel San Cristóbal S.A. periodically submits the Follow-Up Report on Sustainable Development to the Ministry of Public Works, in accordance with the Terms and Conditions of the Tender, containing detailed information on the quality of Air, Noise, Landscaping, Risk Prevention and Control of Accidents. In these respects, the Company has complied with all the measures required by the authority.

25. SERVICE CONCESSION AGREEMENTS

1. Classification of the Agreement

IFRIC No. 12 "Service Concession Arrangements", provides that agreements meeting the following criteria fall within its scope:

- i) Those that involve an entity (operator) from the private sector, building infrastructure to be used to provide a public service and operating and maintaining that infrastructure for a specified period of time;
- ii) The operator is paid for its services during the period of the agreement; and
- iii) The agreement stipulates the standards of performance, price-adjustment mechanisms and the agreements for arbitration of disputes.

Additionally, it specifies the following characteristics of the kind of agreements to which the interpretation of the standard refers to:

- i) The public policy is for services involving the infrastructure to be provided for the public, regardless of who operates those services. The agreement binds the operator to provide the services for the public on behalf of the public sector entity (in this case, on behalf of the MOP);
- ii) The party granting the agreed service (grantor = MOP) is a public sector entity, including a government institution, or a private sector entity to which the responsibility for the service has been transferred.
- iii) The operator is responsible for at least part of the administration of the infrastructure and its related services, and does not act merely as an agent for the grantor.
- iv) The contract stipulates the initial prices to be charged by the operator and regulates the price changes during the period of agreement of the services; and
- v) The operator is bound to deliver the infrastructure to the grantor in a given condition upon completion of the period of the agreement, for an additional small consideration or none at all, regardless of who provided the initial financing.

A review of the terms and conditions of the contract entered into by Sociedad Concesionaria Túnel San Cristóbal S.A. and the Ministry of Public Works shows that all of the above criteria and characteristics have been met, therefore the activity performed by this Company is subject to the standards of IFRIC 12, which are applied starting from the mandatory application date: January 1, 2009 (for comparative purposes).

With regard to the specific provisions of IFRIC 12, in Note 2.2, letter f) the conclusion reached by the Company is described in detail. It consists of having to recognize an intangible asset for its right to charge the general public for use of the infrastructure it operates, considering that the total income obtained will depend on the volume of users that use the service, with no minimum guaranteed revenue.

2. Characteristics of the Concession Contract

In accordance with SIC No. 29, the main characteristics of the concession contract are shown below:

- a) The concession contract is comprised of the Bidding Conditions, the explanatory circular documents, the decree of award, the Complementary Agreements No. 1 and No. 2, The Ad Referendum Agreements No. 1 and No. 2, MOP's Statutory Decree No. 514 and the relevant provisions of the various laws summarized below:
 - MOP's Statutory Decree 900 of 1996, which establishes the adapted, coordinated and standardized text of MOP Statutory Decree 164 of 1991, Law on Public Works Concessions.
 - MOP's Statutory Decree 956 of 1997, Enabling Regulations of the Law on Public Works Concessions.
 - Article 87 of MOP's Statutory Decree 850 of 1997, which establishes the adapted, coordinated and standardized text of Law 15,840 Basic Law on the Ministry of Public Works of 1964, and Statutory Decree 206 of 1960, the Roadways Law.
- b) The concession's term is for a period of 390 months, as per the modification contained in letter d) of number 6.2 of Complementary Agreement No. 1, entered into on July 12, 2007, which modified the concession contract of the State-owned public works called "Concesión Variante Vespucio - El Salto - Kennedy". This agreement extended for a period of 6 months the original term laid out in article 1.7.6 of the Terms and Conditions of the Tender. The start of the concession shall be computed pursuant to what is set forth in article 1.7.5 of the aforesaid terms and conditions, that is as from the date of publication of the Official Gazette of the Statutory Decree of Award related to the concession contract. This Decree's number is 1129 and it is dated November 26, 2004. It was published on the Official Gazette on February 21, 2005. Consequently, the expiration date of the concession contract is August 21, 2037.
- c) The Concession Company shall execute, repair, preserve, maintain, exploit and operate the works specified in the Terms and Conditions of the Tender, namely the concession project called "Variante Vespucio - El Salto - Kennedy" shall communicate Américo Vespucio Avenue in the El Salto area, borough of Huechuraba, with the boroughs of Providencia and Las Condes, at Avenida del Cerro and Avenida Kennedy, respectively. The project shall be materialized by building 2 parallel tunnels that will run through the San Cristóbal Hill and the surface road to materialize the connections specified in point 1.3 of the terms and conditions of the tender.

The Concession Company prepared the Detail Engineering Projects that were necessary for the execution of the works referred to in article 1.9.1 of the Terms and Conditions of the Tender, and may incorporate at its sole cost and responsibility, with the approval of the State Inspector, other works in addition to the minimum works required, as may contribute to the improvement of the standards and indicators set forth in the Terms and Conditions of the Tender.

The main works executed in the approximately 4.1 km of new road are the following:

- Construction of approximately 2.2 Km. of two-lane unidirectional roads 3.5 m wide and with a central division of a variable width, and 1.5 m wide shoulders.
- Construction of 2 unidirectional tunnels with a length of approximately 1.9 km.
- Construction of Electronic Collection Gantries.
- Connection with the Américo Vespucio - El Salto Junction.
- Connection with Av. Kennedy - Lo Saldes.
- Connection with Av. El Cerro.

The Concession includes the maintenance of all of the works executed by the Concession Company under the conditions and standards set forth in the Terms and Conditions of the Tender for the Stages of Construction and Operation.

The executed works are laid out in articles 1.3 and 2.3 of the Terms and Conditions of the Tender, and include the following:

<u>Items</u>		<u>Article of the Terms and Conditions of the Tender</u>
a)	Works to be executed	2.3.1
1	Two way roads	2.3.1.1
2	Tunnels	2.3.1.2
3	Complementary works	2.3.1.3
4	Arturo Merino Benítez crossing	2.3.1.3.1
5	Fire fume exhaust system	2.3.1.3.2
6	Main road safety systems	2.3.1.3.3
7	Perimeter fences	2.3.1.4
8	Staking out the strip	2.3.1.5
9	Clearing and cleaning of the State-owned strip	2.3.1.6
10	Easements	2.3.1.7
11	Signaling and demarcation	2.3.1.8.1
12	Road defenses	2.3.1.8.2
13	Lighting	2.3.1.8.3
b)	Warehouse for State-owned assets	2.3.2
c)	Mandatory special services	2.3.3
a	Emergency vehicles	2.3.3.1
b	Tow truck	2.3.3.2
c	Emergency telephones	2.3.3.3

Pursuant to what is set forth in article 2.2 of the Terms and Conditions of the Tender, prior to beginning the construction of the works, the Company has had to develop the Detailed Engineering for the Project and present it to the State Inspector for approval including all of the works subject matter of the concession defined in the Terms and Conditions of the Tender and the Company's Technical Bid, and the works which have not been projected but are required by the Terms and Conditions of the Tender, which must comply with the terms and conditions stipulated in the Concession Contract documents.

With regard to the Detail Engineering of the tunnels, the Company has had to comply with the minimum requirements stipulated in article 2.2.3 of the Terms and Conditions of the Tender.

The Detail Engineering Projects to be prepared by the Concession Company have been adapted to the conditions set forth in the Technical Terms and Conditions that form part of the Terms and Conditions of the Tender, and to the minimum standards established in the Preliminary projects and Reference Studies that are part of its Technical Offer, as well as to the standing regulations, and particularly to the Instructions given by the Departments of Surveys, of Bridges, Tunnels and Signaling and of Road Safety or the Departments of the Roads Bureau acting in their lieu, having to take into consideration, among other documents, those individualized in article 2.2.1 of the Terms and Conditions of the Tender.

The Concession Company has implemented an Electric Toll Collection System for the right of passage, the characteristics of which must correspond to those stipulated in article 2.2.4 of the Terms and Conditions of the Tender and the general, necessary and specific requirements of which must be fully complied with, are respectively described in articles 1.15.1, 1.15.2, 1.15.3 of the Terms and Conditions of the Tender.

According to the Financial Bid of the Successful Bidding Group, the maximum value of the Base Rate in Off-peak Hours (TBFP) in the direction of Kennedy-El Sato is set at CL\$ 125 denominated to pesos at December 31, 2003, for vehicles classified as Type 1, according to table 7 of the Terms and Conditions of the Tender.

According to article 1.14 of the Terms and Conditions of the Tender, the Company awarded with the concession must comply with the following provisions to set its tariffs. Charging tariffs that exceed the maximum authorized, and/or the failure to comply the terms and conditions set forth for their collection, will cause the Company to be subject to the fine set forth in article 1.8.10 of the Bidding Conditions, notwithstanding the cashing of the performance bonds set forth in article 1.8.1 of the Terms and Conditions of the Tender, and the appropriate legal action.

a) Concession Holder's Obligations

- a. To legally organize the Concession Company promised in the Technical Bid, as set forth in article 1.7.3. of the Terms and Conditions of the Tender, within 60 calendar days from the publication on the Official Gazette of the Statutory Decree of award. Likewise, within 60 calendar days from that date, the successful bidder must subscribe, before a Notary Public, the transcriptions of the Statutory Decree awarding the Concession Contract, as proof of acceptance of its contents, and must notarize one of the counterparts with the same Notary Public, as required in article 1.7.4 of the Terms and Conditions of the Tender.
- b. The company's total capital must be subscribed upon execution of the public deed of incorporation of the Concession Company. Said capital may not be less than CL\$ 5,700,000,000 (five billion seven hundred million pesos) and at least CL\$ 1,440,000,000 (one billion four hundred and forty million pesos) must be paid in cash. The balance of capital must be paid, in cash, within 12 months from the date of the public deed of incorporation of the Concession Company, all the foregoing in accordance with what is set forth in article 1.7.3 of the Terms and Conditions of the Tender.
- c. Within 60 days from its date of incorporation, the Company must have applied for its registration in the Securities Register of the Superintendence of Securities and Insurance, which must be evidenced through the appropriate certificate. Once the registration in this Register has been completed and not more than 5 days later, the Company must present a certificate of such registration to the State Inspector, all of the above in accordance with article 1.7.3 of the Terms and Conditions of the Tender.

- d. To execute, repair, preserve, exploit and operate the works that the Company has the obligation to perform, pursuant to the documents that form part of the Concession Contract, in the form, conditions, manner and terms set forth in those documents.
 - e. To provide the basic services, for which the Company is authorized to charge tariffs to users.
 - f. To provide the compulsory special services, in accordance with article 1.10.9.1 of the Terms and Conditions of the Tender.
 - g. The Concession Company paid the MOP UF 142,000 (one hundred and forty two thousand Unidades de Fomento for acquisitions and expropriations. This payment was made to the MOP in a single installment in June, 2005, as specified in article 1.8.8 of the Terms and Conditions of the Tender.
 - h. As set forth in articles 1.12.1.1.1 and 1.12.1.1.2 of the Terms and Conditions of the Tender, the Concession Company must make the following payments to the State for the Administration and Control of the Concession Contract and for Works of Art respectively:
 - An annual payment to the MOP for administration and control of the Concession Contract. During the Construction Stage as defined in article 1.9.2 of the Terms and Conditions of the Tender, the Concession Company had to pay UF 40,500 (forty thousand five hundred Unidades de Fomento) in three equal installments of UF 13,500 (thirteen thousand five hundred Unidades de Fomento). The first installment was paid in January, 2006 and the two remaining installments in January, 2007 and 2008. During the Exploitation Stage, the amount to be paid for this concept will be UF 3,000 (three thousand Unidades de Fomento) per year. In the first January after authorization of the Provisional Placement into Service (granted on July 4, 2008), i.e. in January 2009, the Concession Company had to pay, in addition to the full annual payment for 2009, the proportion of the prior year including the month in which the Provisional Placement into Service was authorized, which meant paying an additional UF 1,500.
 - The amount of UF 2,500 (two thousand five hundred Unidades de Fomento) for the execution of Works of Art associated to the project. This was defined by a Special Committee convened by the Architecture Department of the Ministry of Public Works, which acted as the Technical Agency, assuming the final inspection of the works, including their contracting. must include the maintenance of such Works of Art included in the Concession. This amount was paid to the MOP in a single installment in July, 2005.
 - i. The Concession Holder or Successful Bidder, as the case may be, had to make a payment in the amount of UF 22,073 (twenty two thousand seventy three Unidades de Fomento) to bidder Infraestructura 2000 S.A., individualized in article 1.2.4 of the Terms and Conditions of the Tender, as a reimbursement for the surveys of engineering, demand and environmental impact performed by it for the project. This amount was paid to that in August, 2005, all of the above as provided for in article 1.12.1.1.3 of the Terms and Conditions of the Tender.
 - j. The Concession Holder must contract Civil Liability Insurance for Damages to Third Parties and Catastrophic Insurance Coverage pursuant to what is set forth in articles 1.8.14 and 1.8.15, respectively, of the Terms and Conditions of the Tender.
- b) Concession Holder's Rights

- a. To exploit the works once the Provisional Placement into Service has been authorized, until the end of the concession, all in accordance with article 1.10 of the Terms and Conditions of the Tender.
 - b. To receive the Tariffs charged to all the users of the concession in accordance with articles 1.13, 1.14 and 1.15 of the Terms and Conditions of the Tender.
 - c. In accordance with what is set forth in article 1.14.8 of the Terms and Conditions of the Tender, every two years the Concession Company may propose, on well-justified grounds, a review of the tariff adjustment system set forth in article 1.14.5 and of the collection system set forth in article 1.15, both of the Terms and Conditions of the Tender, as well as of the relocation of the points of collection, which may be either accepted or rejected by the MOP, subject to approval by the Minister of Finance.
 - d. The Concession Company shall be entitled to perform Tariff Management according to the terms and conditions set forth in letters a), b), c) and d) of article 1.14.9 of the Terms and Conditions of the Tender.
 - e. To exploit the complementary services in accordance with article 1.10.9.2 of the Terms and Conditions of the Tender.
- c) Construction Guarantee

Within 70 days from the beginning of the concession and the Construction Stage of the works, as set forth in article 1.7.5 of the Terms and Conditions of the Tender, the Concession Company had to furnish the Construction Performance Bond, which was done by means of ten bank bonds, in identical amounts, payable on demand and issued in Santiago, Chile, by a local bank to the General Director of Public Works, in the total amount of UF 75,000 (seventy five thousand Unidades de Fomento), each one with a term of 40 months.

The Bid Bond was returned by the MOP pursuant to what is set forth in the Terms and Conditions of the Tender.

The Construction performance bond was returned by the MOP to the Concession Company pursuant to what is set forth in the Regulations of the Concession Law and in the Terms and Conditions of the Tender.

d) Operation Guarantee

Within 30 days prior to the application for Provisional Placement into Service of the Works, as defined in article 1.9.2.7 of the Terms and Conditions of the Tender, the Concession Company furnished the MOP with a performance bond for operating the concession. This guarantee consisted of ten performance bonds, all for an equal amount and totaling UF 55,000 (fifty five thousand Unidades de Fomento), issued in Santiago, Chile by a local bank to the name of the General Director of Public Works.

Each bank bond has a 5-year expiration date and will be renewed 90 days before it expires, with the new documents being delivered before the previous ones expire.

The MOP authorized the provisional commissioning indicated in article 1.9.2.7 of the Terms and Conditions of the Tender, once the Concession Company discharged the obligation to furnish the exploitation guarantee previously approved by the State Inspector.

The Concession Company must furnish an additional guarantee of operation to insure compliance with the conditions in which the State will receive the Concession, as set forth in article 1.11.3 of the Terms and Conditions of the Tender. This guarantee must be delivered 24 months before the expiration of the Contract through ten equal payable on demand bank performance bonds issued in Santiago, Chile by a local bank to the General Director of Public Works, for a total of UF 55,000 (fifty five thousand Unidades de Fomento). This additional guarantee will be valid for 3 years.

All of the operating performance bonds must be payable on demand.

The bank performance bonds will be returned within 15 days after the State Inspector certifies that the Concession Company has discharged all of the obligations undertaken with the MOP.

The additional performance bond will be returned by the MOP within 15 days after its expiration date.

3. Complementary Agreements

a) Complementary Agreement No. 1

The Ministry of Public Works, by way of Statutory Decree 508 dated July 30, 2007, published on the Official Gazette on November 12, 2007, approved Complementary Agreement 1, which amended the "Concesión Variante Vespucio – El Salto – Kennedy". public works concession contract. The main aspects of this contract are the following:

The modifications to the layout, design, works and services set forth in this contract were as follows:

1. Sociedad Concesionaria Túnel San Cristóbal S.A. had to modify and improve the works of the northern sector of the works under concession and of Avenida Américo Vespucio, by performing the engineering survey and other surveys required to modify the layout of the tunnels and their accesses in the northern sector of the works and execute the works of the so-called "Alternativa Pirámide". The Concession Company was responsible for and assumed all of the construction, geological and natural risks of the so-called "Alternativa La Pirámide", as well as all of the obligations set forth in the Terms and Conditions of the Tender for the Reference Project which were extended to include that alternative.
2. The layout of the works under concession was modified, in the following areas of the Acceso El Salto section: Zones 1 and 2 of the original Engineering Reference Project (PRI), which are defined in Table 1 of article 1.8.7.2.1 of the Terms and Conditions of the Tender.
3. The Concession Area was expressly modified, being applied to the PRI layout, which is maintained, and to the New Concession Layout, and ratifying what is stated in definition 4 of article 1.2.3 of the Terms and Conditions of the Tender, that is, anything that is required to execute the works and to render the services defined in the Concession Contract which are to be located on State-owned property for public use.
4. As a consequence of the foregoing and of the agreements hereunder, the PRI works of the northern area of the concession that are withdrawn, were excluded from the concession contract, therefore the Concession Company was released from having to fulfill all of the obligations relating to those works.

As a result of the new works, the total and partial periods of the concession contract were amended, with the new deadlines being the following:

1. Deadline for submitting the third Progress Report: August 20, 2007.
2. Deadline for presenting the fourth Progress Report: January 20, 2008.
3. Deadline for obtaining the Provisional Placement into Service for the entire works: June 20, 2008.
4. The term of the concession will be for 390 months as of its start as set forth in article 1.7.5 of the Terms and Conditions of the Tender, and consequently it will expire on August 20, 2037.

The concepts under which this contract is organized and their final values are the following:

1. New works and services to perform	:	UF	777,177.23
2. Works that will not be executed	:	UF	(165,002.17)
3. Total net value	:	UF	612,175.06

In addition to the items shown above, it is important to highlight that the additional Changes in Utilities needed to carry out the works of the so-called "Alternativa Pirámide", in excess of the amount included for this item in number 1 of the previous paragraph, will be regulated according to article 1.8.19 of the Terms and Conditions of the Tender.

The MOP paid the Concession Company UF 635,000 in December, 2007. At the cut-off date of the accounting control accounts for the cost of the works, there was a balance in favor of the MOP in the amount of UF 9,218.84, which was paid by the Concession Company on August 29, 2008.

The works contracted by virtue of this agreement did not involve any additional payments by the Concession Company to the MOP, for supervision, administration or control of the Concession Company.

The performance bonds referred to in articles 1.8.1.1 and 1.8.1.2 of the Terms and Conditions of the Tender will be fully applicable to the obligations of the Concession Company under this Complementary Agreement.

The agreement contemplates that the MOP may demand from the Concession Company, for reasons of public interest and urgency as set forth in article 69 No. 4 of the Regulations, to modify the contracted works and services, with a view to improving and/or building incoming and outgoing tunnel connections in the southern area of the project, specifically the widening of Avenida El Cerro with a bridge over the Mapocho River that connects opposite Nueva Tajamar street, as well as structures and road works for the connection to the Lo Saldes bridge and Costanera Norte, or equivalent works.

b) Modifications to the concession contract by way of MOP Statutory Decree No. 514

The concession contract for the public works known as "Variante Vespucio-El Salto-Kennedy" was amended by Statutory Decree 514 of the Ministry of Public Works of July 29, 2008, published on the Official Gazette of November 14, 2008. This amendment set forth an operating plan for the work consisting of four stages, the main aspects of which are described below:

Stage 1: It considered two Operating Phases starting from the date on which provisional Placement into Service of the entire works was authorized (July 4, 2008):

Phase 1.A: This phase contemplated opening the tunnel for South-North traffic, with two lanes and restricted hours from 7:30 a.m. to 10:00 a.m. and 5:00 p.m. to 9:00 p.m.

Scheduled start date: Starting from the date on which provisional Placement into Service of the entire work was authorized (July 4, 2008).

Scheduled completion date: One week after the start.

Phase 1.B: This phase considered opening the tunnel for South-North traffic, with two lanes and no time restrictions.

Stage 2: It contemplated operating the works with two-way traffic and the following restrictions:

Scheduled start date: August 15, 2008.

Scheduled end date: September 30, 2008.

The start of this stage (and end of the previous one) was subject to enabling the Improvement to the northwest turn at the exit of the tunnel on Av. El Cerro with Av. Los Conquistadores, which works forms part of the project known as "Ensanche of Av. El Cerro y Puente sobre el Río Mapocho".

Tunnel for South-North traffic: No time restrictions, two lanes.

Tunnel for North-South traffic: From Monday to Friday from 7:30 a.m. to 10:00 p. m., and from 5:00 p.m. to 9:00 p.m.; other days with no time restrictions.

Stage 3: It considered two operating phases:

Phase 3.A:

Scheduled start date: September 30, 2008.

Scheduled end date: October 10, 2008.

The start of this phase was subject to enabling the project works known as "Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho".

This Phase considered operating both tunnels with the same time and lane restrictions as in Stage 2, but including the enablement of the widening of two lanes of Av. El Cerro in both directions, between Av. Los Conquistadores and Av. Santa Maria, together with the operation of three lanes of the East Bridge over the River Mapocho and the northwest turn-off enabled in Stage 2 above.

Phase 3.B:

Scheduled start date: October 10, 2008

Scheduled end date: March, 2009.

This Phase contemplated operating both tunnels without any time restriction.

Complementary road works: It considers the widening of two lanes of Av. El Cerro in both directions, from Av. Los Conquistadores to Av. Santa Maria, together with the operation of three lanes of the East Bridge over the River Mapocho and the northwest turn-off enabled in Stage 2 above.

Stage 4:

Actual start date: From March 7, 2009.

This Stage contemplated unrestricted operation of the works under concession.

In other provisions contained in the aforesaid Statutory Decree 514, it is worthwhile to highlight the following:

- None of the other deadlines or obligations of the concession contract are amended, with the Concession Company having to fulfill in time and form each and every one of the obligations set forth in the concession contract.
- The economic and financial effects of the above amendments on the economic balance of the concession contract will be addressed in the agreement to be entered into by the parties, which at December 31, 2009 was still under preparation.
- A maximum of 12 months from the date of this decree was set forth in order for the parties to the concession contract to agree to applicable compensations and other regulations.

On July 3, 2009, the Ministry of Public Works granted the final Placement into Service by means of (Exempt) Resolution 2443 of the General Public Works Department, starting at 00:00 hours of July 4, 2009.

c) Ad Referendum Agreement No. 1

This agreement, approved by Statutory Decree No. 236 of the Ministry of Public Works, issued on August 25, 2009, and reviewed by the Contraloría General de la República on November 4, 2009, modified the following main aspects of the concession contract:

- Performance of the project works known as “Conexión Lo Saltes Fase 1 Versión 2”, was approved, according to a project submitted to the Concession Company and declared to be in the public interest by the MOP via DGOP Resolution 5257 of December 16, 2008.
- UF 30,916.78 was set as the single, total amount to be paid by the MOP to the Concession Company as compensation for the investments and disbursements associated with the characteristics of the works and services referred to in DGOP Resolution 5257. This calculation considered values updated at June 30, 2009.
- It set December 31, 2009 as the deadline for paying the aforesaid amount, authorizing accrual of interest as of July 1, 2009 to the date of actual payment. This payment was received in full by the Concession Company on the contemplated date.
- For VAT purposes, the same treatment contemplated in article 1.12.3 of the Terms and Conditions of the Tender shall operate.

d) Complementary Agreement No. 2

This agreement, approved via Statutory Decree 237 of the Ministry of Public Works, issued on August 25, 2009, and reviewed by the Contraloría General de la República on December 17, 2009, modified the following main aspects of the concession contract:

- It authorized execution of the complementary road works project known as “Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho”, consisting of the following:
 - a) Widening of Av. El Cerro to two lanes per direction, a 2.5-meter wide central division and 3.0 meter-wide lanes on each side.

- b) Grade modification at the intersections of Av. El Cerro with Los Conquistadores, Santa Maria and Andrés Bello.
- c) Construction of the “El Cerro I” Bridge over the Mapocho River, approximately 52 meters long and with three lanes.
- d) Landscaping, Lighting, Traffic Lights and Utility Change projects.
 - It set a final, total price for the aforesaid project works in the amount of UF 192,920, without considering the cost of the utility changes.
 - UF 70,002.76 was set as the final, total value of the Utility Changes required by the aforesaid project.
 - Interest in the amount of UF 15,712.00 was recognized and added to the above values for the investments already made by the Concession Company, price-level restated at June 30, 2009.
 - UF 2087.95 was set as the balance of the amount of the Complementary Road works set forth in article 1.9.2.18 of the Terms and Conditions of the Tender. This amount was deducted from those specified in the previous paragraphs.
 - It set forth that the maintenance, conservation and operation of the complementary project road works known as “Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho” will not be charged to the Concession Company and the Concession Company will not be liable for them.
 - It set December 31, 2009 as the deadline for paying the above amounts, authorizing accrual of interest as of July 1, 2009 to the date of actual payment. This payment was received in full by the Concession Company on December 31, 2009.
 - For VAT purposes, the same treatment set forth in article 1.12.3 of the Terms and Conditions of the Tender shall be applied.

e) Ad Referendum Agreement No. 2

This agreement was approved via Statutory Decree 288 of the Ministry of Public Works, issued on November 18, 2009 and published on the Official Gazette of April 8, 2010. The most important aspects of the Agreement are the following:

1. This project's works are incorporated into the Concession regime.
2. The Concession Company must execute all the works and activities established by DGOP (Exempt) Resolution No. 4,760 dated November 4, 2009, known as "Conexiones Lo Saltes" Project for a total approved cost of UF 420,143.32. The details of the works and activities including the related approved costs are the following:
 - a) Construction of all of the project works known as “Conexiones a los Túneles del Sector Sur – Fase I” which were not provided for in DGOP (Exempt) Resolution 5257 of 12.16.2008, which is contained in Statutory Decree 133 of March 06, 2009. The cost of these works was set at UF 288,754.93 (amount modified in Resolution No. 3319 to UF 294,027.33). It is left on record that this amount includes the costs for the concept of Traffic Management System.
 - b) Administration and inspection activities incurred by the Concession Company in order to fulfill its proposed Quality Plan. The cost of these activities was set at UF 8,698.77.
 - c) Conservation, maintenance, operation and exploitation of the additional works. A cost of UF 101,989.62 was set for entire remaining concession period.
 - d) Changes in Utilities involved in the project works. The cost of this item was set at UF 2,500.00. The State Inspector must approve a pro forma value submitted by the Concession Company to this end.

- e) Contracting all of the additional insurance for the project, the cost of which was set at UF 2,500.00. The State Inspector must approve a pro forma value submitted by the Concession Company to this end.
 - f) Taking the Performance Bonds required for this project for which a maximum cost of UF 3,700.00 was set. The State Inspector must approve pro forma value submitted by the Concession Company to this end.
 - g) Execution of the project's Landscaping and Irrigation works called "Conexiones a los Túneles del Sector Sur – Fase I", for which purpose a maximum of UF 12,000.00 was set (this amount was modified by Resolution No. 3319, to UF 11,966.63). The Concession Company must submit a budget for this project to the State Inspector for approval, within 75 days from the final processing of this Resolution. Once the budget has been approved, the works must be carried out within 120 days. The State Inspector must approve the values submitted by the Concession Company to that end.
3. A methodology for accounting all new investments is agreed. This includes the application of interest rates to calculate the restated amounts of the investments made. Two periods are identified: the period from the date of execution of investments to the beginning of the life of this agreement; and the period from the date of entry into force of this agreement to the approval of these investments by the State Inspector. For the first of the aforementioned periods, the interest rate is 360 day TAB UF plus 0.27% of spread on a monthly basis; and for the second period, a real monthly compound interest rate equivalent to a real annual rate of 4.8%.
 4. It is established that the payments to be made by the MOP will only be recognized by the issuance of DGOP Resolutions in accordance with the progress of the investments made by the Concession Company, after approval by the State Inspector.
 5. It is defined that the compensations for the investments established by DGOP (Exempt) Resolution No. 4,760 will be paid by the MOP in 3 installments: i) the first installment for UF 120,000 will be paid on March 31, 2011; ii) the second one for UF 120,000, on March 30, 2012; and iii) the third one for the difference between total investments and the respective adjustments for restatement of amounts, less the previous two installments, on March 29, 2013.
 6. The Resolution establishes and identifies amounts for each remaining year of concession in unidades de fomento for the payment of activities of conservation, maintenance and operation identified in letter b) of number 2 in this title, and the date of payment, that is every June 30 in the equivalent amount in Chilean pesos, in accordance with the value of the UF on the date of the actual payment.
 7. It established that the VAT borne by the Concession Company for the aforementioned works and services will be treated in accordance with Article 1.12.3 of the Terms and Conditions of the Tender for such tax in relation to the rest of concession works.
 8. A maximum period of 15 months was established for the construction of all works in the project called "Conexiones Lo Saldes". This period of time was extended by the Ministry of Public Works.
 9. Additionally, on November 22, 2012, the MOP, by way of the General Public Works Department, completed the formal processing of DGOP Resolution No. 3319, dated August 25, 2012, whereby, due to public interest and urgency reasons, the characteristics and services contemplated in the concession of the State-owned public works called "Concesión Variante Vespucio – El Salto – Kennedy", are modified per the following main terms:

- i. The new deadline for completing the construction of all of the works in the project called “Conexiones Lo Saltes” shall be 7 months, computed from the entire processing of this Resolution, thereby modifying the time period set in the first paragraph of No. 2 of the MOP’s Statutory Decree No. 288, dated November 18, 2009.
 - ii. It shall be the Concession Company’s duty and responsibility to make sure that at all times, all of the works contemplated in the project called “Conexiones Lo Saltes” be covered by civil liability insurance policies and catastrophic event policies, under the terms and conditions set forth in the Terms and Conditions of the Tender. The Concession Company must also make sure that all of the pending works in the aforesaid project, be guaranteed by way of construction bank bonds throughout the term of construction plus three months. The aforesaid bank bonds must comply with the same requirements set in place in the Terms and Conditions of the Tender.
 - iii. The total and final lump sum amount agreed for the concept of construction of all of the works in the project called “Conexiones a los Túneles del Sector Sur – Fase I” provided for through DGOP (Exempt) Resolution No. 4760, is set in the amount of UF 294,027.33 net of VAT.
 - iv. The total and final lump sum amount agreed for the concept of administrative and inspection expenses incurred and as may be incurred by the Concession Company in order to complete the Quality Plan attached to its letter TSC/GGE/09/0004805/MOP, is set in the amount of UF 12,427.04 net of VAT. This amount shall be computed as follows: a) UF 12,088.90 as per the procedure set forth in number 2.4.2 of the Ad Referendum Agreement No. 2 (per degree of progress); and b) UF 338.14 shall be computed on the last day of April 2011.
 - v. The maximum amount to be recognized by the MOP for the concept of execution of the Landscaping and Irrigation project of the works called “Conexiones a los Túneles del Sector Sur – Fase I” and the execution of the works in said project is set in the amount of UF 11,966.63, net of VAT.
 - vi. By virtue of what has been stated in the preceding paragraphs, the maximum price as may be reached by the execution of the entire works in the project called “Conexiones Lo Saltes” is set in the amount of UF 429,110.62 net of VAT.
 - vii. It is established that the MOP must issue a Statutory Decree that contains the characteristics of the works and services encompassed in this Resolution, within 30 days from the date on which the formal processing of the same is completed.
10. On December 16, 2012, the Ministry of Public Works, by way of a document signed by the Minister of Public Works, started the official processing of Statutory Decree No. 430, which was published on the Official Gazette on April 19, 2013. In broad terms this Decree ratifies what is set forth in DGOP Resolution No. 3319, referred to in the preceding letter.
 11. Up to this date, the MOP had issued 19 Resolutions approving works to be executed by this Concession Company in the total amount of UF 320,552.69.

f) Ad referendum agreement No. 3

This Agreement was approved by way of Statutory Decree No. 390 of the Ministry of Public Works, issued on November 10, 2010, and published on the Official Gazette on January 14, 2011. The main aspects of this legal document are the following:

It is established that MOP Statutory Decree No. 514 (detailed in letter b) of this number) and DGOP Resolution (E) No. 2304, among other annexed documents, form an integral part of this agreement.

It is agreed that the MOP shall pay Sociedad Concesionaria Túnel San Cristóbal S.A., a compensation for the loss of revenues (net of costs not incurred) derived from the partial operation by stages of the State-owned public Works called "Concesión Variante Vespucio – El Salto – Kennedy", pursuant to what is set forth in MOP Statutory Decree No. 514 and DGOP Resolution (E) No. 2304. The effective period of time goes from the authorization of the Provisional Placement into Service, which occurred on July 4 2008, with the partial opening of the works, until March 6, 2009, bearing in mind that the entire unrestricted operation of both tunnels was authorized on March 7, 2009.

In order to calculate that indemnity payment, the revenues received since April 1, 2009 until September 30, 2011, will be taken into consideration. This data will generate a curve that will reflect the appropriate growth of those revenues. This trend must incorporate the following effects: i) annual adjustment of the tariffs by 3.5% as from the year after the partial placement into service of the concession; ii) annual indexation as per the CPI variation, in accordance with article 1.14.5 of the Tender Terms; and iii) application of base tariff, peak tariff and/or saturation tariff. In an analogous manner, the monthly costs and expenses for the same aforementioned period will be processed, resulting in a curve that will reflect the trend of these costs and expenses.

The trend curves of both income and of costs and expenses determined as per what has been described above will be adjusted by way of the minimum ordinary squares method. These adjusted curves will be used to extrapolate (retrospectively) the revenues, costs and expenses of the analyzed period.

This way, the difference between the extrapolated revenues for the period from July 4, 2008 through March 6, 2009, both dates inclusive, and those recorded during that period of time, will determine the Concession Company's unearned revenues. The same procedure will be applied to the costs and expenses, which will be extrapolated for the aforesaid periods of time and their difference with the actual costs and expenses will determine the costs and expenses not incurred into by the Concession Company for the effect of the partial operation of the Works by stages.

The compensation for loss of revenues will be, consequently, the value resulting from the unearned revenues and costs and expenses not incurred into by the Concession Company.

Nevertheless, the calculation will also incorporate the Ramp-Up effect (i.e. the period of time required to reach the trendy curve of growth of revenues, once the works have been placed into service), both for the initial months of partial operation by stages and per stage of the tunnels, and for the initial months of unrestricted operations of the public Works, with a limit of 6 months' time in each case. An expert investigation will determine the economic effects of the Ramp-Up, with this being negative, reducing the compensation for loss of income in the initial months of partial operation by stages and for stages of the tunnels; and positive, incrementing the compensation for loss of income in the first months of unrestricted operation of the State-owned public Works.

The entire calculation procedure will be analyzed, verified and calculated by means of an expert analysis to be conducted by a firm of external auditors from September 2011 through March 2012. The loss of revenues, net of costs and operating expenses not incurred derived from the partial operation by stages of the public works as may be determined on a monthly basis by the expert analysis, will be updated at the last business day of the month of June 2012, by way of the application of real monthly rates the mechanism of which is set in the agreement. The total cost of the expert analysis to be performed by the firm of external auditors will be borne entirely by the Concession Company, and the MOP will refund the Concession Company 50% of that cost.

On an preliminary basis the MOP will pay the Concession Company a total amount of UF 85,000 until the final figures are known (March 2012). The difference between the aforesaid preliminary payment and the amount of the actual compensation determined, must be paid by the appropriate party on the last business day of the month of June 2012. The preliminary amount, i.e. UF 85,000, was paid by the MOP to this Concession Company on January 19, 2011.

Any delay by the MOP in the payment or by the Concession Company, is subject to a daily real interest of 0.0198% from the stipulated date and the date of actual payment.

On June 26, 2012, by way of Ordinary Official Letter No. 1257/12, the State Inspector approved of the Expert Investigation referred to in the second paragraph above, whereby it was established that an amount of UF 3,721 should be paid to Sociedad Concesionaria Túnel San Cristóbal S.A. This amount was paid by the MOP to this Company on November 21, 2012, figure that additionally incorporated UF 100.94 for the concept of interest for the delayed payment.

26. EVENTS OCCURRED SUBSEQUENTLY TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

On February 7, 2019, company Infraestructura Alpha SpA, which is controlled by the fund called Frontal Trust Infraestructura Alpha Fondo de Inversión, has acquired a total of 3,019,908,843 shares in company Brookfield Americas Infrastructure Holdings Chile I S.A., which corresponds to 33% of the company's stock. This is the parent company of the holding which Sociedad Concesionaria Túnel San Cristóbal S.A. is part of.

No occurrences have taken place since January 1, 2019 and the date of presentation hereof, that could materially affect in an adverse manner the interpretation of the same.

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FINANCIAL ANALYSIS

2018
ANNUAL REPORT



EXPLANATORY ANALYSIS OF THE FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

AS OF DECEMBER 31 2018 AND DECEMBER 31, 2017
(Amounts in thousands of Chilean pesos)

1.- STATEMENT OF FINANCIAL POSITION

The balances of the main groups in the classified statement of financial position, for the periods ended as of December 31 2018 and 2017, are the following:

Items	12-31-18 ThCL\$	12-31-17 ThCL\$
<u>Assets</u>		
Current	4,910,911	10,616,387
Noncurrent	58,450,511	59,352,364
Total Assets	63,361,422	69,968,751
<u>Liabilities</u>		
Current	4,165,456	1,816,469
Noncurrent	85,661,426	93,487,011
Equity	-26,465,460	-25,334,729
Total Liabilities and Equity	63,361,422	69,968,751

Assets

The chart above shows a decrease in total assets in the amount of ThCL\$ 6,607,329, mainly due to:

- i) A decrease in the amount of ThCL\$ 5,403,343 mainly originated in the activities of operation, investment and financing, recorded in "Cash and cash equivalents" and in "Other current financial assets". The foregoing as a consequence of cash release for discharging covenants required under its financing contract during year 2018, with which payment of a subordinated debt with a shareholder was made;
- ii) A decrease of ThCL\$ 312,137 in "Trade debtors and other accounts receivable" originated in the collection made during 2018 from the Ministry of Public works in the amount of ThCL\$ 1,055,093 which remained receivable since 2017. Additionally, the item also grew due to an increment in transactions (vehicles passing under the tunnel's gantry) and for the raise in the tariffs in accordance with the tender's terms and conditions, in the amount of ThCL\$ 734,069;
- iii) A decrease of ThCL\$ 1,973,070 in "Intangible assets other than goodwill" due to the annual amortization of intangible assets; and
- iv) An increase in the amount of ThCL\$ 1,059,814 in "Tax assets". This is due to an increment of ThCL\$ 1,017,066 in deferred taxes and ThCL\$ 42,748 in Current assets versus the balances kept as of December 31, 2017.

Liabilities

Total liabilities show a decrease in the amount of ThCL\$ 5,476,598, mainly due to:

- i) a decrease in the amount of ThCL\$ 6,324,183 in "accounts payable to related entities, current and noncurrent" due to a payment made in the amount of ThCL\$ 9,070,000 in connection with the subordinate debt kept with the shareholder, despite the new accrued interest and the indexation due to the UF variation of this debt, in the amount of ThCL\$ 2,745,817;

ii) increase in the amount of ThCL\$ 693,828 in Financial liabilities due to new accrued interest, plus indexation due to the UF variation of the bank loan kept with Banco Itaú Corpbanca; and
 iii) an increase of ThCL\$ 155,745 in the provision for maintenance of the tunnel, as per the projections for this expense. Also “Trade creditors and other accounts payable” rose in the amount of ThCL\$ 50,582, mainly due to the renewal of insurance policies.

Equity

Equity shows a negative amount, mainly due to the adjustments made for the first adoption of the International Financial Reporting Standards (IFRS), in year 2010 that represented a loss in the total amount of ThCL\$ 10,217,230. This adjustment is presented in “Accumulated Losses”.

As of December 31, 2018, the results were a loss in the amount of ThCL\$ 1.130.731, that increments the negative amount of equity.

The main financial indicators for years 2018 and 2017, are the following:

Indicators in the Statement of Financial Position	12-31-18	12-31-17
<u>Liquidity</u>		
Current liquidity	1.18	5.84
Acid ratio	1.18	5.84
<u>Indebtedness</u>		
Indebtedness ratio	N/A	N/A
Short-term debt/total debt	0.05	0.02
Long-term debt/total debt	0.95	0.98
Financial expense hedge (1)	0.57	0.87
(1) The effect of the variation in the unidad de fomento or the exchange rate differences have not been considered as higher or lower financial costs.		
N/A: Not Applicable (Negative equity).		

Both the liquidity index and the acid ratio showed that the Company has sufficient resources to discharge its short-term obligations.

Indebtedness is for the most part with banks and on a long-term basis (95%); only the short-term portion of the credit with Itaú CorpBanca exists as a current financial liability.

2.- ANALYSIS OF THE RESULTS

As of December 31, 2018 and 2017, the figures corresponding to the main items in the profit and loss statement are the following:

Items	12-31-18 ThCL\$	12-31-17 ThCL\$
Ordinary Revenues	10,635,470	9,314,987
Gross Profit (Loss)	5,685,150	4,884,902
Administrative and Sales Expenses	-698,951	-649,360
Profit before interest, exchange rate differences, taxes, depreciations and amortizations.	6,982,631	7,469,579
Financial Costs, net	-4,604,054	-4,817,044
Differences in exchange rates and other indexation units	-2,536,670	-1,535,867
Income tax	1,014,447	296,382
Final Profit (Loss)	-1,130,731	-362,394

Gross Margin

Gross margin amounted to ThCL\$ 5,685,150 for year 2018 and ThCL\$ 4,884,902 for 2017. This implied an increase in the amount of ThCL\$ 800,248, explained by an increase in ordinary revenues and a decrease in the operating costs and expenses.

Ordinary revenues in year 2018 amounted to ThCL\$ 10,635,470, which represents a 14.2% increase versus the revenues in the amount of ThCL\$ 9,314,987 in year 2017, the main causes of which are the higher flow of vehicles in the tunnel and the indexation of the tariff. In terms of transactions (events of traffic of a vehicle recorded by the electronic toll systems at each gantry), as of December 31, 2018 there had been a total of 21,564,299 transactions, representing a 6.6% growth as compared to the same date in year 2017.

The operating costs and expenses in year 2018 grew at a rate of 11.7% versus the same period of 2017. The main causes of this increase include the fact that the amortization of the Public Works grew in the amount of ThCL\$ 211,533 from year 2017, because the amortization method employed is on the basis of Transactions, and the number of transactions grows each year. Also there were greater expenses in the amount of ThCL\$ 59,474, for the concept of collection management, as in year 2018 there was an increase from the previous year in invoicing and collections, which implied an increment in these costs. There was an increase in the amount of ThCL\$ 202,832 for higher costs in advisory services of engineering and infrastructure maintenance. Lastly, there was an increase in the amount of ThCL\$ 36,436 in the provision for bad debt.

Operating Results

Excluding the financial effects (interest, indexation and exchange rate differences), the income tax (current and deferred), the depreciation and amortizations, a lower profit in the amount of ThCL\$ 486,948 is observed, if we compare the accumulated results as of December 2018 in the amount of ThCL\$ 6,982,631 with the same period of year 2017 where the amount was ThCL\$ 7,469,579. This is mainly explained by the decrease in the amount of ThCL\$ 1,449,246 in in Other Revenues by function, as in 2017 the provision for maintenance of the tunnel was reassessed, a fact that do not occur in 2018. Lastly, the foregoing is supplemented with the increment in profits in the amount of ThCL\$ 962,298 as a result of growth in gross profit and the administrative and sales expenses, deducted from amortization and depreciation.

Final Loss

As of December 31, 2018, the final loss in the amount of ThCL\$ 1,130,731, compared with the loss in the same period of 2017, implies a negative variation in the amount of ThCL\$ 768,337. The main causes for this are the following: i) a rise in ordinary revenues in the amount of ThCL\$ 1,320,483; ii) a higher inflation relating to the price of the Unidad de Fomento (UF) in the amount of ThCL\$ 1,000,803, which resulted in a increment of liabilities (bank debt and subordinated debt with stockholders) which are denominated to that indexation unit; during 2018, the UF value grew at a rate of 2.9%, whereas the growth in 2017 was 1.7%; iii) a decrease in the amount of ThCL\$ 1,449,246 versus the previous year, due to the reassessment of the provision for maintenance of the tunnel in 2017; iv) an increase in the amount of ThCL\$ 718,065 due to a higher profit from deferred taxes; and v) an increase in the cost of sales in the amount of ThCL\$ 520,235, and lastly, a decrease in the financial costs in the amount of ThCL\$ 187,602 due to the repayment of part of the subordinated debt with shareholder, which has caused a reduction in the accrued interest.

Indicators of Profitability

The main indicators of profitability for the profit and loss statement as of December 31, 2018 and 2017 are the following:

Indicators in the Profit and Loss Statement	12-31-18 %	12-31-17 %
Profitability of equity	N/A	N/A
Profitability of assets	-1.78%	-0.52%
Return on dividends	0.00%	0.00%
Profit (loss) per share (\$ per share)	-\$ 198	-\$ 64
N/A: Not Applicable (Negative Equity).		

3.- CASH FLOWS

The main components of the net cash flow originated as of December 31, each year are the following:

Items	12-31-18 ThCL\$	12-31-17 ThCL\$
Net cash flow originating in operating activities	7,845,252	6,034,998
Collection from operation services	11,063,113	8,655,213
Payments to suppliers for the supply of goods and services	-2,948,833	-2,598,855
Payments to and on behalf of employees	-454,559	-416,642
Interest paid	0	-3,640
Interest received	143,387	197,998
Other inflows (outflows) of cash	42,144	200,924
Net cash flow from investment activities	-110,360	1,785,446
Amounts from the redemption of financial instruments	0	2,148,252
Purchase of property, plant and equipment	-33,078	-29,371
Payments for investment financial instruments	-77,282	-333,435
Net cash flow originating in financing activities	-13,138,235	-3,729,037
Repayment of loans	-895,798	-296,058
Interest paid	-3,172,437	-3,432,979
Interest paid to related entities	-9,070,000	0
Positive/(negative) cash flow	-5,403,343	4,091,407

Operating flows

As of December 31, 2018 an increase in the amount of ThCL\$ 1,810,254 versus year 2017 is observed. This mainly occurs due to the following causes: i) an increase in the revenue for rendering of services in the amount of ThCL\$ 2.249.120, mainly due an increase in the number of transactions and as a result of the indexation; and ii) higher payments to vendors, in the amount of ThCL\$ 349,978, mainly because in insurance was renewed in 2018, but in 2017 there was no renewal as their term is for periods longer than a year.

Investment flows

As of December 31, 2018, a decrease in the amount of ThCL\$ 1,895,806 is observed in comparison to year 2017. This variation is mainly explained by the fact that as of December 31, 2017 a redemption of investments in financial instruments with a maturity greater than 90 days, in the amount of ThCL\$ 1,892,009 was made. Such a redemption did not occur as of December 31, 2018.

Financing flows

During year 2018, just as in the previous year, there were payments, both in the first and second half of the year, of installments of the bank loan kept with bank Itaú Corpbanca. There is an increase amounting to ThCL\$ 339,198, mainly because the installments of principal of the loan are higher each year. Lastly, the subordinated debt with shareholders in the amount of ThCL\$ 9,070,000 began to be repaid during year 2018.

4.- ANALYSIS OF SIGNIFICANT VARIATIONS DURING THE PERIOD IN THE FIELD OF THE COMPANY'S BUSINESS

In the field of its operations, as of December 31, 2018 the Company recorded a 14.2% increase in its ordinary revenues, and in terms of toll transactions, these grew at a rate of 6.6% as compared to the same period of 2017, just as it was stated in number 2 of this document (Gross Margin).

5.- RISK ALLOCATION MECHANISM

The Company is not part of the risk allocation mechanism with the State, regardless of whether it is via Minimum Guaranteed Revenue or Exchange Rate Hedge.

6.- EXCHANGE RATE HEDGE MECHANISMS

Sociedad Concesionaria Túnel San Cristóbal S.A. currently has no rate hedge contracts, as its debt is denominated to domestic currency.