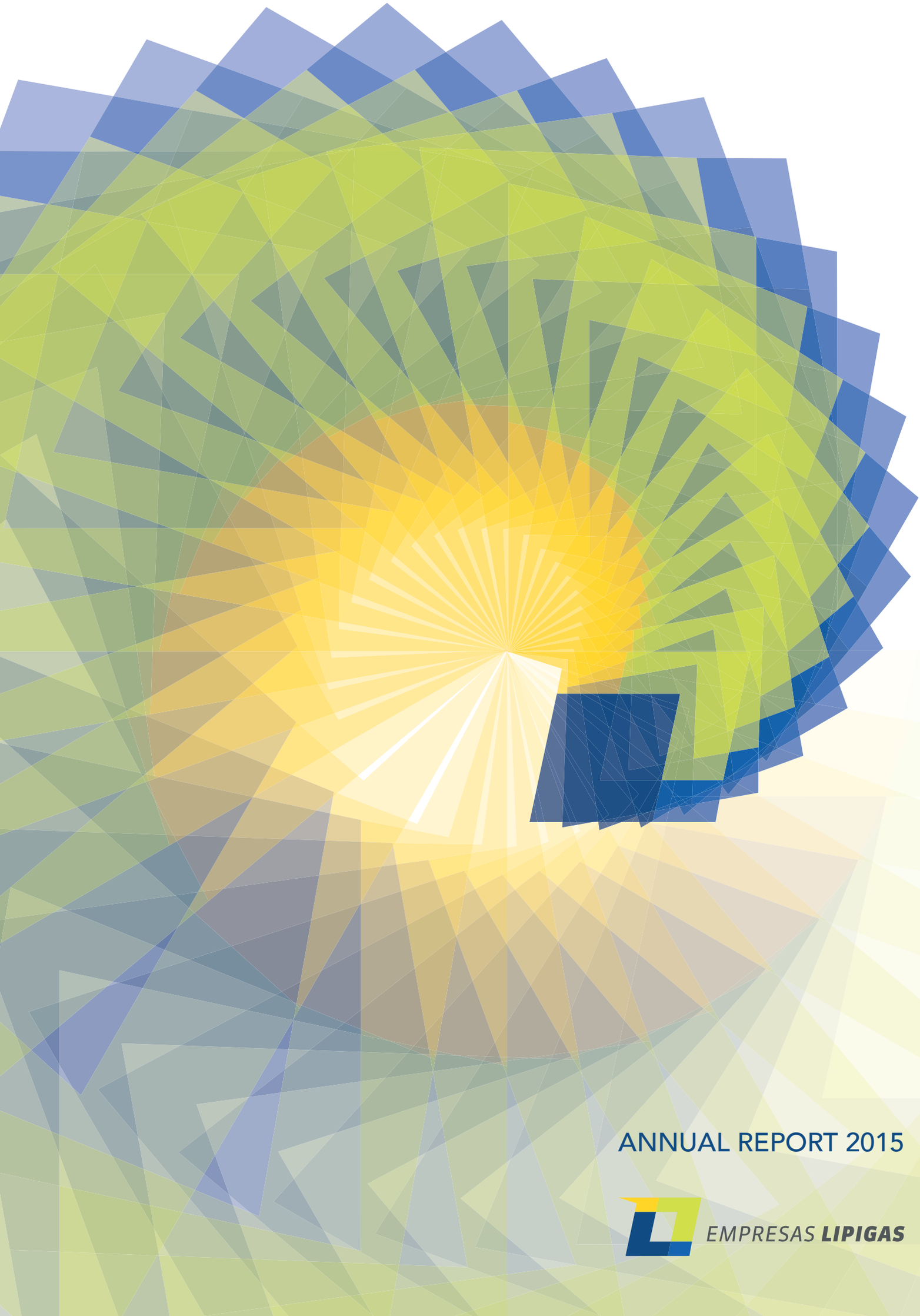

ANNUAL REPORT 2015

EMPRESAS **LIPIGAS**

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Letter from the Chairman of the Board

Dear Shareholders:

I am pleased to present the Annual Report and Financial Statements for the fiscal year ended December 2015.

This year was marked by important milestones that have allowed us to continue consolidating our Strategic Plan, confirming our aspiration to continue growing in a sustainable and consistent manner. The three countries where we operate show improvements in EBITDA generation and the operations in Colombia and Peru continue consolidating, already representing 17% of Empresas Lipigas.

Following I highlight the most relevant facts of this period.

I begin with the start-up of our facilities at the Quintero terminal, a fact that has allowed us to expand our supply alternatives, accessing seaborne raw materials thereby achieving greater competitiveness and independence. Since the arrival of the first ship in March, we have brought more than 230 thousand tons of liquefied gas into the country which is equivalent to 50% of Empresas Lipigas needs, fulfilling a major project which still has a large potential for development.

In April, the Company placed its first corporate bond, for an amount of UF 3.5 million (approximately USD 140 million). This issuance was aimed at refinancing short-term debt, which had been generated by the Company's investment plan, both for the maritime terminal, as well as the incursion in Colombia and Peru, and for a long term debt (25 years). The success of this operation was a strong signal of confidence from the local market on the Company's projection and our business.

In this same line, in July the Board of Directors approved a capital increase and the listing on the stock market, and management worked hard to prepare the company for this purpose, in addition to the road show in the local and international markets. Despite the fact that the IPO was declared void since it did not reach the price conditions predefined by the shareholders, we believe the process was valuable for management and the Board of Directors given the experience attained.

Another important fact was the notification during the July of the investigation initiated by Indecopi in Peru against 5 companies dedicated to bottling and distributing liquefied petroleum gas, including Lima Gas (owned by Lipigas since 2013), by an alleged price collusion between 2006 and 2011. From that moment, the Company initiated an investigation (with external support) to properly diagnose the situation and in parallel all internal processes were reviewed, reiterating among our officers and employees the need and importance of acting within the law and above all, under strict respect for the values that move us as a company.

In the area of people, we again achieved a prominent location (17°) in the Great Place to Work ranking in Chile, always with the purpose of fostering teamwork and a people-friendly work environment, thus improving the quality of life and comprehensive development of our collaborators, and extending towards their families. Added to this recognition is the excellent position (6°) in the Best Company for Working Fathers and Mothers Research ranking, large business category, which gives us new incentive to further promote the reconciliation of life and family inside our company, transferring this spirit also to our subsidiaries, which have begun to manage these matters of great importance for them.

We also had a process of collective bargaining with the Union in the Metropolitan Region, which was carried out with high-mindedness by participants in the process, which resulted in an anticipated closure of the agreement, with the conviction that good relations allow us to create an atmosphere of confidence and "win-win" results.

On the financial aspect, the results were very good, as you can see it in this report.

We want to continue making progress and sustainably grow in the countries where we have presence. We have the privilege of reaching 1 million 800 thousand households in Latin America, arriving with our products and willingness to provide them a better quality of life, through excellence in service and a clean and affordable fuel. We want to continue growing and expanding our network, bring the warmth of Lipigas to places that are most distant from the big cities, and proudly say "We are closer".

Juan Manuel Santa Cruz M.
Chairman of the Board

Maipu plant, Santiago, Chile

Our Company

Company Identification

Corporate name	:	Empresas Lipigas S.A.
Type of entity	:	Open stock corporation
Legal address	:	Apoquindo 5400, 15th floor, Las Condes, Santiago de Chile
RUT (Tax Identification)	:	96.928.510-K

Incorporation

The Company was incorporated in Santiago, Chile by a public deed dated August 9, 2000, before the notary public Mr. José Musalem Saffie. An extract of such deed is registered on page 21,484 N° 17,133 of the Santiago Registry of Commerce of the Santiago Real Estate Registrar and published in the Official Daily Newspaper on August 24 of that same year. Its corporate purpose is to invest, acquire, sell, manage, exploit and commercialize, at any title, on its own account or on behalf of others, all kinds of own or third-party property, movable or immovable, corporeal and incorporeal, and participate in all sorts of companies related to the line of business of import, export, storage, fractionation, commercialization, distribution and transport of liquefied petroleum gas (LPG) and all kinds of liquid and gaseous fuels.

Contact Information

Headquarters:	:	Apoquindo 5400, 15th Floor, Las Condes Santiago, Chile
Telephone	:	(56-2) 26503620
Website	:	www.lipigas.com

Investor relations

Marcelo Baladrón Manríquez
Corporate Finance Deputy Manager
E-mail: comunicacionesinversores@lipigas.cl
Telephone: (56-2) 26503620

Main foreign subsidiaries

Chilco Distribuidora de Gas y Energía S.A.S E.S.P
Carrera 21 #100-20, 9th Floor
Bogotá D.C. Colombia
Telephone (57-1) 6356005

Lima Gas S.A.
Calle A #149, Zona 7
Fundo Bocanegra, Callao, Peru
Telephone (51-1) 2159300

Our values | Our commitment

Vision

Be a relevant player in the distribution and commercialization of gas in Latin America, creating long-term value for our shareholders, employees, customers and the societies where we operate.

Mission

Be an energy company contributing to sustainable development, improving the quality of life, by commercializing gas in Latin America.

Values

Caring for people

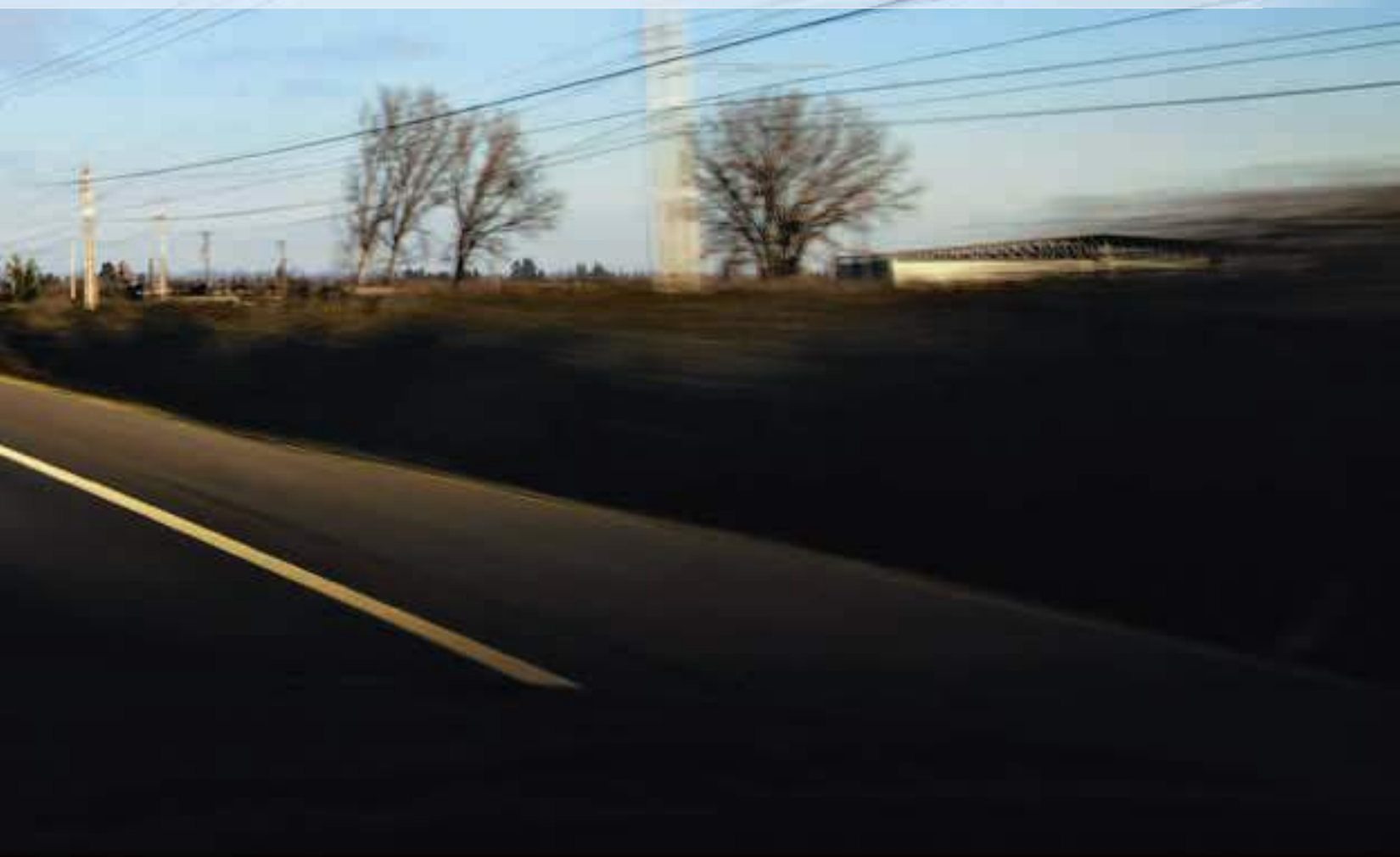
- We work to develop our operations under strict safety standards and care for the environment.
- We worry about contributing to the education of our employees, customers and community in the safe handling of the products we commercialize.

Respect

- Towards our customers, who give us the ability to exist as a company. We care about knowing and meeting their needs, delivering quality services and products, promptly, and fulfilling our commitments.
- Towards our network of collaborators, the engine of our activity. We build a challenging and motivating work environment, seeking excellence and team spirit, safeguarding the work environment and quality of life.
- Towards our shareholders, ensuring sustainable results for the company.

Transparency

- We develop our activity in an ethical manner, through open, reliable, and fair labor and trade relationships. We are responsible for our decisions and commitments, communicating them to the corresponding stakeholders.



Managing the values of Lipigas

Code of Ethics in subsidiaries

In addition to updating and disseminating the Code of Business Conduct and Good Practices of Lipigas in Chile, in 2014, the publication and dissemination of Codes of Ethics for Lima Gas and Chilco was incorporated during 2015. Both seek to align the ethical behavior of the members of the organization, promoting attitudes and practices in line with the values that the company has defined as fundamental to carry out its business.

Ethical standards workshop

As part of the actions Lipigas develops in Chile within the framework of the implementation of the Crime Prevention Model required by Chilean law N°20.393 on corporate criminal liability, an Ethical Standards Workshop was carried out during 2015 aimed at managers, deputy managers and heads of the Company. The purpose of this workshop, where 120 people participated, was to update content with respect to regulations, laws, and ethical values governing the company

History

2015 added important milestones to Lipigas' trajectory, a period during which highly relevant projects for the Company were materialized and that confirm its leadership in the liquefied gas industry.

Lipigas is born in the Valparaiso Region..

1950

Agrogas emerges from Agrícola O'Higgins in the VI Region.

1977

Owner family group sells 45% of the shares to the multi-national company Repsol.

2000

Regional origins in Chile

Consolidation

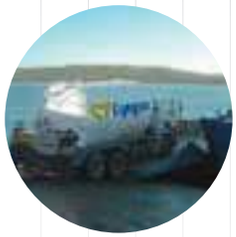
1959

Codigas is established in Santiago.

1975

Enagas is created, resulting from the merger of the distributors in Bio-Bio and La Araucanía.

1985



The Santa Cruz, Yaconi, Noguera, Vinagre and Ardizzoni families complete the acquisition process of these four regional companies.

International expansion and growth

2000-2004

Process that culminates in grouping the 4 brands under the name of Empresas Lipigas S.A., seeking the consolidation of its service quality, centralizing management and operating efficiency.

2010

Lipigas acquires 70% of Chilco in Colombia (remaining 30% is acquired in 2013).

2012

Repsol sells 45% ownership interest to LV Expansión, an investors' group.

2013

Lipigas acquires Lima Gas in Peru.

2014

The Company purchases Lidergas in Colombia.

2015

Registration in the Securities Registrar of the SVS (Chile) and issuance of first corporate bond (April).

Seaborne product import facilities begin operating (March).

Description of business environment

Empresas Lipigas S.A. is an international company with presence in Chile, Peru and Colombia, dedicated to the distribution and sale of gas, mainly focused on liquefied petroleum gas (LPG). In 2015 it commercialized more than 651 thousand tons of LPG, with a 4% variation regarding consolidated sales of the previous year.

Chile is the Company's main market, where it operates under the "Lipigas" brand with a 36.5% market share as of December 2015. With a trajectory of over 60 years in the country, its activity has historically been focused on the bottling, distribution and commercialization of LPG for residential, commercial, industrial and transportation customers. Additionally, since 2004 it supplies natural gas to 3,300 homes in the city of Calama (Antofagasta Region) and since 2014 liquefied natural gas (known with the acronym LNG) through trucks to industrial customers located in areas far away from networks and gas pipelines.

In Colombia the Company has been operating since 2010 through its subsidiary Chilco, distributing to residential, commercial and industrial customers. Its main brands are Gas País for bottled LPG and Lidergas for bulk LPG, covering 25 of 32 of the country's departments, and coverage representing approximately 85% of the population.

In Peru the Company operates since 2013 through the subsidiary, Lima Gas, a brand that is present in most of the country. Founded in 1961, this company provides a wide range of LPG-based solutions for household, commercial and industrial customers and for gas vehicle users, under its two brands: Lima Gas and Caserito.

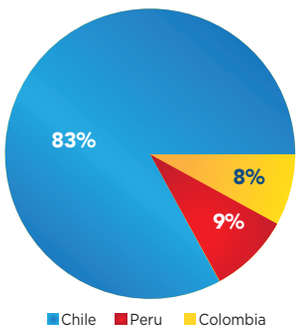
Through a binding agreement signed in November 2015 with Neogas Do Brazil Gas Natural compressed, Empresas Lipigas S.A began the acquisition process for 100% of its subsidiary Neogas Perú S.A., a company established in that country and dedicated to the distribution of the mentioned fuel for industrial customers and automotive supply stations. The Company took control of its operations in February 2016.

The commercialization and distribution of LPG is a highly competitive business in Chile, Colombia and Peru, mainly due to the availability of different substitutes and the participation of large actors in Chile and Colombia, where three companies have a market share of about 80 percent, and in Peru, where four companies concentrate more than 60% of the business.

In the three countries where the Company operates there is a favorable regulatory framework for investments and free pricing mechanisms, and the property of cylinders is also recognized, essential elements for developing an industry which requires high investments and compliance with strict quality standards regarding service and safety issues.

While revenue and EBITDA are strongly concentrated in Chile, Colombia and Peru represent 8% and 9% of the Company's total EBITDA, respectively. The expansion process carried out should result in long term diversification. In both countries, the strategy is to stabilize operations and consolidate a relevant position in the LPG market.

EBITDA BY COUNTRY



Our products

Empresas Lipigas commercializes and distributes clean, safe and efficient energy through the following products

- Liquefied Petroleum Gas (LPG)
- Natural Gas (NG)
- Liquefied Natural Gas (LNG)

LIQUEFIED PETROLEUM GAS (LPG)

Liquefied gas is a mixture of hydrocarbons consisting mainly of propane and butane, which traditionally has been extracted from oil refining (as a by-product). However, LPG can also be extracted from natural gas (through component separation process), this last option has become more competitive in recent years given the strong development of the shale gas industry in the United States, which has led to increased production of natural gas and therefore, LPG.

LPG is friendlier to the environment compared with other traditional fuels, turning it into an alternative energy source with low environmental impact due to its low emissions.

Thereby 62% of LPG world production currently comes from processing natural gas liquids, according to 2014 statistics from the World Liquefied Petroleum Gas Association (WLPGA).

Since it is possible to liquefy it at low pressure - reducing its volume in about 270 times, LPG can be stored and transported as a liquid in different types of containers, such as cylinders and tanks, so it does not depend on transmission networks or pipelines for distribution to customers. LPG remains in a liquid state while it is stored in cylinders or tanks until the moment of its use, when it becomes gas.

LPG stands out for its clean and efficient combustion; it does not emit particulate matter, it leaves no residue or sulfur products, it is lead-free and free of other contaminant products, being an alternative energy source of very low environmental impact, feature that gives great advantages over substitutes like coal, firewood and diesel. In addition, its high thermal performance and versatility provide an economic advantage over other fuels.

For these reasons, LPG is a pure, portable, accessible, and efficient energy source.

It should be mentioned that LPG is the only source of modern energy available to customers who do not have access to piped natural gas in many parts of Latin America.

The versatility of LPG allows bottling and distributing it in different formats, depending on the needs of the customer.

LPG is distributed and commercialized in three different formats:

Bottled in metal cylinders:	Is the most popular form of distribution. Cylinders vary in size, depending on customer needs, and can be delivered directly to the user.
Bulk:	LPG is transported by trucks to be pumped into tanks ("cylinders") located at the home of residential customers or on commercial and industrial premises.
Metered gas:	Allows customers to satisfy their needs of LPG through common ponds, which are replenished on a regular basis. The meter records the flow of gas supplied to each customer over a certain period and charged through a receipt or invoice, mailed to the customer's address or electronically.

LPG main uses

LPG is generally used in the following segments:

Residential
The main use of LPG is domestic, a proper solution to the needs of cooking food, heating and hot water in homes of all sizes. It can also be used in appliances that traditionally use other energy sources, such as air conditioning equipment, clothes dryers and heaters for swimming pools. LPG is supplied by connecting to a network of gauges, distribution in bulk in tanks or cylinders, and it can be used for an entire house or for each appliance individually.

Commercial
It allows supplying establishments requiring gas for its operation, such as bakeries, restaurants, hotels and hospitals, among others. Customers vary in size, from small installations of low consumption to large chains, using a network of meters as the distribution system, or gas in bulk or bottled in cylinders.

The versatility of LPG allows bottling and distributing it in different formats, depending on the needs of the customer.

Industrial

LPG is used as an energy source in different industrial processes, such as the firing of ceramics, manufacturing glass and plastics, metal castings and thermal treatment, heating for animal breeding, fish farms and greenhouses, food dehydration and drying processes, drying paints and generation of steam, among others. It is very appropriate in industries that require a rigorous temperature control and clean combustion.

Transportation

It is a highly efficient, safe, competitive and friendly alternative to the environment in its use as vehicle fuel. Besides emitting less contaminant into the atmosphere and generating low carbon dioxide (CO2) emissions, it allows significant savings in transportation costs compared to liquid fuels such as gasoline. The same applies in the case of boats that use gas as a power source, avoiding the contamination of waters where they circulate, as it may occur in the case of spills with the use of liquid fuels.

LPG advantages include its ability to reach remote locations and geographically difficult to access, providing clean and efficient energy.

NATURAL GAS (NG)

It is a mixture of gaseous hydrocarbons, composed mainly of methane (typically over 80%) and where also ethane, propane, pentane and butane can be found. It is a fossil energy located in the depths of the Earth, and it is called "natural" because it has not been subjected to any transformation process. It can be obtained from conventional or non- conventional wells, depending on the geological structure of the fields and the extraction technology.

Natural gas is distributed to customers through underground networks (pipelines). It has several applications in homes, businesses, industries, as well as in power generation and as vehicle fuel. As LPG, natural gas reduces CO2 emissions, reducing the carbon footprint in the generation of energy compared with other fuels..

LIQUEFIED NATURAL GAS (LNG)

LNG is the same natural gas but submitted to a cooling process, at -160° C, to transform it to a liquid state and thus reduce its volume in about 600 times, allowing maritime transportation from production centers to the destination markets. The product is received at regasification terminals (two operate in Chile, in the central and northern part of the country) where through a vaporization process it is again converted to gas, and then it is distributed by pipelines to different customer segments.

Gas can also be moved in liquid state from these plants, via ground transportation, to industrial customers who are distant from distribution networks and that feature satellite regasification plants (SRP). Specially equipped trucks are used that allow for a completely safe transfer of compressed product at high pressure and low temperature. The distribution of LNG using this technology is also an alternative for residential consumption, in the case of populated areas far from networks and gas pipelines.

LNG is an economically efficient, sustainable and clean option to cover the thermal and power generation needs of industries.

Although LPG is its main product, the Company also ventured into other markets such as natural gas and liquefied natural gas. From 2016, it will also do it with compressed natural gas in Peru.

Customers

Adding the three countries, Empresas Lipigas serves 1 million 800 thousand customers per year, between cylinder and bulk gas consumers, residential, commercial and industrial. Given the nature of the business, diversified into different channels, no individual customer for at least 10% of the Company's revenues.

Suppliers

The Company has an extensive network of suppliers of various goods and services, the main ones being those related to the purchase of raw material. The start of operations - in March 2015 — of Lipigas' facilities at the Quintero maritime terminal, in the Region of Valparaíso (Chile), enabled the Company to import around 235 thousand tons of LPG during the fiscal year, thereby gaining supply independence and the possibility of accessing the product directly, without intermediaries.

There are 5 suppliers that individually account for at least 10% of total purchases of goods and services, as of December 2015, adding the 3 countries: Enap and Trafigura, in Chile; Ecopetrol S.A, in Colombia; Pluspetrol Perú Corporation and Petróleos del Perú (Petroperú), in Peru.

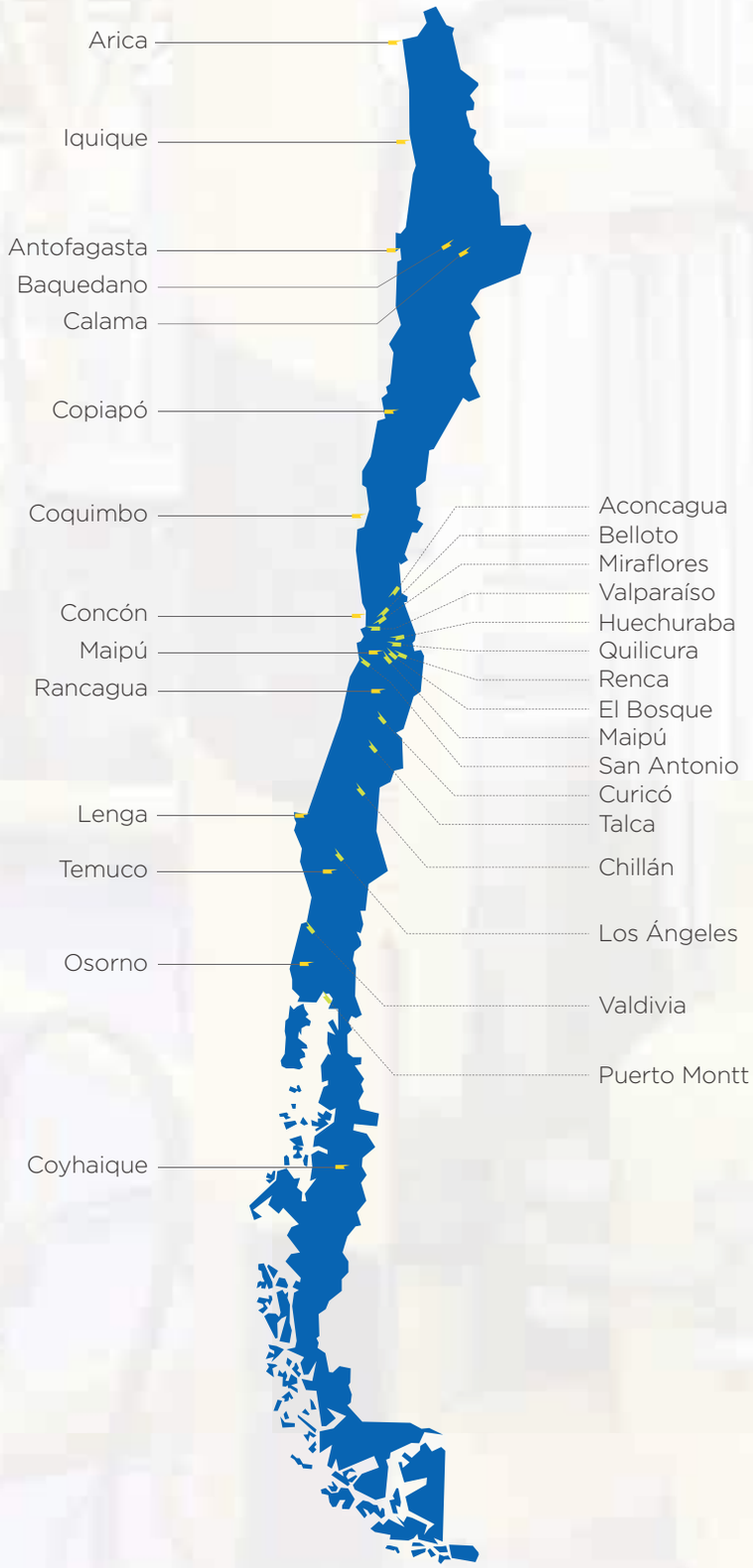
Empresas Lipigas is a leading Company in the distribution of LPG in the Andean Region, being the only one with presence in Chile, Colombia and Peru, three of the most attractive markets in Latin America.

Our plants and facilities

CHILE

14 storage and bottling plants

16 distribution and sales centers



COLOMBIA

16 storage and bottling plants

21 warehouses

PERÚ

8 storage and bottling plants

2 distribution and sales centers

Main assets

Lipigas has invested in property, plant and equipment to support its broad distribution network in Chile, which extends from Arica to Coyhaique. Resources have been mainly destined to cylinders, supply networks and production plants, highlighting among its principal investments the modern palletizing systems and automated production circuits.

Also, subsidiaries in Colombia and Peru have installations and equipment which consist mainly of cylinders, tanks, and production plants.

The following table details the Company's main assets for the operation in Chile, Colombia and Peru:

Cylinders	Containers used for the sale and distribution of bottled LPG. In the three countries they are owned by the Company, who is responsible for managing them according to current conditions and regulations in each country for the safe use by customers.
Tanks	Containers that the Company uses for LPG storage in plants and for distribution to customers who consume the product in bulk. They are the property of the Company that is responsible for handling them according to the conditions and safety regulations in force in each country. The delivery of these assets to clients is documented through bailment contracts signed by both parties.
Supply networks	Constructions performed at third-party facilities for the purpose of supplying LPG to customers.
Land	They are different types of land and properties that the Company owns in the three countries where it operates for the development of their activities, where plants, offices, distribution centers and warehouses are located.
Buildings and constructions	Construction of civil works of buildings and installations in own plants and distribution centers. **In Chile,** the main bottling and storage plants are located at: - Calle 2 Norte 200, Concón, Provincia de Valparaíso. - Calle Cerro Sombrero 401, Maipú, Santiago. **In Colombia,** the main bottling plants are located at: - Calle 18 A #50-98, Bogotá D.C - Bermejal Corregimiento de Mulaló, Yumbo (Valle) **In Peru,** the main bottling plants are located at: - Calle A 149 Zona 78, Fundo Bocanegra, Provincia Constitucional del Callao. - Urbanización Taparachi Mz, D Lote 15-D, Juliaca, Región de Puno.
Machinery and equipment	Assets used in the production and storage process of LPG in all three countries. In Chile they mainly include, the bottling carousels, pallet systems and equipment, network routing at the plant and emergency equipment. In Peru and Colombia, they correspond to bottling plant equipment and tanks.
Vehicles	These assets correspond to tanker trucks (bulk), bobtail trucks for gas transportation, bobtail trucks for cylinder transportation, cylinder delivery trucks in the subsidiaries in Colombia and Peru.
Goods under financial lease	In Chile, it corresponds to facilities for the reception, storage and dispatch of LPG that is located in Oxiquim Maritime Terminal at the Quintero Bay. In the subsidiaries in Colombia and Peru, mainly transportation equipment, computers, communication equipment and machinery used at the Company's plants and facilities in those countries.

LPG market

The global LPG market has continued to grow in recent years. World production rose to 284 million tons in 2014, with an increase of 4.1% compared to the previous year, according to the latest report from the World LPG Association (WLPGA) published in December 2015.

The five largest producers are United States, Saudi Arabia, China, Russia and the United Arab Emirates, while the five biggest consumers are also United States, China and Saudi Arabia, followed by Japan and India.

According to the same source, households continue to lead the global demand, with 44%, mainly for cooking, heating and water heating, significantly spreading in emerging countries: eight of the ten largest national markets are in the developing world. Notwithstanding the foregoing, LPG applications in various other areas of the world economy presented a rising curve, i.e. petrochemical (28%), industrial (11%), transport (9%), refineries (7%) and agriculture (1%).

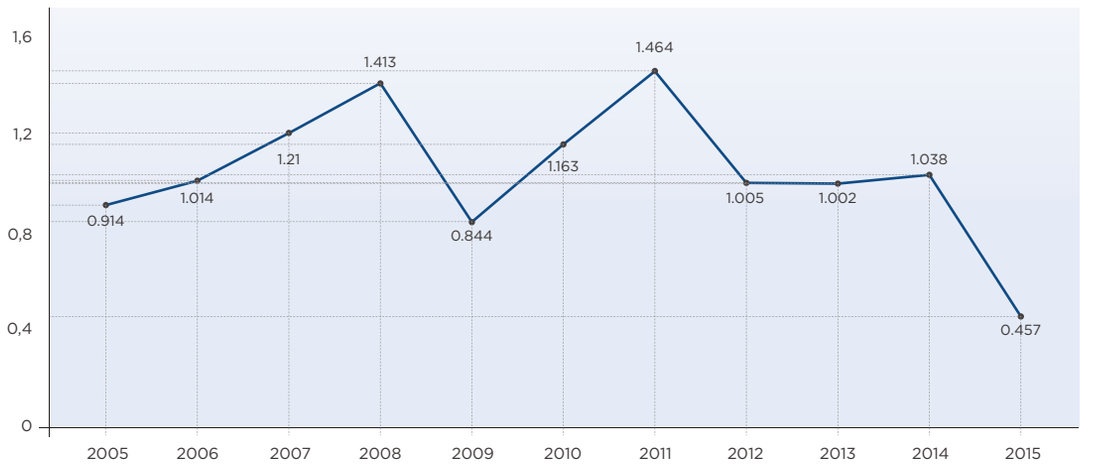
Currently, 62% of LPG world consumption derives from the extraction of natural gas and 38% from oil refining.

The rise of non-conventional exploitation of petroleum and natural gas (shale oil and shale gas) in the United States has increased the global availability of LPG -by 13.4% in 2014, according to WLPGA-, which has favored especially the importing countries of Latin America with lower prices

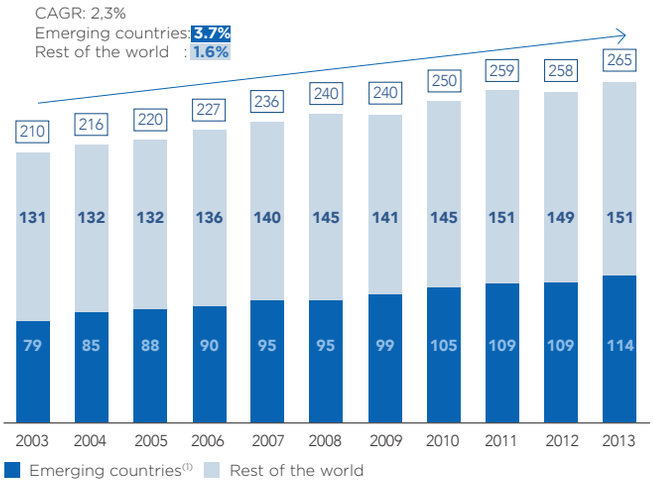
The Mont Belvieu market (United States Golf Coast) is the benchmark for the pricing of LPG in Latin America. In 2015 this indicator accumulated a 55.7% decrease.

MONT BELVIEU EVOLUTION 2005 - 2015

DOLLARS PER GALLON



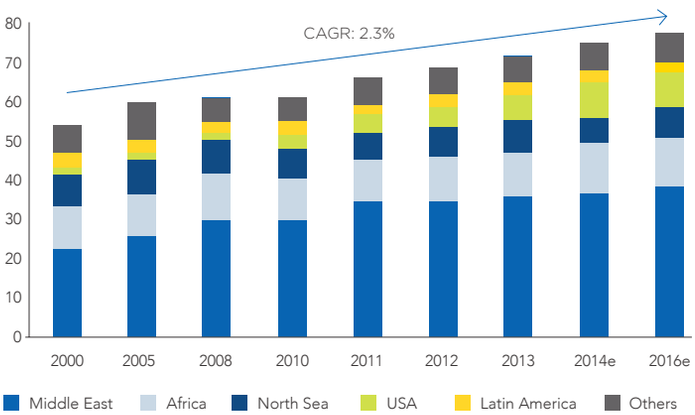
Worldwide LPG consumption evolution
(expressed in millions of tons)



Source: The Company and websites.

(1) Emerging countries: Brasil, Chile, Colombia, Mexico, Peru, India, Malaysia, Philippines, South Korea, Taiwan, Czech Republic, Hungary, Poland, Turkey, Egypt, Morroco, South Africa, Russia.

Largest worldwide LPG exporters
(expressed in millions of tons)



Source: The Company and websites.

Latin-American LPG consumption
(expressed in '000s tons per year)

Argentina	1,414
Brazil	7,390
Colombia	530
Costa Rica	114
Cuba	118
Chile	1,152
Ecuador	1,014
El Salvador	260
Guatemala	255
Mexico	8,628
Nicaragua	82
Panama	241
Peru	1,527
Puerto Rico	102
Rep. Dominican	790

Source: Empresas Lipigas S.A.

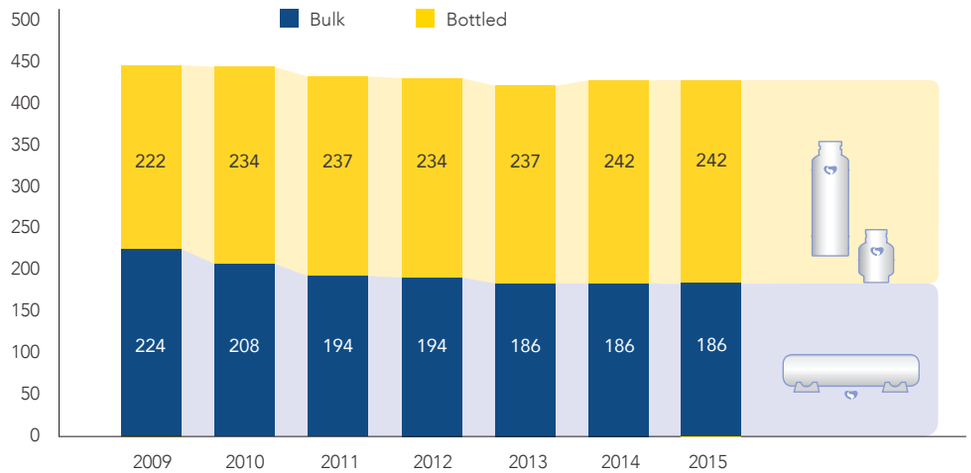
Operations in Chile

In Chile, Lipigas develops operations from the region of Arica and Parinacota in the northern end of the country to Aysén, in the South, covering practically the entire country (with the exception of the southern region of Magallanes, the only one that is self-sufficient in natural gas and has a subsidized price).

Through its network composed of more than 820 distributors, in 2015 the Company sold more than 428 thousand tons of LPG in the Chilean market, with a 0.1% variation over the previous year. Segment consumption remains stable, with more than 240 thousand tons for bottled has and more than 180 thousand tons of LPG distributed in bulk.

Lipigas Sales by Segment in Chile

(expressed in 000's tons)



Source: Empresas Lipigas S.A.

During this period Lipigas catered more than 1 million residential customers with LPG bottled in cylinders and more than 180,000 households with distribution by meter (through networks). Lipigas' operation considers an average daily delivery of approximately 55,000 cylinders, accounting for the high frequency contact kept with residential consumers, an asset that the Company cares about strengthening permanently through the highest service and attention standards.

In 2015 the Company catered more than 8,000 large customers, through the distribution of bulk LPG and liquefied natural gas (LNG). Lipigas entered the LNG business in 2014 after signing a fuel purchase agreement with ENAP, a fuel State company, for ground distribution by trucks to industries located far from areas covered by pipelines and natural gas networks. The fiscal year ended with 10 customers, characterized by the need for large amounts of energy for electricity generation and multiple production processes, allowing them to replace fuels like diesel and fuel oil. In every industrial establishment Lipigas built a satellite regasification plant (SRP), where the gas that comes in liquid state receives a heating process that returns it to its gaseous state to be used as such.

Lipigas bet is to become one of the major players in the market of industrial LNG in Chile, taking advantage of the knowledge, experience and its long relationship with industrial customers in the distribution of bulk LPG.

Empresas Lipigas has consolidated a model based on a high logistical capacity for distribution, delivering thousands of tons of gas per day. We are not only leaders in sales, also in the "delivery" of our products.

In this period for the development of its service, it used a fleet of 88 trucks for distribution of bulk LPG, 98 trucks for distribution of bottled gas to distributors and 424 vans for the direct distribution of cylinder gas.

In Chile, the Company has 14 storage and bottling plants, 12 of which are certified under OHSAS 18.001:2007 Health and Safety in the Workplace Management Systems, the most important international standard in this area. Additionally it has 16 distribution and sales centers across the country.

Distribution of natural gas

Beginning 2015 Lipigas has its own maritime terminal for the direct import of raw material, a milestone that strengthens its competitive position allowing more control over its supply sources.

In Chile, Lipigas also participates in the distribution of natural gas market through residential networks, since 2004, this activity satisfies the consumption of roughly 3,300 homes in the northern city of Calama, Antofagasta Region, for heating, hot water and cooking purposes.

To develop this service, the Company has a natural gas supply agreement with a local supplier expiring in 2024.

Market and industry

According to the statistics of Chile's Superintendence of Electricity and Fuel (SEC, for its acronym in Spanish), total LPG sales in the Chilean market exceed one million tons, more than 60% of which correspond to bottled gas and the rest to bulk.

In 2015, Lipigas reached a 36.5% market share as of year-end. It competes in this market with two large actors that also distribute from Arica to Coyhaique, such as Abastible S.A. and Gasco GLP S.A.

In this highly competitive scenario, it is important to mention that Lipigas is the leading actor in the market for distribution of bulk gas, attaining a market share of almost 40% as of December 2015.

Lipigas also participates in the business of distribution of vehicular gas. With 79 points of sale, the Company closed the year commercializing over 13 thousand tons of this fuel.

Supply

In Chile, imports represent 85% of global LPG supply, while 15% is internally produced by Empresa Nacional del Petróleo (ENAP).

Lipigas has a diversified supply chain for raw material, including direct seaborne imports from the United States, also from local wholesalers as Enap and Gasmar, and from the direct purchase of surplus LPG from Argentina and Peru (by trucks), especially in the Summer.

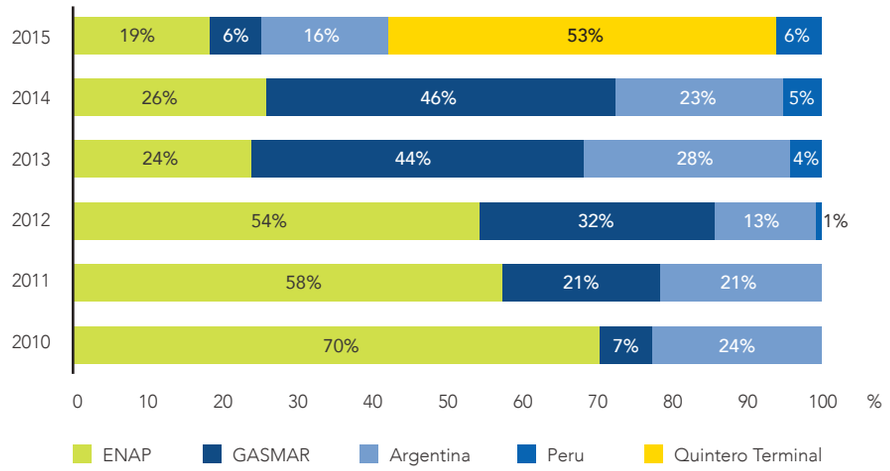
In March, 2015 the Company began seaborne imports of LPG, through its facilities located within the maritime terminal of Oxiquim S.A, under a long-term leasing contract (25-year extendable). This allows trading directly with LPG exporters and shipping companies, obtaining better economic conditions. This gave way to the creation of Trading of Gas SpA, a subsidiary of the Company, whose main activity is

the purchase, local and international sales and storage of liquefied gas, especially the management of facilities at the Quintero Bay.

LPG import facilities of Lipigas in Quintero have a storage capacity of 25,000 metric tons of refrigerated propane.

Regarding ground imports of LPG, Argentina represented 16% (versus 23% in 2014), while purchases from Peru remain similar: in 2015 they represented 6% of the Company's needs against 5% the previous year.

Lipgas - Supply mix evolution



Source: Empresas Lipigas S.A.

Projections

Lipigas estimates that bulk LPG consumption will increase in Chile, mainly because of its greater use in the vehicular and industrial sectors given its growing competitiveness regarding diesel oil and low environmental impact.

Regarding bottled product for residential use, LPG growth estimates are favorable especially because of the substitution of firewood- approximately 50% of residential energy consumed in the country comes from firewood- whose combustion is causing severe pollution problems from Santiago to the south of the country, since it is one of the main emitting sources of fine particulate matter (PM 2.5).

Prices

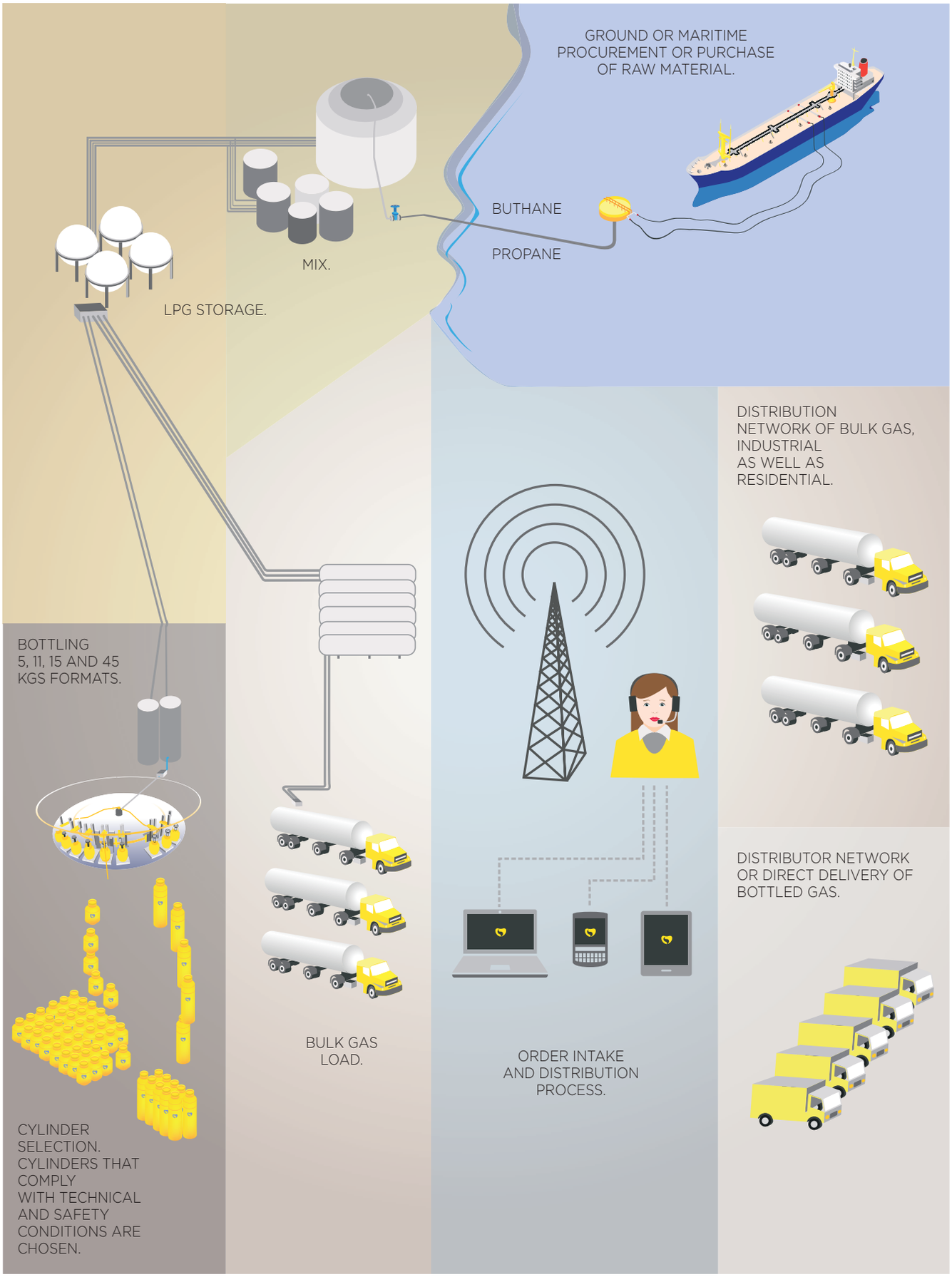
In Chile LPG prices are free. They are determined on the basis of the cost of purchase in the international market and these, in turn, are generated by a model built on the basis of the most likely average purchase cost on the international market, with multiple origin options.

LPG prices for the transport sector are related to the Fuel Price Stabilization Mechanism (Mepco for its acronym in Spanish) existing in the country that aims is to protect consumers from international fuel price fluctuations.

Regulatory framework

The LPG market in the Chile is regulated by the Superintendence of Electricity and Fuels (SEC for its acronym in Spanish), an agency under the Ministry of Energy, which aims to monitor and supervise compliance with laws, regulations and technical standards on the generation, production, storage, transport and distribution of liquid fuels, gas and electricity, as well as the concession decrees. In this context, the SEC ensures that the quality of services provided to users is the one required by these provisions, and that the operations and use of energy resources do not constitute danger for people or the environment.

LPG value chain



Operations in Colombia

In Colombia, where the Company is present since 2010, Lipigas operates through its subsidiary Chilco. Its main distributors are Gas País for bottled gas and Lidergas for bulk gas.

In 2015 the Company commercialized over 79 thousand tons of LPG in Colombia with an 8.9% variation compared to the previous year, within the context of a market that remains stable. It supplied over 366 thousand residential customers through the delivery of cylinders; over 112 thousand commercial customers with bottled product and some 795 with bulk gas. Lipigas ended the year in the industrial sector with 946 large customers.

The Company has 16 storage and bottling plants that during this period kept their ISO 9001-2008 (Quality Management System) Certification and Colombian Technical Regulation. In addition it has 21 warehouses located in different cities of the country.

It also has a network of 29 distributors within Colombia. During 2015, it used a fleet of 22 trucks for bulk gas and 365 vans for cylinders to develop its delivery service.

Among the milestones for the fiscal year, the Company achieved-through the joint work performed with the Colombian Companies of Propane Gas Union, Gasnova-the extension of the re-inspection term for cylinder and tanks from 5 to 10 years. Additionally the implementation of the SAP system began in order to improve administrative and client service processes.

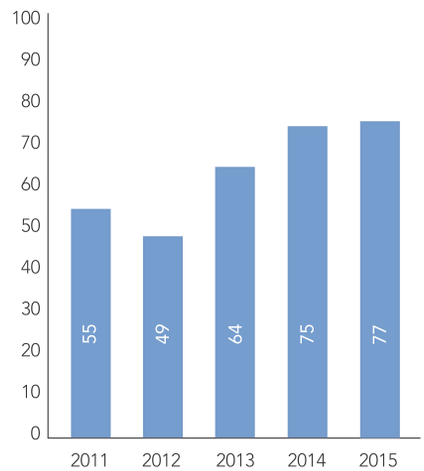
Market and industry

Chilco has gained market share by increasing its core business and acquiring companies, which has allowed going from 8.7% in 2012 to 13.9% in 2015.

Distribution of LPG in Colombia is a highly competitive business. Chilco is the third largest actor in the region, following the other to Chilean subsidiaries (Abastible and Gasco). Together, these three companies concentrate over 70% of the market, where other 45 local smaller companies participate.

Although liquefied gas in Colombia is considered a basic need, demand for it has been affected in the last years by a greater use of natural gas as fuel in the residential area. Yearly demand is of 14 kilos of LPG per capita, one of the lowest in Latin America.

Colombia:
Chilco - LPG sales evolution
(in '000 tons)



Source: Empresas Lipigas S.A.

Projections

Despite LPG's low penetration in Colombia, the Company considers that this type of fuel has an interesting growth opportunity, since most of its uses and applications have yet to be developed in the country. Particularly, the bet is to grow in the bulk gas market for large customers, taking advantage of its vast experience in the distribution of this product in the industrial sector in Chile, and develop the LPG automotive market once the regulation is approved.

Unlike Chile, Colombia is a country that produces a surplus of liquefied gas. Approximately 70% of the LPG commercialized and distributed by Chilco in this country is provided by the State company Empresa Colombiana de Petróleos S.A. (Ecopetrol). The Company purchases the remaining 30% from independent private producers.

With a stable organization, in 2015 Chilco drew up its strategic plan for the next 5 years, carried out with an external firm and the Management Committee, and with the approval of its Board of Directors.

Prices

Prices in Colombia prices are based on a tariff freedom system, but there is a maximum ceiling. LPG prices are adjusted monthly by a formula set by the Regulatory Energy and Gas Commission (CREG for its acronym in Spanish), a governmental entity responsible for regulating gas and electricity services in the country, which takes into account the values of the Mont Belvieu propane and butane, natural gas, as well as the Colombian peso/US dollar exchange rate.

Regulatory framework

The current scenario of the LPG market in Colombia results from the regulations established in 2009, aimed to have a sufficient energy supply, free competition and safety. The distribution of LPG is classified as a residential public service and the activity is regulated by the Regulatory Energy and Gas Commission (CREG), and supervised by the Superintendence for Residential Public Services (SSPD for its acronym in Spanish).

Operations in Peru

Empresas Lipigas has been in the Peruvian market since 2013, when it acquired Lima Gas, a Company dedicated to commercializing bottled and bulk LPG, under the brands Lima Gas and Caserito.

In 2015 Lima Gas sold over 144 thousand tons of LPG with a variation of 14.2% compared to the previous year. Of that volume, 51% represented LPG in cylinders and the remaining 49% represented bulk product.

Lima Gas has 8 bottling and storage plants and 2 distribution centers, providing an important logistic capacity to supply LPG to its customers. As of December 2015 the Company had a network composed of 410 distributors servicing over 543 thousand clients for the sale and distribution of LPG in cylinders. Meanwhile, Lima Gas supplies bulk LPG to over 1,000 customers.

Market and industry

In Latin America, Peru is the fourth largest market in LPG sales volume, with 1.6 million tons per year (according to official data) and a per capita consumption of 52 kilos. In recent years, domestic demand for the product has grown at rates exceeding 10% annually, mainly due to the dynamism of the Peruvian economy and strong development experienced by the business of vehicular LPG, a segment that already accounts for approximately 26% of the total consumption of gas in the country. Residential use continues leading the demand, with 42%, followed by the industrial sector, with 32% of the market.

At year-end 2015, the Company has a market share of 10.4%, being the fourth largest player in the industry after Repsol, Zeta Gas and Llama Gas. There are hundreds of other companies that bottle and sell LPG, giving account of the competitive scenario in which the business is conducted.

Supply

Peru produces most of the commercialized LPG. The Consorcio Camisea is the leading LPG producer in the country – it produces 80% of the total, while Petróleos del Peru S.A. (Petroperú) contributes 10.5%, according to data from the Peruvian Ministry of Energy and Mines.

Lipigas has access to all LPG suppliers and selects its supply sources based on logistical and price factors. In general, Pluspetrol sells gas to the central and south regions of the country, while the State company Petroperú produces and sells gas in the northern regions through its refinery in Talara. In 2015 the main supply source was Pluspetrol with 41%, Zeta Gas accounted for 29% of its requirements.

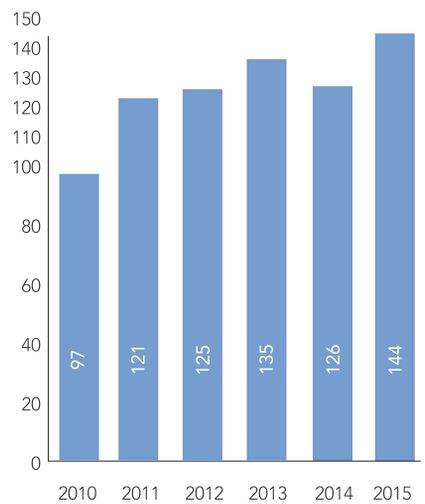
Projections

The bet of Lipigas in the Peruvian market aims mainly towards the growth of bulk LPG use, in replacement of fuels such as diesel and fuel oil, among others.

On the other hand, at the end of 2015, the Company announced the signing of a binding agreement with Neogas do Brazil Gas Natural Comprimido (Compressed Natural Gas - CNG) for the acquisition of 100% of the property of the subsidiary Neogas Perú, dedicated to the distribution of CNG to service stations and industries that supply the fuel for vehicles. This will allow Lipigas to expand its supply to industrial customers far from natural gas networks with an efficient and environmentally sustainable alternative, thereby increasing its presence and coverage in Peru.

Peru: Lima Gas LPG sales evolution

(in '000 tons)



Source: Empresas Lipigas S.A.

Prices

Price determination in Peru is governed by supply and demand (Hydrocarbons Law, Art. 77); however the Supervisory Body for Investment in Energy and Mining of Peru (Osinergmin for its acronym in Spanish) calculates and publishes weekly reference prices for liquid fuels.

Regulatory framework

According to the Hydrocarbons Organic Law, transport activities, distribution and commercialization of products derived from hydrocarbons are governed by the rules of the Peruvian Ministry of Energy and Mines (MEM), and the Osinergmin. The latter is the public institution responsible for regulating and supervising that the companies in the electricity, hydrocarbons and mining sectors meet the legal provisions of the activities performed.

Principal milestones 2015

Lipigas began operations at its own terminal at Quintero

After two years of construction and an investment of US $63 million, in March Lipigas began to operate its own LPG import and storage facilities in Chile, increasing competitiveness and independence to acquire the raw material on the international market through direct purchases, without intermediaries. Thus, in this period 53% of its LPG requirements are obtained in this way, positioning itself as the main supply source. Lipigas becomes the first company in the field in Chile to have a terminal for exclusive use for LPG imports.

Empresas Lipigas S.A. formalized its registration in Chile's Securities Registry

In February, Chile's Superintendence of Securities and Insurance (SVS) confirms the registration of Empresas Lipigas S.A. in the Securities Registry of that body after performing in 2014 all required activities for this purpose. This action allows the company to gain access to new sources of financing in order to support its growth projects and meet the challenges of a highly competitive market.

Lipigas completes its first placement of bonds in Chile

In April, the Company made its debut in the Chilean capital market after successfully completing its first placement of bonds for a total of UF 3.5 million (about US $140 million). The transaction reached a demand of 1.7 times the available offer and with the participation of a diversified basis of investors, such as pension funds and insurance companies, among others. With this bond placement, Lipigas consolidates the finance structure of its latest projects: the expansion of its operations to Colombia and Peru, the entrance to the liquefied natural gas (LNG) commercialization market and the construction of facilities for seaborne product imports.

Lipigas announces acquisition of Neogas Perú

In November, the Company announces the acquisition of 100% of Neogas Perú, a subsidiary of Neogas do Brazil GNC, for an amount of US$42 million. This company is dedicated to the distribution of natural gas mainly to industrial clients and also to service stations supplying this fuel for vehicles. In February 2016, Empresas Lipigas took control of the company, through Lima Gas.

Lipigas postpones its listing on the stock market and maintains its investment plan

In December, the Company's Board of Directors decided to postpone its listing on the stock market (in Chile) - originally scheduled for the end of 2015 - awaiting better market conditions. At the same time it announced that it will go ahead with its investment plan for US$500 million between 2016 and 2020 with other available funding sources.

Awards and recognitions

First place 2015 National Customer Satisfaction Award cylinder gas category.
Awarded by ProCalidad to the most valued brands by its customers, based on an annual research among consumers from different regions of Chile. Lipigas has always occupied a privileged place in the award of this recognition and in 2010, upon celebrating 10 years of this award; the Company was distinguished by its "consistency in service excellence". In the photograph, the Company's general manager, Angel Mafucci, and the commercial and logistics and operations managers, Alberto Orlandi and Morris Pesso, respectively, are receiving the award.

Lipigas among the best companies for working mothers and fathers.
This recognition represents the consolidation of the policy of conciliation of work and family implemented by the Company and that in its last measurement - carried out by Fundación Chile and the Revista Ya, a magazine of the Chilean newspaper El Mercurio - locates Lipigas ranked No. 6 in the category of large enterprises. In the earlier research of 2014 it ranked No. 9.

Rise in 2015 ranking of Great Place to Work in Chile.
The Company ascends to 17th place, and is located among the 20 best companies to work for in Chile. Lipigas has been participating in this working environment measurement, obtaining better positions each year. The presence of Lipigas in the ranking of the Great Place to Work in Chile has been consistent over time, showing improvements each year. By working with all members of the organization it has gone from 28th place in 2010 to the present position.

CIO Club distinguishes Lipigas technological project.
The CIO Club of the Information Technology Research Center of the Pontificia Universidad Católica de Chile (CETIUC for its acronym in Spanish), distinguishes the project "Customer serviced by the nearest mobile" as the best in the category "Efficiency and Operating improvements based on IT".

"Essex, first ship that brought LPG for Lipigas.
Courtesy: AGENTAL

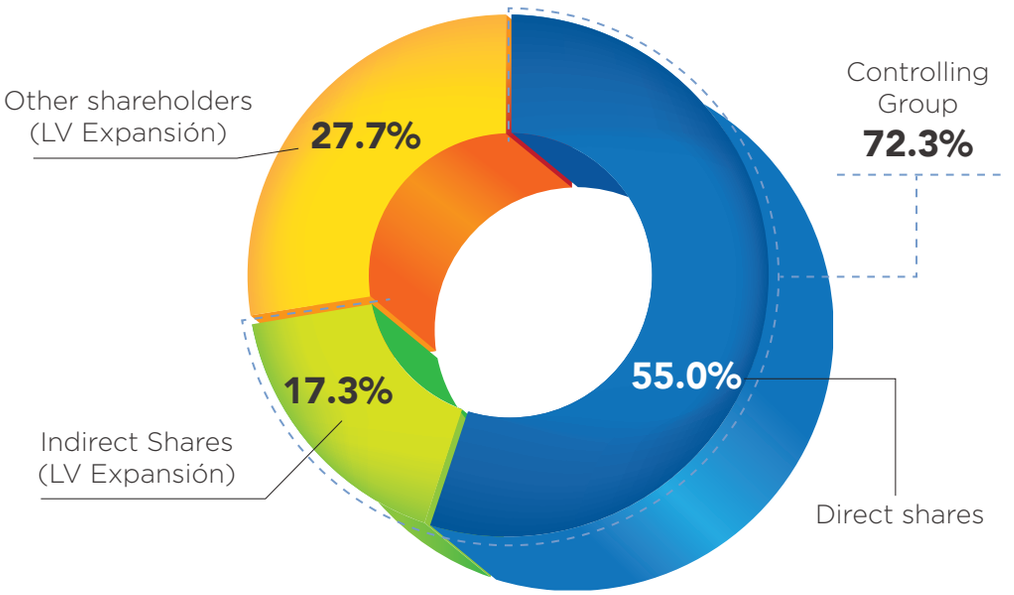
Corporate Governance
and Organization

EMPRESAS LIPIGAS

Ownership and control

Empresas Lipigas S.A has a controller-composed of the founding families Yaconi, Santa Cruz, Vinagre, Noguera and Ardizzoni– that possesses 55% of direct ownership with a joint agreement. LV Expansión SpA has the remaining 45%

The founding group and related companies possess an equivalent 17.3% of additional ownership through LV Expansión SpA, completing 72.3% of total ownership.



The following shareholders are part of the controller:

Name or corporate name	Amount of shares	Ownership interest
El Cóndor Combustibles S.A	11,402,533	10.040%
Nogaleda Holding Limitada	11,315,082	9.963%
Inversiones y Rentas Bermeo Limitada	10,128,229	8.918%
Inversiones Hevita S.A	8,917,707	7.852%
San Javier Combustibles S.A	5,701,266	5.020%
Inversiones Seis Limitada	5,019,854	4.420%
Nexogas S.A	4,372,621	3.850%
Inversiones El Escudo Limitada	3,716,728	3.273%
Inversiones Vinta Limitada	1,210,523	1.066%
Asesorías Legales e Inversiones Limitada	681,413	0.600%

Both direct and indirect ownership of the legal entities and natural persons that are behind each controlling member is the following:

1. - El Cóndor Combustibles S.A., 11,402,533 shares;

El Cóndor Combustibles S.A., RUT 77.490.500-6 holds a 10.040% ownership interest in Empresas Lipigas S.A.

The shareholders of El Cóndor Combustibles S.A. are the following, with their respective ownership interest: Santa Cruz López, Manuel, RUT 1.883.108-2, holding 20.129082%; Santa Cruz Munizaga, Juan Manuel, RUT 7.019.058- 3, holding 11.144809%; Campaña Goycoolea, María Teresa, RUT 7.053.663-3, holding 0.010693%; Santa Cruz Munizaga, Claudia Francisca, RUT 7.019.060-5, holding 11.130098%; Santa Cruz Munizaga, Carolina Patricia, RUT 7.019.059-1, holding 11.151498%; Munizaga Barrales, Carolina, RUT 4.106.946-5, holding 33.000000%; González Santa Cruz, Nicolás Bernardo, RUT 16.208.457-7, holding 0.010700%; González Santa Cruz, Antonia, RUT 17.084.325-8, holding 0.010700%; González Santa Cruz, Josefina Francisca, RUT 17.408.803-9, holding 0.010700%; González Santa Cruz, Diego José, RUT 18.021.658-8, holding 0.010700%; De Osma Berckmeyer Carmen, RUT 10.224.475- 9, holding 3.347755%; De Osma Berckmeyer Sebastián, Peruvian DNI 43.151.460-1, holding 3.347755%; Santa Cruz De Osma, María Gracia, Peruvian DNI 70.465.134-7, holding 3.347755; and Santa Cruz De Osma, Paloma, Peruvian DNI 70.465.133-9 holding 3.347755%.

2.-San Javier Combustibles S.A., 5.701.266 shares;

San Javier Combustibles S.A., RUT 96.930.650-6 holds a 5.020% ownership interest in Empresas Lipigas S.A.

The shareholders of San Javier Combustibles S.A. are the following, with their respective ownership interest: (A) Inversiones y Asesorías Lobo de Gubbio Spa, RUT 76.284.430-3, holding 99.99%, owned by (i) Yaconi Santa Cruz, Ana María, RUT 6.879.097-2, holding 49.,73%; (ii) Binimelis Yaconi, Luis Ignacio, RUT 15.376.697-5, holding 6.61%; (iii) Binimelis Yaconi, Lucas Antonio, RUT 16.094.660-1, holding 6.61%; (iv) Binimelis Yaconi, Margarita Fernanda Consuelo, RUT 17.403.981-K, holding 6.61%; (v) Binimelis Yaconi, Juanita Fernanda, RUT 18.393.874-6, holding 6.61%; and (vi) Binimelis Yaconi, Juan Pablo, RUT 19.605.371-9, holding 6.61%; and (vii) Inversiones Breicas Limitada, RUT 76.721.130-9, holding 17.22%, owned by (a) Yaconi Merino, Hugo, RUT 2.258.374-3, holding 48.42%; and (b) Yaconi Santa Cruz, Ana María, RUT 6.879.097-2, holding 51.58%; and (B) Yaconi Santa Cruz, Ana María, RUT 6.879.097-2, holding 0.01%.

3. - Inversiones Seis Limitada, 5,019,854 shares;

Inversiones Seis Limitada, RUT 76.308.574-0 holds a 4.420% ownership interest in Empresas Lipigas S.A.

The owners of Inversiones Seis Limitada are the following, with their respective ownership interest: (A) San Javier Combustibles Dos Limitada, RUT 76.920.090-8 holds a 70.442%, owned by (i) Inversiones San José del Lago Ltda., RUT 76.721.080-9, holding 52%, in turn owned by: Yaconi Merino, Hugo, RUT 2.258.374-3, holding 44.91%; Yaconi Santa Cruz, Marcela, RUT 6.879.125-1, holding 49.49%; Piriz Yaconi, Roberto, RUT 13.906.388-0, holding 1.4%; Piriz Yaconi, Javiera, RUT 15.379.374-3, holding 1.4%; Piriz Yaconi, Florencia, RUT 16.368.099-8, holding 1.5%; y Piriz Yaconi, Sebastián, RUT 16.610.600-1, holding 1.4%; and (ii) Asesorías Legales e Inversiones Ltda., RUT 78.367.570-6 holding 48%, in turn owned by:

Piriz Simonetti, Roberto, RUT 10.466.593-4, holding 20%; Yaconi Santa Cruz, Marcela, RUT 6.879.125-1 holding 20%; Piriz Yaconi, Roberto (through Inversiones Roberto Piriz Yaconi EIRL, RUT 76.212.008-0), holding 15%; Piriz Yaconi; Javiera through Asesorías e Inversiones Javiera Piriz Yaconi EIRL, RUT 76.046.287-K), holding 15%; Piriz Yaconi, Florencia (through Asesorías Florencia Piriz Yaconi EIRL, RUT 76.059.861-5), holding 15%; and Piriz Yaconi Sebastián (through Asesorías e Inversiones Sebastián Piriz Yaconi EIRL, RUT 76.059.862-3), holding 15%. (B) Asesorías Legales e Inversiones Limitada, RUT 77.794.780-k holding 29.558%, owned by Piriz Simonetti, Roberto, RUT 10.466.593-4, holding 20%; Yaconi Santa Cruz, Marcela, RUT 6.879.125-1, holding 20%; Piriz Yaconi, Roberto (through Inversiones Roberto Piriz Yaconi EIRL, RUT 76.212.008-0), holding 15%; Piriz Yaconi, Javiera (through Asesorías e Inversiones Javiera Piriz Yaconi EIRL, RUT 76.046.287-k) holding 15%; Piriz Yaconi, Florencia (through Asesorías e Inversiones Sebastián Piriz Yaconi EIRL, RUT 16.610.600- 1) holding 15%.

4. - Asesorías Legales e Inversiones Limitada, 681,413 shares;

Asesorías Legales e Inversiones Limitada, RUT 77.794.780-K holds 0.600% ownership interest in Empresas Lipigas S.A.

The owners of Asesorías Legales e Inversiones Limitada are the following, with their respective ownership interest: Piriz Simonetti, Roberto, RUT 10.466.593-4, holding 20%; Yaconi Santa Cruz, Marcela, RUT 6.879.125-1, holding 20%; Piriz Yaconi, Roberto, RUT 13.906.388-0 (through Inversiones Roberto Piriz Yaconi EIRL, RUT 76.212.008-9), holding 15%; Piriz Yaconi, Javiera, RUT 15.379.374-3 (through Asesorías e Inversiones Javiera Piriz Yaconi EIRL, RUT 76.046.287-K), holding 15%; Piriz Yaconi, Florencia, RUT 16.368.099-8 (through Asesorías Florencia Piriz Yaconi EIRL, RUT 16.368.009-8), holding 15%; y Piriz Yaconi, Sebastián, RUT 16.610.600-1 (through Asesorías e Inversiones Sebastián Piriz Yaconi EIRL, RUT 16.610.600-1), holding 15%.

5. - Nogaleda Holding Limitada, 11,315,082 shares;

Nogaleda Holding Limitada, RUT 99.538.250-4 holds a 9.963% ownership interest in Empresas Lipigas S.A.

The owners of Nogaleda Holding Limitada are the following, with their respective ownership interest: (A) Inversiones Nogaleda Ltda., RUT 94.322.000-K, holding 55%, owned by the following people: Noguera Gorget, Ernesto, RUT 3.678.316-8, holding 99.40%; and Briceño Morales, Lucía, RUT 3.892.003-0, holding 0.60%; and (B) Inversiones Villa Franca Ltda., RUT 78.550.550-6, holding 45% owned by the following people/companies: (i) Inversiones Nimbus Ltda., RUT 77.647.160-7, holding 22.25%, that in turn is owned by (a) Noguera Briceño, Bernardita, RUT 7.031.947-0, holding 78.451%; (b) Stratus Uno SCC, RUT 76.254.303-6, holding 10.775%, owned by Noguera Briceño, Bernardita, RUT 7.031.947-0, holding 60.00%; Machiavello Noguera, Cristóbal, RUT 18.299.611-4, holding 10.00%; Machiavello Noguera, Sebastián, RUT 17.355.909-7, holding 10.00%; Machiavello Noguera, Martín, RUT 19.489.061-3, holding 10%; and Machiavello Noguera, Sofía, RUT 20.361.439-K, holding 10.00%; and (c) Stratus Dos SCC; RUT 76.253.961-6, holding 10.774%, owned by: Noguera Briceño, Bernardita, RUT 7.031.947-0, holding 70%; and Machiavello Fischer, Luis, RUT 8.815.447-9, holding 30%; (ii) Inversiones Ñiltué Dos Ltda., RUT 77.647.120-8, holding 22.25%, that in turn is owned by: (a) Noguera Briceño, Juan Ignacio, RUT 7.022.714-2, holding 79.458%; (b) Mar de Viento Uno SCC, RUT 76.254.407-5, holding 10.271%, owned by: Noguera Briceño,

Juan Ignacio, RUT 7.022.714- 2, holding 60%; Noguera Delaveau, Trinidad, RUT 19.488.560-1, holding 10,00%; Noguera Dealaveau, María Gracia, RUT 20.359.934-K, holding 10.00%; Noguera Delaveau, Benjamín, RUT 20.359.935-8, holding 10,00%; and Noguera Delaveau, Jacinta, RUT 20.962.231-9, holding 10.00%; (c) Mar de Viento Dos SCC, RUT 76.254.411-3, holding 10.271%, owned by: Noguera Briceño, Juan Ignacio, RUT 7.022.714-2, holding 70%; and Delaveau Swett, Nicole, RUT 8.415.112-2, holding 30%; (iii) Inversiones Bigben Ltda., RUT 77.647.150-K, holding 22.25%, that in turn is owned by: (a) Noguera Briceño, Loreto, RUT 7.031.948-9, holding 77.990%; (b) Fernández Astudillo, Mario, RUT 7.082.857-K, holding 0.01%; and (c) Campanar SCC, RUT 53.314.669-4, holding 22%, owned by: Fernández Astudillo, Mario, RUT 7.082.857-K, holding 1.00%; Fernández Noguera, Macarena, RUT 13.851.747-0, holding 16,50%; Fernández Noguera, Daniela, RUT 15.719.495-K, holding 16,50%; Fernández Noguera, Consuelo, RUT 15.830.511-9, holding 16,50%; Fernández Noguera, Francisca, RUT 17.117.888-6, holding 16.50%; Fernández Noguera, Diego, RUT 18.297.604-0, holding 16.50%; and Fernández Noguera, Matías, RUT 19.150.781-9, holding 16.50%; (iv) Inversiones AHP Ltda., RUT 76.164.021-6, holding 22.25%, owned by: (a) Inversiones Nimbus Ltda, previously identified, holding 21.80%; (b) Inversiones Ñiltué Dos Ltda., previously identified, holding 21.80%; (c) Inversiones Bigben Ltda., previously identified, holding 21.80%; (d) Noguera Briceño, Pablo, RUT 7.021.716-3, holding 34%; and Inversiones Nogaleda Ltda., previously identified, holding 0.6%; (v) Inversiones Nogaleda Ltda., previously identified, holding 11%.

6. - Inversiones El Escudo Limitada, 3,716,728 shares;

Inversiones El Escudo Ltda., RUT 76.126.312-9 holds a 3.273% ownership interest in Empresas Lipigas S.A.

The owners of Inversiones El Escudo Ltda. are the following, with their respective ownership interest: (A) Inversiones Río Teno Limitada, RUT 87.865.500-1, holding 90%; owned by: (i) Inversiones San Remo Limitada, RUT 77.253.000-5, holding 36.4%, owned by: Aguayo Ovalle, Berta Teresa, RUT 2.888.453-2, holding 99.0% and Yaconi Aguayo, Luz María, RUT 7.779.891-9, holding 1.0%; (ii) Inversiones Aiwiñ Limitada, RUT 77.253.010-2, holding 10,6%, owned by Yaconi Aguayo, Luz María, RUT 7.779.891-9, holding 99.0% and Aguayo Ovalle, Berta Teresa, RUT 2.888.453-2, holding 1.0%; (iii) Inversiones Elen Ltda., RUT 77.252.990-2, holding 10.6%, owned by Yaconi Aguayo, Berta Elsa, RUT 6.550.750-1 holding 97.0%; Emden Yaconi, Sebastián Pablo, RUT 13.442.389-7, holding 1%; Emden Yaconi, Daniel Michel, RUT 14.122.222-8, holding 1%; and Emden Yaconi, Max Andrés, RUT 9.384.539-0, holding 1%; (iv) Inversiones Río Claro Ltda., RUT 77.263.280-0, holding 10.6%, owned by Yaconi Aguayo, María Inés, RUT 6.550.751-K, holding 99.0%; Ponce Yaconi, Diego, RUT 17.677.128-3, holding 1.0%; (v) Inversiones FYG Ltda., RUT 78.971.550-5, holding 10.6%, owned by: (a) Yaconi Aguayo, Remo Pablo, RUT 6.055.937-6, holding 69.0%%; (b) Gonzalez Bruzzone, María Loreto de Lourdes, RUT 7.078.961-2, holding 9.0%; (c) Yaconi González, María Loreto, RUT 16.366.146-2, holding 4.0%; (d) Yaconi González, Remo Enrique, RUT 13.829.282-7, holding 4.,0%; (e) Yaconi González, Felipe José, RUT 14.122.867-2, holding 4.0%; (f) Yaconi González, Nicolás Pedro, RUT 17.697.425-7, holding 4.,0%; (g) Inversiones Traf y G Ltda., RUT 76.082.157-8, holding 6.0%, owned by Yaconi Aguayo, Remo Pablo, RUT 6.055.937-6, holding 40%; Gonzalez Bruzzone, María Loreto de Lourdes, RUT 7.078.961-2, holding 20%; Yaconi González, María Loreto, RUT 16.366.146-2, holding 10%; Yaconi González, Remo Enrique, RUT 13.829.282-7, holding 10%; Yaconi González, Felipe José, RUT 14.122.867-2, holding 10%; y Yaconi González, Nicolás Pedro, RUT 17.697.425-7, holding 10%; (vi) Inversiones Yacvil Ltda., RUT 77.124.180-8, holding 10.6%, owned by Yaconi Aguayo, Luis Alberto, RUT 7.698.988-5, holding 80% and Vilches del Real, María Eugenia, RUT

9.188.463-1, holding 20%; (vii) Inversiones San José Ltda., RUT 77.103.110-2, holding 10.6%, owned by Yaconi Aguayo, Jorge Antonio, RUT 7.698.986-9, holding 59.0%; Vilches del Real, María Paulina, RUT 7.007.013-8, holding 25.0%; Yaconi Vilches Carla, RUT 16.656.477-8, holding 4.0%; Yaconi Vilches, Sandra, RUT 16.940.464-K, holding 4,0%; Yaconi Vilches, Antonia, RUT 18.024.136-1, holding 4.0%; and Yaconi Vilches, Rómulo, RUT 18.024.137-K, holding 4.0%; (B)) Inversiones San Remo Limitada, RUT 77.253.000-5, holding 3,64%, owned by: Aguayo Ovalle, Berta Teresa, RUT 2.888.453-2, holding 99.0% and Yaconi Aguayo, Luz María, RUT 7.779.891-9, holding 1.0%; (C) Inversiones Aiwiñ Limitada, RUT 77.253.010-2, holding 1.06%, owned by Yaconi Aguayo, Luz María, RUT 7.779.891-9, holding 99.0% and Aguayo Ovalle, Berta Teresa, RUT 2.888.453-2, holding 1.0%; (D) Inversiones Elen Ltda., RUT 77.252.990-2, holding 1.06%, owned by Yaconi Aguayo, Berta Elsa, RUT 6.550.750-1 holding 97,0%; Emden Yaconi, Sebastián Pablo, RUT 13.442.389-7, holding 1%; Emden Yaconi, Daniel Michel, RUT 14.122.222-8, holding 1%; (E) Inversiones Río Claro Ltda., RUT 77.263.280-0, holding 1.06%, owned by Yaconi Aguayo, María Inés, RUT 6.550.751-K, holding 99.0%; Ponce Yaconi, Diego, RUT 17.677.128-3, holding 1.0%; (F) Inversiones FYG Ltda., RUT 78.971.550-5, holding 1.06%, owned by: (a) Yaconi Aguayo, Remo Pablo, RUT 6.055.937-6, holding 69.0%%; (b) Gonzalez Bruzzone, María Loreto de Lourdes, RUT 7.078.961-2, holding 9.0%; (c) Yaconi González, María Loreto, RUT 16.366.146-2, holding 4.0%; (d) Yaconi González, Remo Enrique, RUT 13.829.282-7, holding 4.0%; (e) Yaconi González, Felipe José, RUT 14.122.867-2, holding 4.0%; (f) Yaconi González, Nicolás Pedro, RUT 17.697.425-7, holding 4.0%; (g) Inversiones Traf y G Ltda., RUT 76.082.157-8, holding 6.0%, owned by Yaconi Aguayo, Remo Pablo, RUT 6.055.937-6, holding 40%; Gonzalez Bruzzone, María Loreto de Lourdes, RUT 7.078.961-2, holding 20%; Yaconi González, María Loreto, RUT 16.366.146-2, holding 10%; Yaconi González, Remo Enrique, RUT 13.829.282-7, holding 10%; Yaconi González, Felipe José, RUT 14.122.867-2, holding 10%; and Yaconi González, Nicolás Pedro, RUT 17.697.425-7, holding 10%; (G) Inversiones Yacvil Ltda., RUT 77.124.180-8, holding 1.06%, owned by Yaconi Aguayo, Luis Alberto, RUT 7.698.988-5, holding 80% and Vilches del Real, María Eugenia, RUT 9.188.463-1, holding 20%; (H) Inversiones San José Ltda., RUT 77.103.110-2, holding 1.06%, owned by Yaconi Aguayo, Jorge Antonio, RUT 7.698.986-9, holding 59,0%; Vilches del Real, María Paulina, RUT 7.007.013-8, holding 25.0%; Yaconi Vilches Carla, RUT 16.656.477-8, holding 4.0%; Yaconi Vilches, Sandra, RUT 16.940.464-K, holding 4.0%; Yaconi Vilches, Antonia, RUT 18.024.136-1, holding 4.0%; and Yaconi Vilches, Rómulo, RUT 18.024.137-K, holding 4.0%..

7. - Inversiones Hevita S.A., 8,917,707 shares;

Inversiones Hevita S.A., RUT 96.769.930-6 holds a 7.852% ownership interest in Empresas Lipigas S.A.

The shareholders of Inversiones Hevita S.A. are the following with their respective ownership interest: (A) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 0.72%; (B) Vinagre Tagle, Mario, RUT 7.171.058-0. holding 0.35%; (C) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.35%; (D) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.35%; (E) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.35%; (F) Inversiones Marvin S.A., RUT 96.547.530-3, holding 20.94%, owned by: (i) Inversiones Marte Limitada, RUT 87.144.000-K, holding 99,6%, owned by: (a) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 26.86%; (b) Tagle Aviles, Teresa, RUT 3.633.089-9, holding 3.27%; (c) Vinagre Tagle, Mario, RUT 7.171.158-0. holding 0.65%; (d) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.65%; (e) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.65%; (f) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.65%; and (g) Inversiones Vinta Limitada, RUT 77.794.780-K, holding

67.27%, owned by: Vinagre Tagle, Mario, RUT 7.171.058-0. holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; y Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%; y (ii) Cañas Alemparte, Manuelita, RUT 7.011.707-K, holding 0.4%; (G) Inversiones Marte Limitada, RUT 87.144.000-K, holding 54.12%, owned by: (a) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 26.86%; (b) Tagle Aviles, Teresa, RUT 3.633.089-9, holding 3.27%; (c) Vinagre Tagle, Mario, RUT 7.171.158-0. holding 0.65%; (d) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.65%; (e) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.65%; (f) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.65%; and (g) Inversiones Vinta Limitada, RUT 77.794.780-K, holding 67,27%, owned by: Vinagre Tagle, Mario, RUT 7.171.058-0. holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; y Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%; and (H) Inversiones Vinta Limitada, RUT 77.794.780-K, holding 22,83%, owned by Vinagre Tagle, Mario, RUT 7.171.058-0. holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; and Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%.

8. - Inversiones Vinta Limitada, 1,210,523 shares;

Inversiones Vinta Limitada, RUT 77.794.780-K holds a 1.066% ownership interest in Empresas Lipigas S.A.

The owners of Inversiones Vinta Limitada are the following with their respective ownership interest: Vinagre Tagle, Mario, RUT 7.171.058-0, holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; and Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%.

9. - Inversiones y Rentas Bermeo Limitada, 10,128,229 shares;

Inversiones y Rentas Bermeo Limitada, RUT 96.930.060-3 holds an 8.918% ownership interest in Empresas Lipigas S.A.

The owners of Inversiones y Rentas Bermeo Limitada are the following with their respective ownership interest: (A) Santa Cruz Negri, Pola Maria Pía, RUT 6.377.432-4, holding 0.627%; (B) Santa Cruz Negri, Jaime Fernando, RUT 6.861.742-1, holding 0.627%; (C) Santa Cruz Negri, Juan Pablo, RUT 6.861.743-K, holding 0.627%; (D) Santa Cruz Negri, Andrés Antonio, RUT 6.861.068-0, holding 0.627%; (E) Inversiones Santegri Limitada, RUT 96.593.690-4, holding 0.908%, owned by: (i) Santa Cruz Negri, Pola María Pía, previously identified, holding 7.5263%; (ii) Santa Cruz Negri, Jaime Fernando, previously identified, holding 7.5263%; (iii) Santa Cruz Negri, Juan Pablo, previously identified, holding 7.5263%; (iv) Santa Cruz Negri, Andrés, previously identified, holding 7.5263%; (v) Comercial e Inversiones Greens S.A., RUT 78.222.780-7, holding 17.2656%, owned by Santa Cruz Negri, Pola María Pía, previously identified, holding 52.,00%; Calderón Santa Cruz, Raimundo, RUT 15.637.950-6, holding 8.00%; Calderón Santa Cruz, María Rosario, RUT 13.441.416-2, holding 8.00%; Calderón Santa Cruz, María Luisa, RUT 16.097.265-3, holding 8.00%; Calderón Santa Cruz, María Olivia, RUT 17.087.508-7, holding 8,00%; Calderón Santa Cruz, María Trinidad, RUT 17.702.711-1, holding 8.00%; y Calderón Santa Cruz, Felipe, RUT 18.023.155-2, holding 8%; (vi) Inversiones Allipen S.A., RUT 96.820.150-6, holding 17.2656%, owned by Santa Cruz Negri Jaime, previously identified, holding 52,%; Santa Cruz Vergara, Jaime, RUT 13.234.139-7, holding 12%; Santa Cruz Vergara, Pedro, RUT 13.442.265-3, holding

12%; Santa Cruz Vergara, María Daniela, RUT 15.378.924-K, holding 12%; Santa Cruz, Vergara María Milagros, RUT 16.096.260-7, holding 12%; (vii) Inversiones Maichin S.A., RUT 96.820.450-5, holding 17.2656%, owned by: Santa Cruz Vergara, Macarena, RUT 15.782.393-0, holding 16%; Santa Cruz Negri, Andrés, previously identified, holding 52%; Santa Cruz Nitsche, Bruno, RUT 21.149.220-1, holding 16%; Santa Cruz Nitsche, Paloma, RUT 20.076.127-8, holding 16%; (viii) Inversiones Caren S.A., RUT 96.819.980-3, holding 2.,762%, owned by: (a) Santa Cruz Negri, Juan Pablo, previously identified, holding 2%; (b) Comercial e Inversiones Santa Catalina S.A., RUT 96.647.850-0, holding 50%; (c) Santa Cruz Leighton, Pablo, RUT 16.097.638-1, holding 12%; (d) Santa Cruz Leighton, Martín, RUT 17.405.771-0, holding 12%; (e) Santa Cruz Leighton, Tomás, RUT 16.611.304-0, holding 12%; and (f) Santa Cruz Leighton, Catalina, RUT 15.638.823-8, holding 12%; (ix) Santa Cruz López, Jaime, RUT 2.311.498-4, holding 0.8323%; (F) Inversiones Baracaldo Limitada, RUT 88.606.800-K, holding 85.538%, owned by: Inversiones Santegri Limitada, previously identified, holding 90.9600%; Comercial e Inversiones Greens S.A., previously identified, holding 2.2590%; Inversiones Allipen S.A., previously identified, holding 2.2590%; Inversiones Caren S.A., previously identified, holding 2,2590%; and Inversiones Maichin S.A., previously identified, holding 2,2590%; (G) Inversiones Allipen S.A., RUT 96.820.150-6, holding 2.762%%; (H) Inversiones Maichín S.A., RUT 96.820.450-5, holding 2,762%; (I) Inversiones Caren S.A., RUT 96.819.980-3, holding 2.762%; and (J) Comercial e Inversiones Greens S.A., RUT 78.222.780-7, holding 2.762%.

10. - Nexogas S.A., 4,372,621 shares;

Nexogas S.A., RUT 96.932.720-1 holds a 3.850% ownership interest in Empresas Lipigas S.A.

The shareholders of Nexogas S.A. are the following with their respective ownership interest: (A) Tanilboro S.A., RUT 94.772.000-7, holding 72.8208%, owned by: (i) Inversiones Roble Nuevo Limitada, RUT 78.177.720-K, holding 52,50%, owned by: (a) Ardizzoni Martin, Alfonso Antonio Rafael, RUT 4.109.249-1, holding 3.34%; and (b) Inversiones San Antonio Limitada, RUT 79.540.560-7, holding 96.66%, owned by Ardizzoni Martin, Alfonso Antonio Rafael, RUT 4.109.249-1, holding 90% and Simián Díaz, María Eliana, RUT 4.702.698-9, holding 10%; (ii) Inversiones y Rentas Santa Cecilia S.A., RUT 78.187.260-1, holding 23.75%, owned by: (a) Inversiones Paladio Limitada, RUT 77.587.360-4, holding 99.80%, owned by Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 75%; and Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 25%; (b) Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 0.10%; and (c) Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 0.10%; and (iii) Inversiones y Rentas Geminis S.A., RUT 78.185.780-7, holding 23.,75%, owned by: (a) Inversiones Las Garzas Limitada, RUT 76.838.950-0, holding 22%, owned by Correa Ardizzoni, Juan Luis, RUT 8.731.578-9, holding 70% and Ojeda Ramírez, Isabel Margarita, RUT 8.820.454-9, holding 30%; (b) Correa Ardizzoni, Alberto Francisco Alfonso, RUT 8.143.663-0, holding 25%; (c) Correa Ardizzoni, Juan Luis, RUT 8.731.578-9, holding 3%; (d) Correa Ardizzoni, Francisco Ignacio, RUT 9.105.274-1, holding 25%; (e) Correa Ardizzoni, Felipe, RUT 9.979.966-8, holding 25%; (B) Inversiones San Antonio Limitada; RUT 79.540.560-7, holding 17.3793%; owned by: Ardizzoni Martin, Alfonso Antonio Rafael, RUT 4.109.249-1, holding 90% y Simián Díaz, María Eliana, RUT 4.702.698-9, holding 10%; (C) Inversiones y Rentas Tres A Limitada, RUT 78.212.200-2, holding 5.4653%, owned by: (i) Inversiones Roble Nuevo Limitada, RUT 78.177.720-K, holding 33.34, owned by: (a) Ardizzoni Martin, Alfonso Antonio Rafael, RUT 4.109.249-1, holding 3.34%; and (b) Inversiones San Antonio Limitada, RUT 79.540.560-7, holding 96.66%, owned by Ardizzoni Martin, Alfonso Antonio Rafael, RUT 4.109.249-

1, holding 90% and Simián Díaz, María Eliana, RUT 4.702.698-9, holding 10%; (ii) Inversiones y Rentas Santa Cecilia S.A., RUT 78.187.260-1, holding 33,33%, owned by: (a) Inversiones Paladio Limitada, RUT 77.587.360-4, holding 99.80%, owned by Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 75%; and Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 25%; (b) Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 0.10%; y (c) Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 0,10%; y (iii) Inversiones y Rentas Geminis S.A., RUT 78.185.780-7, holding 33.33%, owned by: (a) Inversiones Las Garzas Limitada, RUT 76.838.950-0, holding 22%, owned by Correa Ardizzoni, Juan Luis, RUT 8.731.578-9, holding 70% and Ojeda Ramírez, Isabel Margarita, RUT 8.820.454-9, holding 30%; (b) Correa Ardizzoni, Alberto Francisco Alfonso, RUT 8.143.663-0, holding 25%; (c) Correa Ardizzoni, Juan Luis, RUT 8.731.578-9, holding 3%; (d) Correa Ardizzoni, Francisco Ignacio, RUT 9.105.274-1, holding 25%; (e) Correa Ardizzoni, Felipe, RUT 9.979.966-8, holding 25%; and (D) Inversiones y Rentas Santa Cecilia S.A., RUT 78.178.260-1, holding 4.3346%, owned by: (a) Inversiones Paladio Limitada, RUT 77.587.360-4, holding 99,80%, owned by Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 75%; and Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 25%; (b) Ardizzoni Martin, María Cecilia, RUT 3.745.936-4, holding 0.10%; and (c) Contreras Prieto, Ricardo Sergio, RUT 4.185.608-4, holding 0.10%.

Identification of principal shareholders

The Company has 1 majority shareholder, different from the controller with 10% or more capital with voting rights.

Name or corporate name	RUT	N° of shares	% ownership interest
L.V Expansión SpA	76.218.262-9	51,108,517	45.000%

Identification of 12 principal shareholders

Name or corporate name	N° of shares	% ownership interest
LV Expansión SpA	51,108,517	45.000%
El Cóndor Combustibles S.A	11,402,533	10.040%
Nogaleda Holding Limitada	11,315,082	9.963%
Inversiones y Rentas Bermeo Limitada	10,128,229	8.918%
Inversiones Hevita S.A	8,917,707	7.852%
San Javier Combustibles S.A	5,701,266	5.020%
Inversiones Seis Limitada	5,019,854	4.420%
Nexogas S.A	4,372,621	3.850%
Inversiones El Escudo Limitada	3,716,728	3.273%
Inversiones Vinta Limitada	1,210,523	1.066%
Asesorías Legales e Inversiones Limitada	681,413	0.600%
José Chanes Fernández	42	0.000%

Total number of shareholders

Twelve are the total number of registered shareholders at year end 2015.

Significant ownership changes

No significant changes in ownership were recorded during 2015.

Description of series of shares

No series of shares exist. All shares are nominative shares of the same series and without par value.

Dividend policy

Company by-laws establish that once accumulated losses if any, have been absorbed, the General Shareholders' Meeting shall distribute at least 50% of net earnings. In the event that more than the referred to 50% wished to be distributed, it shall require the approval by an absolute majority of issued voting shares; and in the event that less than said percentage wished to be distributed, it shall require a unanimous approval of issued voting shares at the respective Shareholders' Meeting.

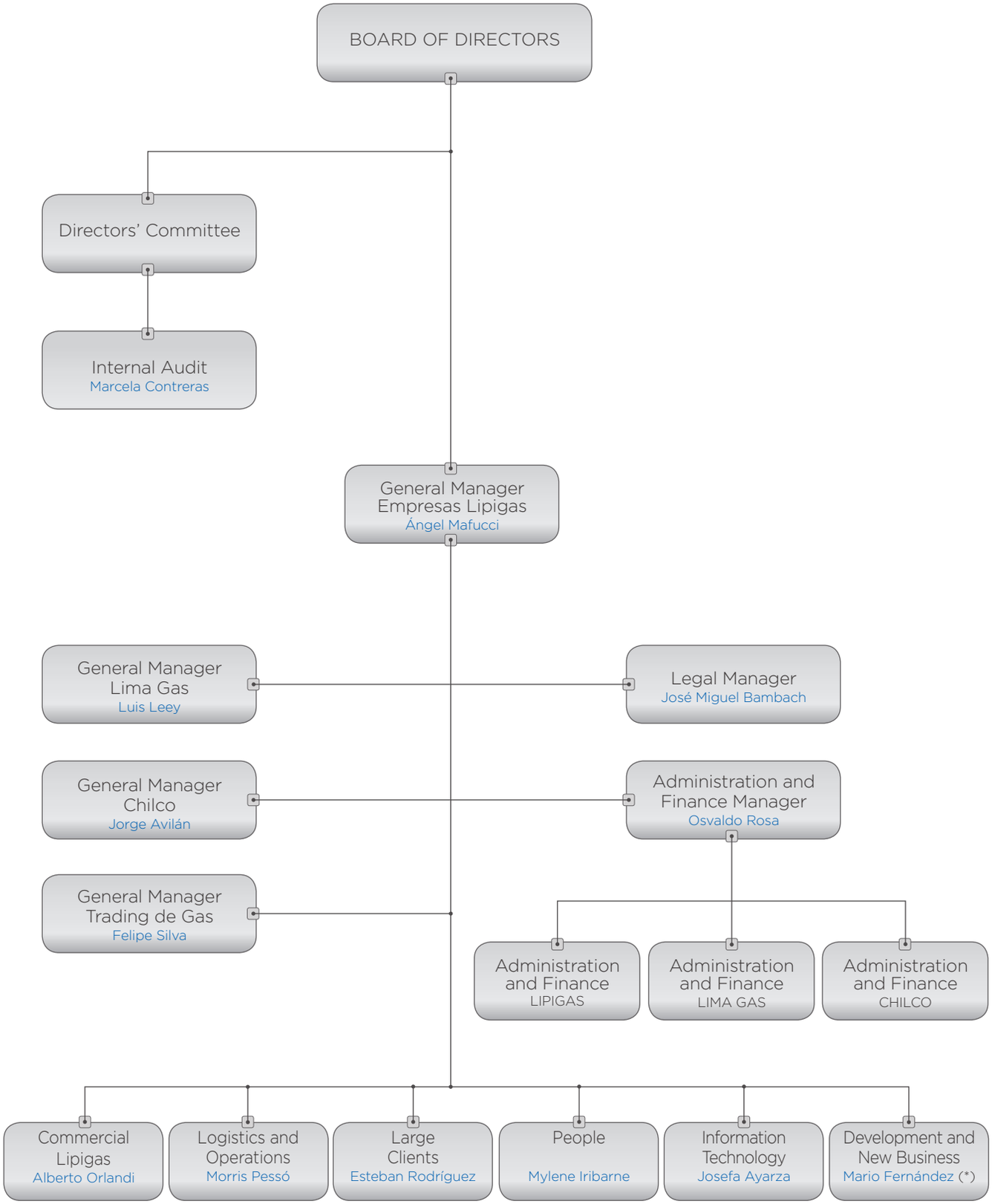
Notwithstanding the foregoing, during the last years the Shareholders' Meeting has agreed to distribute all of net earnings for the period, although, this decision may vary in the future given the needs to reinforce equity resulting from the annual budget investment and indebtedness plans and from the strategic plans.

Dividend distribution per share

Year	Subscribed and paid in shares	Interim	Final	Charged to accumulated results
2013	100,000,140	203.9053	1.0944	244.4274
2013	105,652,953	80.4521	-	-
2014	105,652,955	-	25.9450	278.6543
2014	113,574,512	61.6335	-	-
2014	113,574,515	83.6455	-	-
2015	113,574,515	290.5581	18.2348	-

Management and personnel

Organizational chart



(*) Mario Fernández held his position as Development and New Business Manager until December 31, 2015.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Board of Directors

Board Composition

The Board of Directors of Empresas Lipigas S.A consists of professionals with recognized experience and expertise to manage the business and implement the Company's strategy, holding sessions at least once a month. Its membership consists of seven directors and an equal number of alternate directors.

In accordance with Chilean law No. 18,046 on joint-stock companies and the Company's Bylaws, the members of the Board are elected at the general shareholders meeting for a maximum period of three years and may be re-elected indefinitely in its functions.

The Chairman of the Board of Directors does not occupy an executive position within the Company.

During 2015, no consultants were hired by the Company's Board of Directors.

Identification of the members of the Board of Directors

The current Board was elected at the General Shareholders Meeting held April 29, 2015 for a three-year term. Its composition is the same one that was ratified during Board session held April 30, 2014, and no terminations were recorded in the period.

Jaime Andrés García Rioseco
Vice-Chairman of the Board of Directors

RUT: 5.894.661-3
Economist, Pontificia Universidad Católica de Chile. Former General Manager and former Chief Executive Officer of Embotelladora Andina S.A. He currently serves as Director of Sodimac S.A., Colmena Salud S.A., Wenco S.A. and Costrudecor S.A. in Brazil.

Pablo Ernesto Noguera Gorget
Director

RUT: 3.678.316-8
Attorney at Law, Pontificia Universidad Católica de Valparaíso. Former Head Professor of Procedural Law at the Pontificia Universidad Católica de Valparaíso; Former Chairman of the Asociación Gremial de Industriales de la V Región (ASIVA). Currently, he serves as Chairman of Nogaleda Investments Chile S.A. and Elected Counsel of the Sociedad de Fomento Fabril (Sofofa).

Mario Alfredo Vinagre Muñoz
Director

RUT: 3.803.145-7
Commercial Engineer, Pontificia Universidad Católica de Chile. Former Chairman of Codigas S.A.C.I., Former Chairman of Enagas S.A, Former Chief Executive Officer of Banco de Chile and former Director at Pesquera El Golfo S.A.

Juan Manuel Santa Cruz Munizaga
Chairman of the Board of Directors

RUT: 7.019.058-3

Civil Engineer, Pontificia Universidad Católica de Chile. Former General Manager of Distribuidora de Gas Enagas S.A., Codigas S.A.C.I. and Empresas Lipigas S.A. Currently he serves as director of AD Retail S.A. (ABCDIN), Museo de Artes Visuales (MAVI), Teatro Municipal de Santiago and Comunidad de Organizaciones Solidarias.

Jaime Fernando Santa Cruz Negri
Director

RUT: 6.861.742-1

Civil Industrial Engineer, Pontificia Universidad Católica de Chile. Former Director of Lima Gas S.A. (Peru), Former General Manager of Din S.A., Former General Manager of Codigas S.A.C.I. Currently serves as Director of AD Retail (ABCDIN) S.A., Chairman of Cofisa, Director of Arboris LLC, (U.S.A.), Director of Acetogen S.A., Chairman of Netmentora and Counsel of the Santiago Chamber of Commerce.

José Miguel Barros van Hovell tot Westerflier
Director

RUT: 9.910.295-0

Economist, Pontificia Universidad Católica de Chile. Partner-Director of Corporate Finance of LarrainVial S.A., Director of Stel Chile S.A., CDF and the Bolsa de Productos.

Rodrigo Swett Brown
Director

RUT: 13.544.325-5

Commercial Engineer, Universidad Adolfo Ibañez. MBA at Harvard Business School. Currently serves as General Manager of Inversiones Consolidadas Limitada, Director of Aguas Cordilleras, Director of Agrícola Cochiguaz S.A, Director of Transacción e Inversiones Arizona Ltda. and Director of Inversiones Alabama Ltda.

Alternate directors appointed at General Shareholders' Meeting held April 29, 2015:

Name	RUT	Profession
Diego Vidal Sánchez	6.370.215-3	Commercial Engineer
Jorge Yaconi Aguayo	7.698.986-9	Business Administrator
Alfonso Ardizzoni Martín	4.109.249-1	Businessman
Jorge Hurtado Garretón	5.200.545-0	Civil Industrial Engineer
Roberto Piriz Simonetti	10.466.593-4	Attorney at Law
Felipe Porzio Honorato	8.683.775-7	Commercial Engineer
Rodrigo Terré Fontbona	9.011.344-5	Civil Industrial Engineer

Secretary of the Board of Directors
José Miguel Bambach Salvatore
Attorney at Law, Universidad de Chile.
RUT: 7.010.468-7

Compensation of the Board of Directors

Directors receive a monthly compensation beginning November 2013. Compared to the previous year, the amounts received as of December 31, 2015, are as follows:

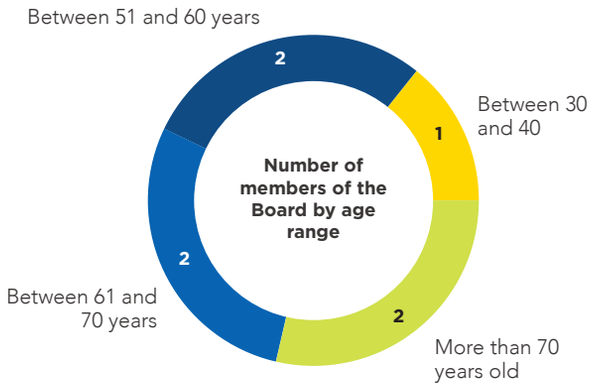
Director	Compensation 2015 (expressed in Chilean pesos)	Compensation 2014 (expressed in Chilean pesos)
Juan Manuel Santa Cruz Munizaga	42,000,000	32,000,000
Jaime Andrés García Rioseco	28,000,000	24,000,000
Ernesto Noguera Gorget	28,000,000	28,000,000
Mario Alfredo Vinagre Muñoz	28,000,000	24,000,000
Jaime Fernando Santa Cruz Negri	28,000,000	24,000,000
José Miguel Barros van Hovell tot Westerflier	28,000,000	24,000,000
Rodrigo Swett Brown	28,000,000	16,000,000

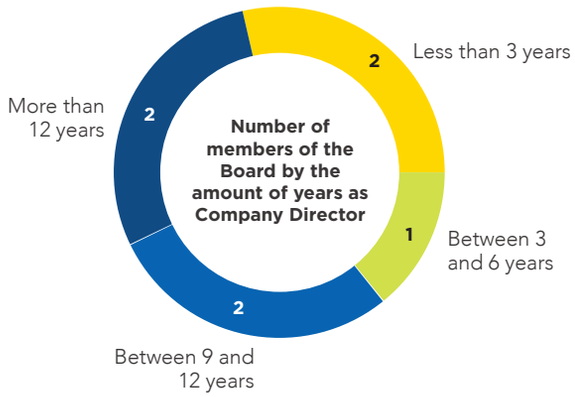
Board of Directors Procedures

The Board of Directors is the legal representative of Empresas Lipigas and is authorized to take any measure in relation to operations not expressly reserved to the shareholders. In accordance with Chilean Law No. 18,046 on joint-stock companies and the Company's Bylaws, it may approve, among other things, the operations involving relevant amounts different from the regular course of business. The quorum is an absolute majority of the directors and resolutions are adopted by the vote of a majority of the directors present and eligible to vote. In the event of a tie, the Chairman of the session has the decisive vote.

Diversity in the Board of Directors

Number of members of the Board by gender	All of the Board members are men.
Number of members of the Board by citizenship	All of the Company's Board members are Chilean





Directors' Committee

The Company's Directors' Committee was voluntarily established on July 16, 2013. It aims to discuss matters of its competence pursuant to Chile's Law Nº 18,046 on joint-stock companies and others commissioned by the General Shareholders' Meeting or the Board of Directors when appropriate.

As of December 2015, the Directors' Committee is composed by Jaime Santa Cruz Negri, Jaime García Rioseco and Rodrigo Andrés Swett Brown, the last ones as independent directors.

Previously it was composed by Jaime García Rioseco, Jaime Santa Cruz Negri and Juan Manuel Santa Cruz Munizaga. The latter ceased to belong to this instance to take over as Chairman of the Board of Directors on April 30, 2014, with Rodrigo Andrés Swett Brown assuming later.

No consultants were hired during 2015 by the Company's Directors' Committee.

Compensation of the members of the Directors' Committee

Director	Compensation 2015 (expressed in Chilean pesos)	Compensation 2014 (expressed in Chilean pesos)
Jaime García Rioseco	9,280,000	8,040,000
Jaime Santa Cruz Negri	9,280,000	8,040,000
Rodrigo Swett Brown	6,600,000	-
Juan Manuel Santa Cruz Munizaga	-	2,680,000(*)

(*) Compensation corresponds to the months of January, February and March 2014.

Recommendations and administration of the Directors' Committee

During the fiscal year, the Committee met on a monthly basis, in order to address matters of its competence, whose main topics are detailed below:

Date	Issue	Agreements / recommendations
January 12, 2015	Strategic risks.	1. The annual plan from the most relevant risks is requested from the Audit Department. It is recommended to include: • Insurance coverage for accidents and civil liability. • Purchase process for raw materials, regarding negotiating protocols. • Keep the company's internal control reviews on expense procedures in the annual program.
March 13, 2015	Logistic and Operations Manager report and other issues.	1. Management is reminded that it should reiterate and preventively make effective the safety requirements to contractors responsible for the transport of bulk LPG. 2. Approval of the report of external auditors of the Company's balance sheet and financial statements, which shall be subject to approval of the Board of Directors for its subsequent presentation and approval by shareholders. 3. It is agreed to propose hiring PriceWaterhouseCoopers as auditors and Feller Rate and Humphreys as private risk rating agencies for the year 2015, for the approval of the Board of Directors and subsequent presentation and approval of the shareholders.
April 14, 2015	Audit report on several issues.	1. The Audit Department is requested to expose to the committee on information regarding significant operating safety accidents and corrective measures. 2. Recommendations on several issues related to insurance management, renewal of policies and relationship with insurance brokers and liquidators. 3. The Audit Department is requested to verify correction of certain weaknesses in insurance audits.
May 15, 2015	Election of Chairman and Secretary, functioning and several issues.	1. By unanimous vote of its members, it is agreed to appoint Mr. Jaime Santa Cruz Negri as Chairman of the Directors' Committee. 2. Approval of the proposed meeting calendar until January 2016. 3. On accidents and incidents occurred in the operations during the year, review of reports prepared by the Safety and Environmental area, emphasizing on corrective measures and their fulfillment. The Audit Department is requested to include severity qualification in next reports. 4. On the audit of Compliance with Safety Aspects and Regulations of Automotive Pumps in industrial customers, the Committee requests that management begins an improvement plan of documental management of the facility; and that the Customers Area solves detected problems, determining relevance.

Date	Issue	Agreements / recommendations
June 18, 2015	Audit report, semi-annual report Crime Prevention Model and several issues.	1. The Audit Department is requested to periodically review the operation of the Company's Anonymous Report Hotline. 2. The Audit Department reports that contracts with Oxiquim have been reviewed regarding hiring insurance, which will be concluded and completed on June 24.
July 14, 2015	Auditing report.	1. Report on audit plan advances 2. Directors' Committee agrees to request the Audit Department to perform a follow-up on the compliance of not bottling cylinders with an expired date. 3. Regarding sulfured gas certification from Peru, the General Manager's office is requested to analyze alternatives for full compliance with this standard. 4. Regarding emphasis on control and document management the auditor is requested to assess their risk and present them to the General Managers' office so it can evaluate actions to take, in the event that they may be necessary.
August 14, 2015	Audit report and several other issues.	1. The Audit Department is reiterated that it should follow-up on safety measures to avoid accidents at facilities. 2. The General Manager's office is requested to meet with the Board of Director at the Maipu plant in order to visit said facilities.
September 11, 2015	Audit report on several issues.	1. Agreement regarding a request for a clear instruction about documentary flow from various institutions towards Lipigas, to ensure timely responses and according to regulations. 2. Recommendations about specific issues dealt with at the meeting on several internal procedures are delivered.
October 9, 2015	Audit report, changes in audit plan and NCG 385 (Chile's General Accounting Standard).	1. The proposed amendments to the audit plan are accepted. 2. It is agreed to prepare a work plan for the Board of Directors and answer NCG 385 requirements.
December 11, 2015	Audit report and several issues.	1. An audit of the process of calculation, fixation and communication of prices to customers for all products is requested to be include in the 2016 plan. 2. The Audit Department reports on the follow-up of audits performed. 3. A draft map is received on the Company's strategic risk. It is agreed to continue advancing in its development, with the participation of the Directors' Committee and General Manager.

Executive team

The Company's executive team is made up 11 of managers and a legal officer; all of them are experienced professionals in each area.

As of December 31, 2015 the Company's executive team was composed by:

Ángel Mafucci Solimano
General Manager

RUT: 5.559.689-1
Position held since: 05-01-2007
Commercial engineer, Universidad Adolfo Ibáñez. For more than 30 years he has served in various executive positions in commercial and distribution areas. Since 1985 he has been linked to the companies of the Santa Cruz, Yaconi, Noguera, Vinagre and Ardizzoni group, both in Chile and Peru. Until 1996 he served in Lipigas S.A, year in which moved to Peru to work at Solgas and Lima Gas. From 2001 he participated in the formation of Empresas Lipigas S.A. in Chile, where he works as Commercial Manager until - in 2007 – he takes on the position of General Manager, until today, leading the international expansion process.

Osvaldo Rosa Ageitos
Administration and Finance Manager

RUT: 14.734.114-K
Position held since: 11-05-2012
Bachelor's Degree in Business Administration and Public Accountant, Universidad de Buenos Aires, Argentina his country of origin. He has a vast experience in the financial management field. Working at the Repsol group - where he held various executive positions always linked to the financial areas - in 2000 he was transferred to Chile and in 2004 he is appointed as Administration and Finance Manager of Empresas Lipigas S.A, where the multinational maintained a significant stake. He is then sent by Repsol to Spain and Peru, before returning to Chile in 2012 to again take on the position of Administration and Finance Manager of Empresas Lipigas S.A. In recent years, he has been part of the team that has led the Company's international expansion and the registration process in Chile's Superintendence of Securities and Insurance (SVS), which allowed the emission of the first corporate bond for 3,500,000 UFs.

José Miguel Bambach Salvatore
Legal Manager

RUT: 7.010.468-7
Position held since: 11-14-2011
Attorney at Law, Universidad de Chile and SPIM, University of Illinois at Urbana-Champaigne. Co-author of Aircraft Repossession and Enforcement Practical Aspects - Chile, published by Wolters Kluwer Law & Business in 2009 and former Business Law professor at Universidad Federico Santa María. His professional trajectory includes corporate experience, as Legal Manager and Secretary of the Board of Directors of Empresas Lipigas S.A. (current), and partner at the legal offices of Bambach&Campos Abogados, partner at the legal offices of Pérez de Arce Abogados (2008-2013); Legal Manager and Secretary of the Board of Directors at Lan Airlines S.A. (2001-2008), Citibusiness Manager at Citibank (2000-2001); Legal Manager at Corporación Financiera Atlas S.A. (1993-1998), Insurance Broker and Director at Prorenta Corredores de Seguros S.A. (2005-2008); Lawyer at Citibank N.A. CGG (1989-2003). He is and has been a Director of numerous open and closed stock corporations, regulated, in Chile and abroad.

Luis Alberto Orlandi Arrate
Commercial Manager

RUT: 12.232.355-K
Position held since: 04-01-2014
Commercial Engineer and MBA, Pontificia Universidad Católica de Chile, has a vast experience in the commercial area and the development of new projects. He worked at The Coca Cola Company for 15 years, holding several executive positions linked with the non-alcoholic beverage business, development of new products and new sales and communication models for consumers. At Lipigas since 2014, he took on the mission of increasing nationwide sales of bottled product, residential networks and commercial and marketing development.

Morris Pessó Olcese
Logistics and Operations Manager

RUT: 12.659.601-4
Position held since: 10-11-2013
Industrial Civil Engineer, Pontificia Universidad Católica de Chile. He has more than 17 years of experience in the areas of operations and logistics, performing executive positions in companies such as Sigdopack (Group Sigdo Koppers) and Polpaico, joining Lipigas in 2013 to lead the logistics and operations area of the company. His objectives have been related to generating efficiencies and customer service improvements in the relevant business processes, especially distribution.

Esteban Rodríguez Bravo
Large Clients Manager

RUT: 10.390.470-6
Position held since: 01-01-2013
Civil Industrial Engineer, Universidad de Concepción, Degree in Engineering Sciences and a Master's Degree in Business Administration and Marketing. He has nearly 20 years of experience in the energy field in the technical, development and innovation areas, within which he has been linked to the commercial area for the last 15 years, as officer and Large Customers Manager at Empresas Lipigas. He has led major commercial projects within the Company, such as the development and use of butane in industrial processes, development of automotive LPG market and the development of the LNG industry. These last two, turned into two new lines of business for Lipigas in Chile.

Mylene Iribarne Friedmann
People Manager

RUT: 8.540774-0
Position held since: 09-03-2001
Psychologist, Pontificia Universidad Católica de Chile, her trajectory has been linked to people management and development, industrial relations and corporate social responsibility. Graduate from the AMP program of the Universidad de Los Andes, she also has a diploma in People Management of the Pontificia Universidad Católica de Chile and training in Strategic Leadership of the Universidad Adolfo Ibañez. With 14 years as People Manager in Lipigas, she was Director of the Humanity Challenge Corporation (2015). She is currently Director of Human Resources Executive Circle (CERH for its acronym in Spanish) and an active member of the Sustainability Committee of the Chamber of Commerce of Santiago.

María Josefa Ayarza León
IT Manager

RUT: 7.069.797-1
Position held since: 01-10-2004
Bachelor of Science in Computer Engineering, Universidad Técnica Federico Santa María. With 30 years of experience in the direction, management and control in the technological area of Empresas Lipigas S.A., he has led strategic projects designed to improve management models and incorporation of technological tools (SAP, web platforms) software and hardware for the better functioning of both technological and administrative processes of the Company. He has a Management Development diploma of the Universidad Adolfo Ibáñez University and completed the Advanced Management Program, CIO Institute, University of Berkeley.

Luis Felipe Silva Labbé
General Manager Trading de Gas SpA.

RUT: 6.656.606-4
Position held since: 03-25-2015
Navy Electrical Engineer of the Academia Politécnica Naval, he has over 20 years of experience in the field. He has held executive positions in the areas of logistics, operations and in the last 7 years as Procurement Manager of Empresas Lipigas S.A, assuming his current position with the creation of subsidiary Trading of Gas SpA in March 2015.

Our world-class management team has more than 15 years of experience in the industry.

Luis Alberto Leey Casella
General Manager Lima Gas - Peru

DNI: 15.857.806
Position held since: 11-01-2014
Industrial Engineer, Universidad de Lima and an MBA with experience as country manager in Peru and abroad. He has extensive managerial experience in the fields of marketing and sales of mass consumption and industrial products at leading multinational companies. In September of 2014 he assumes as General Manager of Lima Gas, position from which has led the Company's growth strategy.

Jorge Avilán Aristizábal
General Manager Chilco Colombia

C.C: 16.662.018
Position held since: 06-25-2012
Industrial Engineer of the Pontificia Universidad Javeriana of Cali, Colombia. He has extensive experience as General Manager in multinational and national companies. He joins Chilco in July 2012, with the main responsibility of structuring the company, design the expansion strategy based on organic growth and acquisition of companies. Throughout his career he has led major commercial projects in companies where he has served. In 2000 he participated in the Leadership Development Program at Harvard Business School.

Mario Fernández Astudillo
Development and New Business Manager

RUT: 7.082.857-K
Position held since: 07-01-2007
Navy Mechanical Engineer, Academia Politécnica Naval, his career has been strongly linked to the gas business. At the end of the ' 90s, he led the project of natural gas distribution in the Region of Valparaiso, where he was Manager of the GasValpo company. Linked to the Santa Cruz, Yaconi, Noguera, Vinagre and Ardizzoni group, he has been deputy general manager of Lipigas, and also a director of Solgas and Lima Gas in Peru. Since 2007, he served as Development and New Business Manager, position held until December 31, 2015.

Participation of officers in company ownership

The Company's principal officers and directors have no direct involvement in the property of the Issuer. However, the directors Messrs. Pablo Ernesto Noguera Gorget, Juan Manuel Santa Cruz Munizaga, Jaime Santa Cruz Negri, Mario Alfredo Vinagre Muñoz, Alfonso Ardizzoni Martín, Jorge Yaconi Aguayo and Roberto Piriz Simonetti and the Chief Executive Officer Mr. Mario Fernández Astudillo, have indirect ownership through the controllers as described under Ownership and Control above.

Key personnel compensation

Compensation of key personnel that includes directors and managers is composed of a fix month amount and a variable amount (for managers).

Compensation for the Board of Directors and Directors' Committee for the fiscal year 2015 was:

Board of Directors Compensation	ThCh$ 210,000
Directors' Committee Compensation	ThCh$ 25,160

Compensation for managers during fiscal years 2015 and 2014 was:

Type of income	12.31.2015 Th$	12.31.2014 Th$
Fixed income	1,706,374	1,639,990
Variable income	340,918	356,917
Total income	**2,047,292**	**1,996,907**

Compensation plans for principal officers

The Company has implemented a system of annual bonuses, aligned with market compensation policies for executives, which considers an additional payment if corporate results and performance are 100% met. The bonus increases or decreases according to the percentage of achievement of corporate objectives and area.

Indicators and weighting by officers are agreed each year by the General Manager with the Board of Directors.

The bonus is calculated and paid in April of the following year of the evaluation, based on the audited results. It is ratified by the Board of Directors.

Employees

As of December 2015, the Company employs more than 1,500 people, considering its operations in Chile, Colombia and Peru, added to an external network composed of more than 2 thousand contractors and distributors.

The following is a breakdown by country and position:

LIPIGAS - CHILE

Direct employees	2015
N° Managers	10
N° Deputy Managers	17
N° Heads of Area	80
N° Other Collaborators (workers, technicians and professionals)	590
Total	697
Network of external collaborators	**2015**
Total distributors (1)	820
Total contractors (2)	157

CHILCO - COLOMBIA

Direct employees	2015
N° Managers	11
N° Deputy Managers	0
N° Heads of Area	38
N° Other Collaborators (workers, technicians and professionals)	494
Total	543
Network of external collaborators	**2015**
Total distributors (1)	1
Total contractors (2)	63

LIMA GAS - PERU

Direct employees	2015
N° Managers	8
N° Deputy Managers	1
N° Heads of Area	14
N° Other Collaborators (workers, technicians and professionals)	243
Total	266
Network of external collaborators	**2015**
Total distributors (1)	410
Total contractors (2)	546

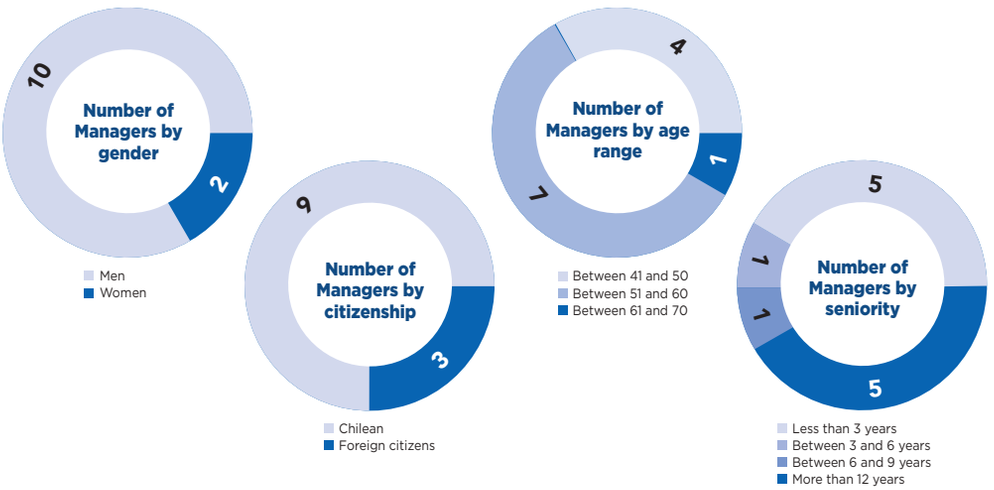
(1) External units of the Company in charge of product distribution.
(2) Natural or juridical person hired to execute works or specific services for the Company.

Diversity

Following we present distribution according to gender, nationality, age range and seniority at the company of Managers and workers, in compliance with Chile's NCG N°386.

Diversity among Managers

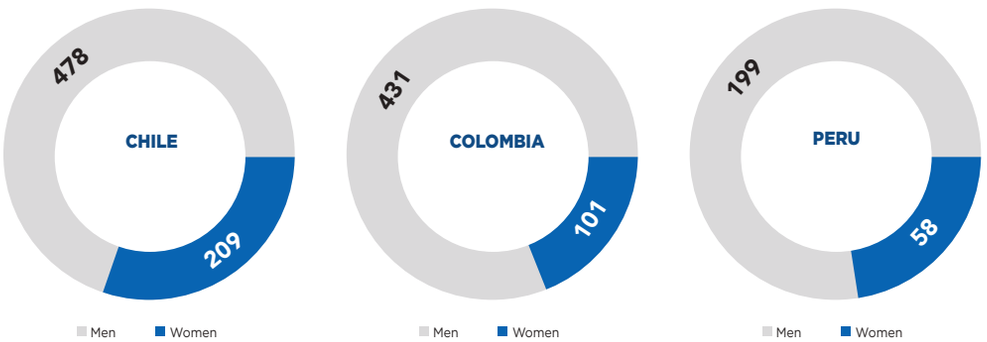
For the purposes of this information, the term Manager considers the General Manager and other managers that report directly to the General Manager or to the Board of Directors of the Company. Therefore, the information includes the 3 countries.



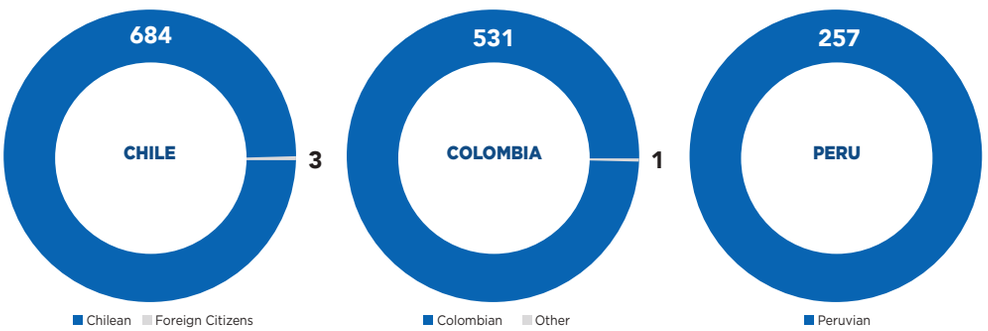
Diversity in the organization

Regarding workers, the following is the composition by gender, nationality, age range and seniority at the Company:

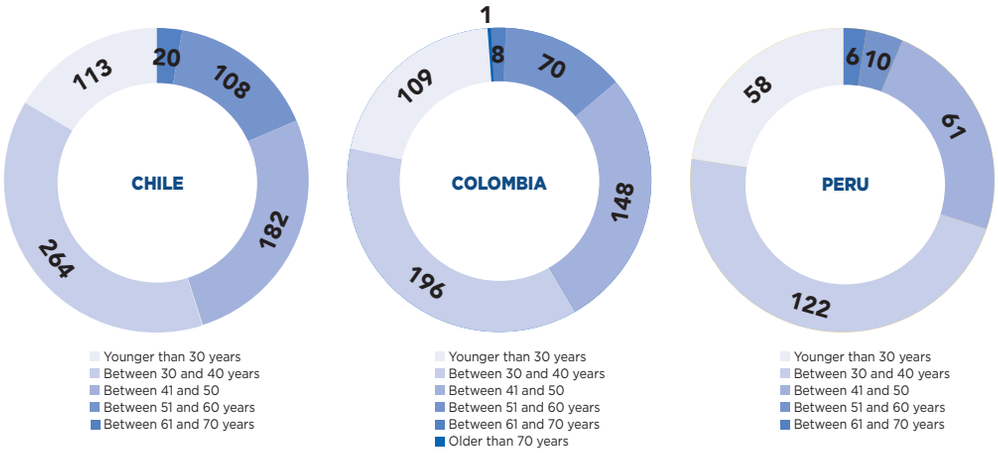
Number of workers by gender, by subsidiary



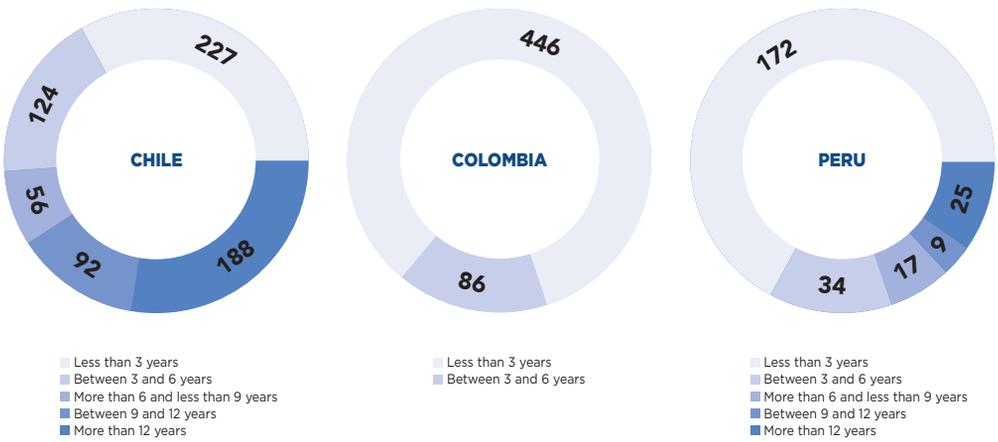
Number of workers by citizenship, by subsidiary



Number of workers by age range, by subsidiary



Number of workers by seniority at the Company, by subsidiary



Salary gap by gender

Chile	
Workers	**
Administratives and Professionals	103%
Heads of Area	95%
Executives	86%

Colombia	
Workers	-14%
Administratives and Professionals	28%
Heads of Area	14%
Executives	52%

Peru	
Workers	**
Administratives and Professionals	101.5%
Heads of Area	92%
Executives	**

**performed only by men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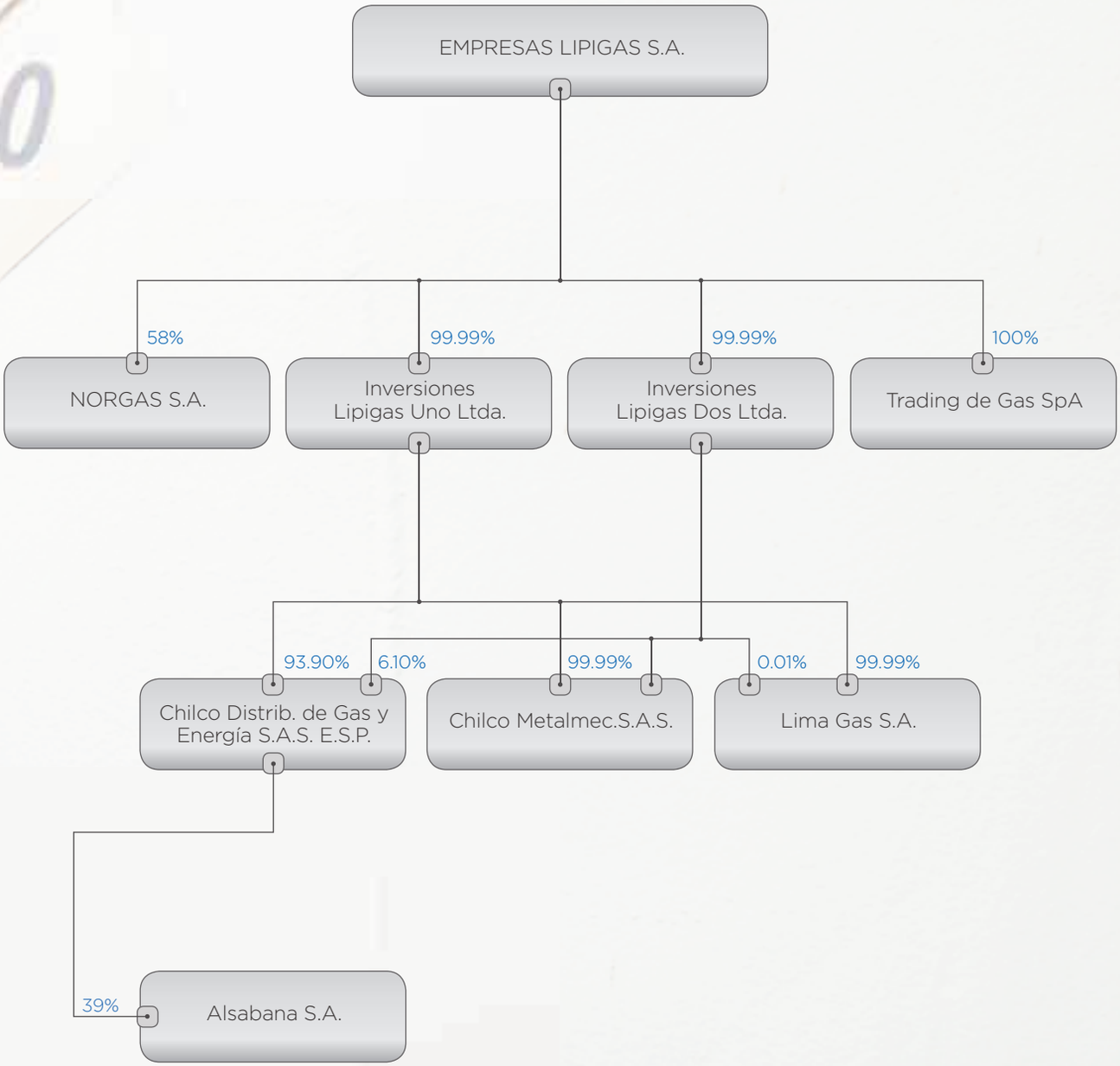
Information on subsidiaries and related companies



Information on subsidiaries and related companies

Name	Norgas S.A.	Trading de Gas SpA	Inversiones Lipigas Uno Limitada
Type of entity	Importer and wholesale distributor of liquefied petroleum gas (LPG)	Storage, commercialization and distribution of gas.	Investment company
RUT and/or tax identification foreign entities	78.889.940-8	76.466.551-1	76.121.456-K
Address	Dos Norte N° 200, comuna de Concón. Valparaíso, Chile	Antonia López de Bello N°114, Oficina 304. Recoleta, Santiago, Chile	Antonia López de Bello N°114, Oficina 304. Recoleta, Santiago, Chile
Trade relations	Sale of services and LPG. This same type of trade relations, is projected to be maintained.	Sale of services and LPG. This same type of trade relations, is projected to be maintained	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.
Corporate Purpose	Import, export, and purchase of liquefied petroleum gas (LPG) and bulk sales to distributors in the First, Second and Fifteenth Region of the country.	Purchase, sale, brokerage, storage, transport and distribution at local and international levels of gas in all its forms, imported by sea or land.	Investment, both in Chile and abroad in ventures linked to the energy sector, particularly in the field of liquefied petroleum gas.
% Subsidiary Investment Represents of Parent Company Asset	0.63%	4.09%	13.01%
Ownership Interest of Parent Company in Subsidiary's Capital and variations during last period	58%	100%	100%
Subscribed and paid-in capital Functional currency	$2,758,364,807	$12,000,000,000	$42,538,254,115
Board of Directors			
Chairman	Ángel Mafucci Solimano	Ángel Mafucci Solimano	N/A
Vice-Chairman	Rodrigo Bloomfield Sandoval	N/A	N/A
Directors	Mario Fernández Astudillo, Marc Llambias Bernaus, Esteban Rodríguez Bravo	Osvaldo Rosa Ageitos, José Miguel Bambach Salvatore	N/A
General manager	Morris José Pessó Olcese	Luis Felipe Silva Labbé	N/A
Principal Officers of the Parent Company serving as Directors of the Subsidiary	Morris José Pessó Olcese Esteban Rodríguez Bravo Ángel Mafucci Solimano	Osvaldo Rosa Ageitos, José Miguel Bambach Salvatore	N/A

Inversiones Lipigas Dos Limitada	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	Chilco Metalmecánica S.A.S	Lima Gas S.A	Almacenadora de GLP de la Sabana Alsabana S.A. E.S.P.
Investment company	Importer and wholesale distributor of liquefied petroleum gas (LPG)	Manufacture of cylinders and liquefied petroleum gas (LPG) tanks	Distributor of liquefied petroleum gas (LPG)	Storage and wholesale commercialization of liquefied petroleum gas (LPG)
76.121.442-K	900.396.759-5	900.396.770.7	20100007348	860.516.693-1
Antonia López de Bello N°114, Oficina 304. Recoleta, Santiago, Chile	Carrera 21 N° 100-20 Piso 9 Bogotá, Colombia	Carrera 21 N° 100-20 Piso 9 Bogotá, Colombia	Calle A N°149 Zona 7 Urbanización Fundo Bocanegra - Callao Perú	Kilómetro 3 la Vega Terminal Mansilla del municipio de Facatátiva Cundinamarca, Colombia
None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	LPG sales from the subsidiary have been sporadically made to the parent company.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.
Investment, both in Chile and abroad in ventures linked to the energy sector, particularly in the field of liquefied petroleum gas.	Purchase, sale, distribution, transportation and commercialization of household gas for domestic, commercial or industrial use, as well as all kinds of fuels and lubricants.	Manufacturing, assembly and repair of tanks and containers of all sizes and capacity used for the storage or transport of gas.	Provide service in the field of energy, oriented toward the business of packaging, distribution and commercialization of liquefied petroleum gas.	Wholesale of solid, liquid and gaseous fuels, and related products.
0.31%	4.60%	0.47%	6.59%	0.13%
100%	100%	100%	100%	39%
$1,101,039,270	COP71,748,229,000	COP4,964,665,000	PEN53,565,423	COP120,000,000
N/A	Ángel Mafucci Solimano	Ángel Mafucci Solimano	Ángel Mafucci Solimano	Juan Carlos Calderón Cárcamo
N/A	N/A	N/A	N/A	N/A
N/A	Osvaldo Rosa Ageitos, Henry Medina González.	Osvaldo Rosa Ageitos, Juan Calderón Cárcamo,	Osvaldo Rosa Ageitos, Alonso José Rey Bustamante	Liliana Hurtado Herrera, Ana Lucia Herrera, Chica, Javier Piedrahita Garcia, Johnny Ibarra Zerpa
N/A	Jorge Avilán Aristizábal	Jorge Avilán Aristizábal	Luis Alberto Leey Casella	Nelson Alberto Arias Fonseca
N/A	Ángel Mafucci Solimano, Osvaldo Rosa Ageitos,	Ángel Mafucci Solimano, Osvaldo Rosa Ageitos,	Ángel Mafucci Solimano, Osvaldo Rosa Ageitos	N/A

Tanks for LGP storage

Sustainability
management

EMPRESAS LIPIGAS

Our social commitment

For Empresas Lipigas it is essential to grow in a sustainable manner and it does so from its corporate values of respect, care for people and transparency, and also on the basis of its sustainability principles, inspired by its commitment with each of the stakeholders: employees, customers, distributors, contractors, suppliers and communities where it operates.

During 2015 inclusion has become the focus as a pillar of many of the initiatives developed by the Company, framing the way in which Lipigas seeks to engage with its stakeholders, opening opportunities for integration and development.

Our strong presence in the Andean Region puts us in a privileged position to be part of the development of emerging economies with energy solutions that help, in a clean manner and at low cost, to improve the quality of life of communities, many of them with limited access to goods and basic services, such as liquefied gas.

Sustainability Principles

- Integrity and ethical behavior.
- Social, labor and environmental compliance.
- Commitment to stakeholders.
- Commitment to results.
- Service of excellence.
- Development of quality of working life.
- Health and safety.
- Care for the environment.
- Responsible marketing and sales.
- Social commitment.

2015: the year of inclusion

The Company's new Inclusion and Diversity Policy (PID for its acronym in Spanish) is launched in August 2015 at several plants and distribution centers of Lipigas in Chile. Its objective: *"To create various work environments, where the respect and appreciation of individual differences is the engine for developing a sustainable business".*

In the framework of its Inclusion Policy, Lipigas has expanded the search for new recruitment niches, which allow access to candidates and talents from different diversity groups, including people with disabilities.

In the first instance the scope of PID includes the following stakeholders:

- Immigrants or people belonging to indigenous communities.
- People with disabilities (PWD).
- People who have committed crime.
- People of sexual diversity and gender identity.
- Women.
- Young people (between 15-29).

From the definition of these priority groups, in 2015 the Company implemented a series of actions, including the following:

People with disabilities (PWD)

"Labor Skills Diploma" Internship of students from Universidad Andrés Bello (UNAB): this program aims to prepare young people with disabilities (mainly cognitive) so they have more job placements. Six of them did their internship at Lipigas between the months of August and December at the Company's headquarters and plants of Concón, Maipú and Lenga. The program requires 3 internships, and the experience is expected to be repeated in 2016 given the positive outcome.

In addition, during 2015 foundations that work with PWD, such as Cooncede, were hired to provide coffee breaks and catering for the Company's training activities.

Women

AVANZA Program: 19 entrepreneurs of the commune of Maipú participated in the Project developed by Lipigas as part of the AVANZA program of ACCIÓN. The objective was to contribute so that micro-entrepreneurs could take their businesses ahead, with concrete tools. The project began in April 2015 with the participation of entrepreneurs, mainly women that commercialize fast food in carts at markets or parks or also taking orders from home. A Lipigas "tutor" was appointed to each one, who accompanied them in the preparation and development of a business plan, based on training on different subjects, at the Engineering Faculty of Universidad de Chile as well as the Maipú plant of Lipigas where they received courses of digital literacy, marketing, sales and basic accounting taught by professionals of Lipigas who voluntarily prepared the entrepreneurs.
The project ended in November with a seed capital contributed by Lipigas to each participant, following the evaluation of their projects, so they could finance the improvements that they themselves identified as strategic in the projection of their businesses.

Young people

Alliance with Fundación Portas: Lipigas professionals voluntarily assume the role of "mentors" with young people from the Portas Program which aims to facilitate the development of potential of young students of higher education from vulnerable contexts in the Metropolitan Region. Mentoring consists of accompaniment, monthly meetings and continued support not only academically, but also in the development of social skills that allow for a better integration in the work world.

Committed with gender equality

For the second consecutive year, in 2015 Empresas Lipigas S.A sponsored the Competitive Funding Project of Woman Community (Fondo Concursable de Comunidad Mujer), a non-profit private organization that promotes women rights, which allowed funding 6 social organization projects in some of the country's regions, in order to increase equality between men and women.

The winning projects in 2015 and that received funding by Lipigas are:

"Mujeres recolectoras de huiro Caleta El Sauce, nos equipamos para entrar a la mar" (Huiro women gatherers, Caleta El Sauce, we equip to enter the sea)
Organization: Junta de Vecinos Mar Azul, Ovalle, Región de Coquimbo.

"Mujer, restaura tu historia" (Woman, restore your history)
Organization: Junta de Vecinos Cancha Carrera, Tierra Amarilla, Región de Atacama.

"Igualdad desde la primera infancia" (Equality from early childhood)
Organization: Centro de Padres y Apoderados Jardín Infantil Santa Ana, Palmilla, Región de O'Higgins.

"Conectan / conversan / se escuchan / mujeres dirigentas" (They connect/they talk/they listen / women leaders)
Organization: Agrupación Cultural de Comunicadores Independientes, diversas comunas de la Región Metropolitana.

"Promoviendo la igualdad de género en la crianza de los hijos e hijas – Lo Prado" (Promoting gender equality in parenting sons and daughters)
Organization: Unión Comunal de Mujeres de Lo Prado "Tiempos de Mujer", Lo Prado, Región Metropolitana.

"Tejiendo nuestra memoria" (Weaving our memory)
Organization: Agrupación de mujeres Witral Domo, Chiloé, Región de Los Lagos.

Quality of life for our collaborators

We focus on the Company's collaborators, who are the engine and the energy that moves this enterprise, and allows us to reach our customers. In this sense we promote building a positive working environment, labor relations based on trust and several alternatives to favor the development of workers and their families.

Labor relations and work environment

Lipigas workers are an essential part of the business value chain and it is for this reason that we care about promoting trustful labor relations within the Organization, understanding that transparency and permanent dialogue between company and employees are the basis to achieve good results.

The Company recognizes and respects the fundamental rights of freedom of Association and freedom of collective bargaining. As of December 2015 Lipigas has 3 unions in Chile (North, Center and South), and 54% of its direct staff is unionized, unchanged with respect to 2014. In the case of Peru it operates a Union with 7.89% of direct staff unionized, while in Colombia to date, there is no Union.

It is important to note that in the last two years Lipigas managed to successfully close two collective bargaining processes in Chile. This is how in August 2014 the collective bargaining with the Union of the North zone ended early, signing the respective agreement that expires in October 2017. Similarly, in September 2015, after several months of work between the Company and the Union of the Metropolitan Region - representing employees of Maipú, Rancagua and the Apoquindo headquarters - closed a collective agreement, effective December 1 of the same year and with a duration of 24 months.

In order to strengthen labor relations within the organization, the Company maintains formal and permanent information channels with unions, allowing to address several issues related to safety, training and compensation, among others. There are monthly dialogue opportunities with local area heads quarters, in addition to quarterly meetings with the General Manager and People Manager.

Labor Relations	2015	2014
CHILE		
Nº of unions	3	3
% unionized regarding total staff	54%	54%
COLOMBIA		
Nº of unions	0	0
% unionized regarding total staff	0%	0%
PERU		
Nº of unions	1	1
% unionized regarding total staff	8%	8,3%


Lipigas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Work environment: a permanent challenge

- Keeping a favorable work environment is a permanent challenge and with respect to which the Company has assumed a commitment of continuous improvement. In recent years the Company among the best companies to work in Chile, according to the Great Place to Work ranking which is performed every year and where the Company has obtained increasingly better positions.

- Indeed, in the measurement corresponding to the year 2015 Lipigas reached No. 17 in the rankings, significantly improving with respect to the previous measurement (in 2014 it ranked 24th). In this way, the Company was positioned among the 20 companies with the best work environment in Chile, according to the assessment made by its own employees throughout the country.

Also, Lipigas also stands out among the ten best companies for working fathers and mothers, according to the ranking performed by Fundación Chile Unido in conjunction with the "Ya" magazine of El Mercurio newspaper. This is how in 2015 the Company advanced to the 6th place in the ranking, which represents the consolidation of its Reconciliation of Work and Family policy.

The purpose of this research is to identify the status of the practices in the area of family-work conciliation among the participating companies, investigating their existence, but also the use and evaluation by their collaborators, allowing to identify which are the leading organizations in this area. For Lipigas, this recognition responds to a joint effort to make the Company a good place so people can develop, both professionally and on personal level, with actions that not only benefit the collaborator but also their respective families.

Remember that Lipigas' commitment with the promotion of the best labor practices made it worthy of the Carlos Vial Espantoso award in 2012, granted by the Foundation of the same name in Chile to distinguish companies that build relations of trust and value the contribution of the people in their results. Favorable work environment, low labor turnover, the significant level of closeness between the management areas of the company and its operating level, permanent dialogue with Unions, and merit-based internal development were crucial aspects of this important award.

On the other hand, the Company also has a Life Quality Program that includes a series of benefits aimed at promoting healthy living, as well as others oriented towards the family and the future life. Activities aiming at these objectives include, among others, conducting annual Olympics and local sport-based initiatives; study grants; financial support for home improvement; orientation and professional telephone support service for the worker and his/her family group (which includes social, psychological, legal and financial attention), a system of free time for family activities, as well as various assignments for special events (Christmas bonuses, marriage, birth, death, etc.), among others.

Lipigas is a company formed by people to service people and this is why it has pledged to be a good place to work, in a process of continuous improvement.

All for Atacama

In March 2015 a flood struck the Region of Atacama, in the North of Chile, a disaster that left the Copiapo plant under the mud. As set out in the Company's protocols, the Crisis Committee immediately activated, after which a survey was performed to verify the health condition of workers and material losses; aid consisting of basic elements of food and toiletries was also sent; subsequently, given the risk of diseases, vaccinations, checkups and permanent shipment of bottled water were coordinated.

Along with the work started to retrieve the plant, a 1 + 1 campaign was promoted in order to be able to collaborate with the affected workers. With the passing of the days, there was also a need to help the Company's external network staff, located in the various communes of the region concerned.

The set of actions deployed to deal with the emergency was especially recognized by the employees affected, leaving evidence that teamwork can overcome any adversity.

Education and Training

In the three countries where it has operations, Lipigas has education and training programs for both direct employees and external collaborators, in order to contribute to their technical training, personal growth and enhance their employability.

The following table contains a breakdown of average training hours per person and by country delivered in 2014 and 2015:

Training	2015	2014
CHILE		
N° of average training hours (per person)	76	35
COLOMBIA		
N° of average training hours (per person)	29	7
PERU		
N° of average training hours (per person)	17	10

Note: Includes e-learning, on-site and blended courses.

In the case of Chile, the average training per person totaled 76 hours in 2015, nearly doubling the figure of the previous year, registering a sharp increase of on-site training, which rose from 26% in 2014 to 83.4% in 2015. Meanwhile, e-learning training hours were reduced from 72.5% to 16.6% from one year to another. It should be noted that 99.8% of users was trained in this period (91.2% versus 2014).

One of the major milestones of 2015 in training and development is the implementation of a new knowledge management platform, launched initially in Chile - from 2016 - expanding its use to the subsidiaries in Peru and Colombia.

Called the People Portal, this platform brings together in one place all the services and instruments in Lipigas for education and training, such as online training courses,

the 360 evaluation system, the innovation platform and other applications that allow greater connection between workers.

The long-term goal is that all subsidiaries remain connected through this platform and that this will enable the transfer of knowledge and good practices between professionals and the different lines of business.

In addition the Company offers opportunities for the development of workers and talent management. Within the scope of those destined for all workers, grants oriented to diverse professional needs and for all positions are included, whether for leveling grade, middle and high-school, higher education for people who do not have a degree, as well as specialization and post degree courses. This is a program that has been consolidated over time, establishing improvements with clear mechanisms to ensure transparency, through regulations that are clear, objective and known by all.

Lipigas also has a scholarship program for the family of its collaborators, whose aim is to contribute to their development. Through this initiative the Company supports the funding for technical/professional high-school and higher education for the children of workers, and leveling grade, middle and high-school, in the case of spouses. In 2015, 88 scholarships were delivered, distributed in several forms.

New Collaborators Integration Program

Lipigas has a robust New Collaborators Integration Program that seeks to make the entry of a new worker a positive experience. Along with contributing to adaptation, the plan considers a greater involvement of area heads, the specific induction for the position and for the gas business, in addition to the permanent support of a tutor during the first weeks of work.

Lipigas also cares about educating and training its external collaborators network, since by doing this it is possible to ensure the highest level of attention to clients and provide opportunities of labor certification for people with few options to do it in other ways. Under this concept, in 2010, the "Corporate School" for distributors and contractors of Lipigas was created, which since then has imparted security, logistics and service quality courses to more than 2,500 people.

Mobility

The Company also generates opportunities for growth and professional development of its employees through internal mobility. This means that in case of a vacancy, the workers of the company are privileged to occupy it, and if there is no suitable profile inside of the Organization, an external competition process is followed. In Chile, during 2015, around 65 positions were covered under this modality, which is also linked to the Company's Talent Management system, giving priority to those who are in that category, according to assessments.

It is important to point out that when a collaborator takes on greater responsibilities, the Company has a support program that accompanies the adaptation to the new functions.


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Commitment with safety and the environment

a) Safety

Caring for the safety and health of its employees is a permanent concern for Empresas Lipigas, a key pillar of its commitment to social responsibility. This value is manifested not only complying with the strict rules issued by local regulators, but also through voluntary actions, in order to prevent accidents and minimize the potential risks associated with the operation.

In this context, during 2015 the Company re-certified 11 plants that, in Chile, already operated under OHSAS 18,001:2007 Health Management and Work Safety, the most important international standard in this area. This milestone was achieved after an audit process carried out by SGS, which ended in December, and which also involved adding the plant in Calama as a new unit that operates under this standard.

Lipigas at the end of 2015, had 12 of its 14 plants in Chile certified under OHSAS 18,001, the most important international certification in the field of health and safety.

In this way, at end of the fiscal year Lipigas has 12 of its 14 plants in Chile, certified under OHSAS 18,001:2007, a methodology that gradually and consistently reduces the hazards that can cause injury, occupational illness or damage to persons.

It should be remembered that the plants in Arica, Temuco and Coyhaique, certified for the first time in 2014, adding to the eight already running (from 2012) under this standard: Iquique, Antofagasta, Coquimbo, Concón, Maipú, Rancagua, Lenga and Osorno.
Lima Gas has two of its plants certified under OHSAS 18,001, in Arequipa and Trujillo, the latter obtained in 2015.
The Company plans to extend the OHSAS certification to various plants in the three countries where it operates. Thus, in 2016 it will begin with the implementation of the standard in the Copiapó plant and Headquarters in Santiago, thereby achieving to certify all of its facilities with this operational safety international standard.

As of December 2015, the accident rate in the Chilean operation reached an annual average of 2.3 accidents for every 100 workers. In 2014 the rate was 3.2.

In Colombia, this rate is 5.7 and 1.5 in Peru.


OHSAS 18,001 PLANTS (year incorporated)
ISO 14,001 PLANTS (year incorporated)
PERU
CHILE
Trujillo (2014)
Arequipa (2015)
Arica (2014)
Iquique (2012)
Antofagasta (2012)
Calama (2015)
Coquimbo (2012)
Concón (2012)
Maipú (2012)
Rancagua (2012)
Lenga (2012)
Temuco (2014)
Osorno (2012)
Coyhaique (2014)
Antofagasta (2012)
Coquimbo (2012)
Concón (2012)
Rancagua (2012)
Lipigas

b) Environment

The permanent concern to reduce the environmental impacts of its operation is one of the cornerstones of the business strategy of Lipigas, where the continuous improvement of energy management is one of its priorities.

This commitment is ratified in the important milestones achieved by the Company in this area. This is how in October 2015 it received the recommendation of the TÜV Rheinland audit company to the National Certification Center for obtaining the certificate attesting the implementation of ISO 50001:2011 at its plant in Maipú (located in Santiago).

This standard provides a tool that allows the improvement of energy performance of the organizations, and in the case of Lipigas, it represents the culmination of an energy review process launched in 2013 in that plant - which that year was awarded the seal of energy efficiency delivered by the Ministry of Energy of Chile to companies that implement policies to optimize the use of energy in its operations- giving way to the online monitoring, improvement projects, and management of savings and consumption and associated costs.


Certificado

ISO 50001:2011

Empresas Lipigas S.A.

TÜVRheinland

In addition, four of its plants in Chile - Antofagasta, Coquimbo, Concon and Rancagua - are certified under the ISO 14001 standard, which aims to support the implementation of an environmental management plan. Note that SGS maintained this certification after the audit process performed in 2015.


F 20

Stockpiling of LPG cylinders and tanks

Financial information

EMPRESAS LIPIGAS

Financial performance

Consolidated net income, as of December 31, 2015 reached 36,120 million CLP, representing a 51.4% increase compared to the previous fiscal year (23,856 million CLP).

Gross margin reached 134,858 million CLP, increasing by 37.7%. The improved gross margin in Chile was influenced by the seaborne import operation of more than 230,000 tons of LPG, through the Quintero Bay terminal and the favorable freight rates situation through this via, as well as increased volumes to the final customer sales channel and improvement in margins generated by ground imports from Argentina. It should be recalled that in 2014 the drop in the price of fuels over liquefied gas inventories resulted in a decrease of margins estimated at 2,100 million CLP. Likewise, in Colombia and Peru the increase in gross margin was generated by the increase in sales volume and an improved unit margin.

Consolidated EBITDA was 79,046 million CLP with a 62.8% growth compared to the previous fiscal year. Chile, Colombia and Peru have a positive impact on EBOTDA generation due to improved gross margins.

Sales volume reached more than 662 thousand equivalent tons[1], with a 5.0% growth compared to the same period of the previous year.

[1] Addition of LPG sales in tons plus sales of natural gas and liquefied natural gas, measured in equivalent LPG tons in calorific value.


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Risk factors

The risk factors inherent to the Company's business are inherent to the markets in which it does business and the activity conducted by the Company and its subsidiaries. The main risk factors affecting business can be described as follows:

I) Credit risk

Credit risk originates in losses that might occur because of a default by counterparties on their contractual obligations regarding the Company's different financial assets.

The Company and its subsidiaries have credit policies in place to mitigate the risk of uncollectible trade receivables. Those policies establish limits on each customer's credit, based on his financial history and behavior, which are monitored constantly.

The Company's financial assets are comprised of cash and cash equivalent, trade receivables and sundry receivables as well as other current and non-current financial assets.

Credit risk is associated mainly with trade receivables and sundry receivables. Cash and cash equivalent balances are also exposed, but to a lesser extent.

The exposure of cash and cash equivalent to credit risk is limited because the money is deposited in banks with a high credit rating. Deposits of cash surpluses by the Company are diversified among different financial entities that have high credit ratings.

The Company signed an agreement under which it committed to making advances to Oxiquim S.A. with which it has signed contracts for the provision of receiving, storage and dispatching of liquefied gas in facilities built at its maritime terminal. The Company has performed a solvency analysis of Oxiquim S.A. and concluded that there is no material risk of uncollectibility. Those advances are offset against the debt under the financial lease with Oxiquim S.A. given the maritime terminal began operation in March 2015.

The maximum exposure to credit risk is:

Financial Assets	Note	12.31.2015 Th$	12.31.2014 Th$
Cash and cash equivalent	3	31,214,918	9,671,802
Trade receivables and other accounts receivable	7	25,394,451	23,414,686
Other current financial assets	4	246,977	1,180,327
Other non-current financial assets	4	-	15,393,232
Total		**56,856,346**	**49,660,047**

Uncollectible policy
Uncollectible provisions are determined according to the Company's policy on uncollectible debt.

This policy sets out the following criteria for provisions:
- Expired documents: provisioning balances more than 180 days due.
- Bounced checks: provisioning the total balance of the debt.
- Invoices and/or sales receipts:
    - Balances more than 180 days due are provisioned
    - If there is a debt of more than 180 days and the sum of the debt of more than 90 days is higher than 30% of the total debt, then the total debt is provisioned.

- Special provision:
    a) A special provision is made, considering partial or total debt, should the Company detect clients are presenting payment inability, even when it has not been classified within the above criteria.
    b) A special provision is made, considering partial or total debt, should a client refinance a relevant amount of its debt.

II) Liquidity risk

Liquidity risk refers to the possibility that an entity cannot cope with its short-term payment commitments.

Liquidity risk is handled through the proper management of assets and liabilities, optimizing daily cash surplus, investing in top quality financial instruments, thus, ensuring compliance with debt commitments upon maturity.

The Company maintains relationships with major financial institutions in the markets in which it operates, allowing for credit lines to face particular illiquidity situations.

Periodically, cash flow projections and analysis of the financial situation are performed, to acquire new financing, if needed, or to restructure existing debts on terms that are consistent with the Company's business cash flow generation.

Note 14 to the consolidated financial statement presents an analysis of the Company's financial liabilities classified according to their expiration.

III) Market risk

It relates to the risk of fluctuation of fair values of financial assets and liabilities due to changes in market prices, and the risks associated with the demand and supply of marketed products. The Company's exposure to market risks regarding financial assets and liabilities are the exchange rate risk and interest rate risk. Additionally, the Company is exposed to risks related to commercialized products.

- **Exchange rate and adjustment unit risk**

This risk arises from the probability of loss due to the exchange rate fluctuations of the currencies in which financial assets and liabilities are denominated with respect to currencies other than the Company's functional currency:

- **Purchases of goods and future payment commitments expressed in foreign currency:** the Company's fund flows are constituted mainly by transactions in its functional currency and that of its subsidiaries. The Company covers the risk of purchase operations of liquefied gas and imports of goods or commitments of future payments in foreign currency through forwards.

As of December 31, 2015 and 2014, the balances of accounts receivable and accounts payable in currencies other than the functional currency of the Company and its subsidiaries were as follows:

Originating transaction currency: US dollar

Trade accounts and accounts payable as of 12.31.2015	2,651,490 thousand CLP
Trade accounts and accounts payable as of 12.31.2014	3,379,081 thousand CLP

- **Foreign investments:** as of December 31, 2015, the Company holds net foreign investments in Colombian pesos for an amount equivalent to 28,400,158 thousand CLP (26,983,111 thousand CLP as of December 31, 2014) and in Peruvian soles for an amount equivalent to 21,452,740 thousand CLP (17,490,074 thousand CLP as of December 31, 2014).

  Fluctuations of the Colombian peso and the Peruvian sol to the Chilean peso would affect the value of these investments.

  In the past, the evolutions of the Colombian peso and the Peruvian sol have been correlated with the Chilean peso. Company management has decided not to cover this risk, continuously monitoring the forecasted evolution for the different currencies.

- **Debt securities:** The Company's indebtedness corresponds to the placement of Series E bonds in the local market during the month of April 2015 (mnemonic code BLIPI-E), charged to the 30-year bond line registered in the Securities Register under number 801, for the amount of UF 3,500,000, proceeding to pay-off most of the Company's bank liabilities in Chile. The placement rate was 3.40% for a face rate of 3.55%. Interest is payable semi-annually and principal will be amortized in one single installment on February 4, 2040. This liability is denominated in Unidades de Fomento (UF), which is indexed to inflation in Chile and differs from the Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins are correlated to the variation in the UF.

- **Financial lease liabilities:** The Company signed a lease agreement with Oxiquim S.A. for a period of 25 years for the use of reception, storage and office facilities to be built by Oxiquim S.A., in the amount of UF 1,520,773. The annual interest rate is 3.0%. The nomination currency of this liability is the Unidad de Fomento (UF), which is indexed to inflation in Chile, and differs from the Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins are correlated to the variation in the UF.

- Sensitivity analysis regarding exchange rate variations and adjustment units.

The Company estimates that a 10% increase or decrease in the exchange rates and 1% in the value of the UF, to which it is exposed, would generate the following effects:

Exchange rate variation	Debit (Credit) Increase thousand CLP	Debit (Credit) Increase thousand CLP	Allocation
CLP/UF	1,114,896	(1,114,896)	Results by adjustment units
CLP/USD	265,149	(265,149)	Exchange rate differences
CLP/USD	(32,876)	32,876	Reserves for cash flow hedges
CLP/COP	(1,583,908)	1,583,908	Reserves for exchange rate translation differences
CLP/PEN	(2,145,274)	2,145,274	Reserves for exchange rate translation differences

IV) Interest rate risk

It refers to the sensitivity to interest rate fluctuations of the value of financial assets and liabilities.

The purpose of interest rate risk management is to achieve a balance in the financing structure, minimizing the cost of the debt with reduced volatility in the income statement.

As of December 31, 2015, 95% of the Group's financial debt is at fixed rates. As a result, the risk of fluctuations in market interest rates regarding the Company's cash flows is low. Regarding the portion in variable rates, Management permanently monitors the outlook in terms of the expected evolution of interest rates.

The breakdown of financial liabilities as of December 31, 2015 and 2014, separated between fixed and variable interest rates is presented below:

Category	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed interest Thousand CLP	Variable interest Thousand CLP	Fixed interest Thousand CLP	Variable interest Thousand CLP	Fixed interest Thousand CLP	Variable interest Thousand CLP
Other financial liabilities	14	3,117,134	147,357	110,159,512	5,207,592	113,276,646	5,354,949
Total as of 12.31.2015		**3,117,134**	**147,357**	**110,159,512**	**5,207,592**	**113,276,646**	**5,354,949**

Category	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed interest Thousand CLP	Variable interest Thousand CLP	Fixed interest Thousand CLP	Variable interest Thousand CLP	Fixed interest Thousand CLP	Variable interest Thousand CLP
Other financial liabilities	14	63,107,320	13,747,436	2,675,154	582,761	65,782,474	14,330,197
Total as of 12.31.2014		**63,107,320**	**13,747,436**	**2,675,154**	**582,761**	**65,782,474**	**14,330,197**

V) Risks relating to commercialized products

a) LPG

The Company participates in the distribution of liquefied gas business in Chile, with coverage that extends between the Region of Arica and Parinacota and the Region of Aysén, reaching a market share of 36.5% at December 31, 2015, as the latest information that the Company has.

At the end of 2010 the Company entered the Colombian market through the purchase of assets from Grupo Gas País, currently achieving a presence in 25 of the 32 Colombian departments and reaching a market share of 14.2% as of December 31, 2015, as the last information the Company has.

Continuing with its internalization process in the LPG industry, in July 2013, the Company acquired 100% of Lima Gas S.A., a Peruvian LPG distributing company, which as of November 30, 2015, reached a market share of 8.8%, as the latest information the Company has.

Demand

The demand for residential LPG is not significantly affected by economic cycles since it is a basic consumption good in all countries where the Company operates. However, factors such as temperature, precipitation levels and the price of LPG compared with other alternative fuels, could affect it. In some regions, demand is highly seasonal due to temperature variations.

Given that it participates in a highly competitive market, the sales volume of the Company and its subsidiaries may be impacted by the business strategy of its competitors.

Supply

One of the risk factors in the business of commercializing LPG is the supply of LPG.

In the case of Chile, the Company has the ability to minimize this risk through a network of multiple suppliers such as Enap Refinerías S.A., Gasmar S.A., and the management performed when importing this fuel from Argentina and Peru, and by sea beginning March 2015.

In order to strengthen its strategic position in terms of LPG supply, in 2012, the Company entered into a series of agreements with Oxiquim S.A. to develop the construction of facilities for the reception, storage and dispatch of LPG at the terminal owned by that company located in the Quintero Bay, allowing the Company to have different seaborne supply sources beginning March 2015. To this end, the Company signed a lease agreement and an agreement for the provision of unloading, storage and dispatch services of LPG for a period of 25 years for the use of the facilities built by Oxiquim S.A. and which are available since March 2015.

The risk factor of commercializing LPG in terms of supply for the Colombian market is minimized through the establishment of purchase quotas that are agreed upon with Ecopetrol S.A., which ensures the demand of distribution companies through public offerings. In addition to the agreements with Ecopetrol S.A., the Company also has purchase agreements with other local market actors.

For the Peruvian market, LPG supply presents a high concentration in Lima where half of this capacity is located. Since the nation's capital is the area of highest consumption, important supply facilities have been built to provide it with a greater level of reliability. In this sense, agreements have been entered into with Petroperú (which has two supply plants: Callao and Piura) and Pluspetrol. In addition to these agreements, the Company also has purchase agreements with other local market actors.

Prices

LPG purchase prices are affected by the variations of international value of fuel prices and exchange rate variation of local currency with respect to the U.S. dollar. The Company does not foresee risks of not being able to transfer the variations of LPG costs to the sales price.

The Company maintains LPG inventories. The realization value of these inventories is affected by the variation of international prices of fuels that are the basis for establishing selling prices to customers. Variation in LPG international prices would produce a variation in the same direction and of similar magnitude in the realization price of inventories. Generally, the Company does not cover this risk, since it considers that the variations of international prices are offsetting over time. The Company permanently monitors the evolution and forecasts of international commodity prices. Since the maritime terminal began operating, the Company has decided to cover the risk of variation of the price of inventory realization of stored product at the maritime terminal through swaps related to LPG prices and currency forwards to hedge the effect of exchange rate variations of the U.S. dollar (currency used to express the reference price of inventories).

b) Natural gas

The demand for residential natural gas is not significantly affected by economic cycles since it is a basic consumption good. Regarding the risk of product supply for the operation that the Company owns in the North of Chile, it is covered with long-term agreements with a local supplier.

c) Liquefied natural gas

The Company has agreements for the supply of liquefied natural gas (LNG) to industrial clients, including a "take or pay" clause. Such agreements contain formulas to establish the selling price that, in turn, transfer the agreed variation to the price of the agreements with the supplier of the product. To respond to commitments with customers, the Company entered into an LNG supply agreement with Enap Refinerías S.A., which includes the "take or pay" clause (with the same characteristics as of those signed with customers) offsetting the risk. ENAP S.A. in turn maintains supply agreements with Terminal Quintero so as to comply with an Annual Supply Plan entered into by both parties.

VI) Regulatory risk

The Energy Agenda of the government of President Michelle Bachelet becomes public in May 2014, composed of seven core concepts. In the second, the document states, among other matters, that a legislative proposal will be sent so as to establish tariffs in the market for distribution of non-concession network gas.

During 2015, Chile's National Energy Commission published its Profitability Review for companies distributing gas through concession networks, where it advises that the Company (due to its distribution of natural gas operation in the city of Calama) obtained a profitability of 4.9% in 2014, not exceeding the maximum 11% established by Chile's General Decree Law N°323 (DFL 323).

On January 29, 2015, the Executive Branch sent to Congress the draft amendment of DFL 323 of 1931 (General Gas Law) where among other changes, establishes new criteria to be used in the methodology of determining maximum profitability of gas distribution concession networks. As already established under DFL 323, profitability excess above the maximum allowed, will generate the beginning of a tariff-setting process.

On February 10, 2016, Chile's Supreme Court hosted the consultation presented by the Corporación Nacional de Consumidores y Usuarios -CONADECUS (National Corporation of Consumers and Users) and ordered Chile's Court on Anti-Competition Cases to check the vertical and horizontal integration in the business of natural gas and liquefied gas.

The Company is only subject to the profitability control mechanism for the operation of natural gas distribution network in the city of Calama.

Since its inception, the distribution of gas in Chile, in all its segments, has been an extremely competitive market, which is reflected in the market share variations of participating companies. In vast areas of the country, liquefied gas competes with network natural gas. Moreover, competition occurs not only between liquefied and natural gas distributor companies, but also with the rest of substitute energy sources (firewood and its derivatives, diesel, kerosene, electricity, etc.).

Empresas Lipigas reviews its cost structure permanently to optimize and continue to be a competitive alternative to other energies. Liquefied gas, given its ease of transportation and diversity of the different supply sources, has proven to be a competitive and reliable energy alternative, available throughout the country.

Therefore, setting reasonable profitability rates for the supply of gas in concession networks should not significantly affect the market's competitive environment.

Also, in September of 2014, Chile's Court on Anti-Competition Cases (TDLC) rejects the request of Chile's National Economic Prosecutor (FNE) to recommend to the authority the establishment of rules to regulate in Chile the mandatory transfer of LPG tanks or cylinders between companies, as well as the establishment of a regulation on the price of such transfers. The TDLC dictates that "the costs associated with the suggested recommendation of rule amendment may eventually be greater than the benefits in terms of increased competition between LPG suppliers ".

As previously mentioned, the distribution of household gas market is highly competitive. The Company agrees with the decision of the TDLC in the sense that fixing standards to regulate the mandatory transfer of LPG tanks and cylinders would introduce a distorting element and would generate uncertainty over such relevant matters including the maintenance and security of the facilities.

Significant changes in laws and regulations in the industries in which the Company operates may adversely affect the business or the conditions thereof, can increase operating costs or impact the financial situation of the Society. Also, regulation changes or their interpretation could demand incurring costs that could affect the Company's financial performance or impact its financial situation.

VII) Accident risk

All human activities are exposed to dangers that can lead to accidents and certainly the fuel distribution industry is no exception. To minimize the likelihood of these dangers becoming unwanted situations, prevention and mitigation actions must be developed to reduce their consequences if hazards such as accidents or emergencies occur.

Therefore, actions are continuously developed to ensure that all operations are carried out with high safety levels. Among these actions, the following can be mentioned:

- Training of collaborators and contractors regarding safe operations.
- Emergency response procedures with on-site service vehicles.
- Awareness actions on the safe handling of gas among clients and the community in general (firemen, associations, etc.).
- Maintaining a Health and Work Safety Management System, certification under OHSAS 18001:2007 Occupational Health and Safety Assessment Series at 11 of the 13 storage and bottling plants in Chile.
- Certification of 15 plants in Colombia, under ISO 9001 quality standard for the operation and maintenance of LPG storage tanks and bottling of LPG cylinders, pursuant to legal requirements.
- Strict compliance with health, safety and environmental standards at all of our operations.

Complementing the reinforcement actions of fuel safe handling, the Company holds insurance coverage deemed consistent with the industry's standard practices.

VIII) Reputation and corporate image risk

The Company's business is associated with the management of fossil fuels, particularly LPG, and its commercialization to an extensive customer base. Should damage be caused by this product, it could lead to a deterioration of the Company's reputation and corporate image.

This risk is mitigated through adequate operating processes implemented with the Company.

IX) Risk of litigation, penalties and fines

The Company may be subject to litigation, penalties or fines resulting from the course of its business. These potential impacts are mitigated since its inception, strictly following the relevant regulations.

The Company's main businesses in this area are regulated by the Superintendence of Electricity and Fuels (SEC for its acronym in Spanish) in Chile, the Regulatory Commission of Energy and Gas (CREG for its acronym in Spanish) in Colombia and the Ministry of Energy and Mines and the Supervisory Body for Investment in Energy and Mining (Osinergmin for its acronym in Spanish) in Peru, which ensures compliance with the laws decrees, rules, trades and resolutions related to electricity and fuels.

The Company's legal team counts with procedures and the required knowledge to act according to current law and avoid sanctions and fines.

The main litigation and sanctioning procedures currently underway involving the Company or its subsidiaries are described in the notes to the consolidated financial statements.

X) Risk of change in the regulatory, political, economic and social conditions of the countries in which it operates.

The Company's financial and operating development may be adversely affected by changes in the regulatory, political, economic and social conditions of the countries in which it operates. In some of the jurisdictions in which it operates, the Company is exposed to risks of renegotiation, nullity, forced modification of contracts, expropriation, exchange rate policies, changes in laws, regulations, and political instability. The Company is also exposed to be subject to jurisdiction, arbitration or the need to execute a court judgment in another country.

Company management permanently monitors the evolution of the regulatory, political, economic and social conditions of the countries in which it operates.

XI) Acquisition strategy risk

The Company has grown, in part, through a series of major acquisitions, including:

- The assets of Gas País in 2010, through which the company began its growth in the Colombian operations,
- The acquisition of Lima Gas SA in 2013, through which the Company entered the Peruvian LPG market.
- Neogas Perú S.A. which will materialize at the beginning of 2016, through which the Company will be present in the Peruvian natural gas market.

In the future the Company will remain committed in several evaluations and pursuing other possible acquisitions, which could result in the purchase of LPG and fuel distribution companies trying to integrate them into current operations.

Acquisitions involve known and unknown risks that could adversely affect the Company's future net sales and operating results. For example:

- Not properly and accurately identify the companies, products or brands to be acquired; Experience difficulties in the integration of management, operations, technologies and distribution processes for acquired companies or products;
- Not obtain the necessary regulatory approvals, including competition authorities, in the countries where acquisitions are made;
- Enter unknown new markets;
- Divert attention from the administration of other businesses;
- Acquire a company that has known or unknown contingent liabilities that may include, among others, patent infringement or product liability claims; and
- Incur in substantial additional debt.

Any future or potential acquisition can result in substantial costs, interrupt operations or significantly adversely affect the Company's operating results.

Each acquisition carried out by the Company is analyzed in detail by multidisciplinary teams, with external consultants if necessary, in order to analyze the consequences and mitigate inherent risks in any new business acquisition.

XII) Risks in the production, storage and transport of LPG

Operations carried out in the Company's plants involve safety and other operating risks, including the handling, storage and transport of highly inflammable, explosive and toxic materials.

These risks could cause injuries and death, serious harm or destruction of property, equipment and environmental damage. Although the Company is very careful with the safety of its operations, big enough accident in one of the plants, or facilities located at service stations, clients installations or storage facilities, or during transportation or delivery of the products being sold could force to temporarily suspend operations at the facility and cause significant remediation costs , loss of income and contingent liabilities, and adversely affect the Company's reputation and corporate image and that of its subsidiaries. In addition, insurance benefits may not be available in a timely manner and may be insufficient to cover all the losses. Equipment breakdowns, natural disasters and delays in obtaining import of necessary spare parts or equipment can also affect distribution operations and, therefore the operating results.

XIII) Risk that insurance coverage may be insufficient to cover the losses that might be incurred

The operation of any distribution company specialized in LPG logistics and fuel distribution carries substantial risks of damage to property and personal injury and may result in significant liabilities and costs. Although the Company believes that current levels of insurance are suitable, the occurrence of losses, or other liabilities which are not covered by insurance or that exceed the limits of insurance coverage could result in unexpected and significant additional costs.

The Company constantly analyzes the risks which may be covered with insurance policies, both in the amount of possible losses for the Company as well as the characteristics of the risks.

XIV) Risk that potential climate changes may lead to regulatory changes

Due to concerns about the risk in climate change, several countries have adopted, or are considering the adoption of regulatory frameworks, among other things, reducing greenhouse gas emissions. These could include the adoption of regimes with maximum limits of carbon emission, increasing efficiency standards, taxes and incentives or mandates for renewable energy. These requirements could reduce demand for hydrocarbons, as well as the change in demand for hydrocarbons towards sources of relative low carbon. In addition, some Governments can provide tax advantages or other subsidies and mandates to make alternative energy sources more competitive than oil and gas. Governments can also promote the research of new technologies to reduce the cost and increase the scalability of alternative energy sources, all of which could lead to a decrease in the demand for our products. In addition, current and pending regulations of greenhouse gases could greatly increase compliance costs and consequently, increase the price of the products distributed by the Company.

The Company permanently monitors the evolution of legislation regarding climate change.

Independent auditor's report

On March 11, 2016, the independent auditor, PricewaterhouseCoopers, issued its unqualified opinion on the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries as of December 31, 2015. The report of the independent auditor and the full version of the consolidated financial statements for the fiscal year 2015, along with the financial statements analysis (unaudited), reported to the Chilean Superintendence of Securities and Insurance, in compliance with its General Rule N° 30, is available on the Company's website www.lipigas.com, or downloading them here:

Report of the independent auditor and consolidated financial statements

Financial statements analysis

Summarized financial statements

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS EMPRESAS LIPIGAS S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (thousand CLP)	2015	2014
Current assets	74,458,193	48,574,367
Non-current assets	266,085,573	244,417,272
Total Assets	**340,543,766**	**292,991,639**
Current liabilities	33,807,549	103,166,613
No current liabilities	174,925,688	56,847,088
Equity	131,810,529	132,977,938
Total liabilities and equity	**340,543,766**	**292,991,639**
CONSOLIDATED INCOME STATEMENT BY FUNCTION (thousand CLP)		
Revenue	378,613,062	436,235,830
Cost of sales	(243,754,699)	(338,278,559)
Gross margin	**134,858,363**	**97,957,271**
Other income, by function	187,570	298,062
Other expenses, by function	(21,998,753)	(20,974,657)
Distribution costs	(24,224,656)	(22,913,489)
Administrative expenses	(25,342,814)	(20,317,958)
Financial costs	(10,655,003)	(6,448,371)
Financial income	1,560,788	1,554,501
Exchange differentials	(171,145)	(64,094)
Profit (loss) on indexation units	(4,269,593)	641,599
Other gains (losses)	(1,792,918)	573,420
Profit (loss) before taxes	**48,151,839**	**30,306,284**
Income tax expense	(12,031,736)	(6,449,847)
Profit (loss)	**36,120,103**	**23,856,437**
Profit (loss) attributable to the owners of the controller	35,979,442	23,947,903
Profit (loss) attributable to non-controlling interests	140,661	(91,466)
Profit (loss)	**36,120,103**	**23,856,437**

CLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2015 and 2014
(in 000's CLP)

ASSETS	12.31.2015 Th$	12.31.2014 Th$
ASSETS		
Cash and cash equivalent	31,214,918	9,671,802
Other financial assets, current	246,977	1,180,327
Trade receivables and other receivables, current	25,394,451	23,414,686
Inventories	13,397,561	10,381,364
Current tax assets	3,121,598	3,548,217
Other non-financial assets, current	1,024,608	377,971
Total Current Assets	**74.400.113**	**48.574.367**
Non-current assets or disposal groups	58,080	-
Total Current Assets	**74.458.193**	**48.574.367**
NON-CURRENT ASSETS		
Other financial assets, non-current	-	15,393,232
Investments accounted for using the equity method	284,913	323,521
Intangible assets other than goodwill	6,912,822	7,866,712
Property, plant and equipment	252,967,905	215,858,736
Goodwill	3,947,615	4,124,635
Deferred tax assets	537,654	112,212
Other non-financial assets, non-current	1,434,664	738,224
Total Non-Current Assets	**266,085,573**	**244,417,272**
Total Assets	**340,543,766**	**292,991,639**

CLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2015 and 2014
(in 000's CLP)

EQUITY AND LIABILITIES	12.31.2015 Th$	12.31.2014 Th$
CURRENT LIABILITIES		
Other financial liabilities, current	3,264,491	76,854,756
Trade payables and other accounts payable, current	22,083,398	21,891,642
Other provisions, current	567,285	346,993
Tax liabilities, current	4,341,133	1,221,162
Other non-financial liabilities, current	1,537,823	1,681,405
Provisions for employee benefits, current	2,013,419	1,170,655
Total Current Liabilities	**33,807,549**	**103,166,613**
NON-CURRENT LIABILITIES		
Other non-current financial liabilities	115,367,104	3,257,915
Deferred tax liabilities	25,816,403	25,138,821
Other non-current non-financial liabilities	31,671,120	25,541,956
Provisions for employee benefits, non-current	2,071,061	2,908,396
Total Non-Current Liabilities	**174,925,688**	**56,847,088**
TOTAL LIABILITIES	**208,733,237**	**160,013,701**
EQUITY		
Issued capital	129,242,454	129,242,454
Other reserves	(1,944,131)	192,143
Accumulated earnings (losses)	3,032,859	2,071,006
Equity attributable to the owners of the controller	**130,331,182**	**131,505,603**
Non-controlling interests	1,479,347	1,472,335
Total Equity	**131,810,529**	**132,977,938**
Total Equity and Liabilities	**340,543,766**	**292,991,639**

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION

As of December 31, 2015 and 2014
(in 000's CLP)

STATEMENT OF INCOME BY FUNCTION	12.31.2015 Th$	12.31.2014 Th$
Revenue	378,613,062	436,235,830
Cost of sales	(243,754,699)	(338,278,559)
Gross Earnings	**134,858,363**	**97,957,271**
Other income by function	187,570	298,062
Other expenses by function	(21,998,753)	(20,974,657)
Distribution costs	(24,224,656)	(22,913,489)
Administrative expenses	(25,342,814)	(20,317,958)
Financial costs	(10,655,003)	(6,448,371)
Financial income	1,560,788	1,554,501
Exchange differentials	(171,145)	(64,094)
Profit (loss) on indexation units	(4,269,593)	641,599
Other gains (losses)	(1,792,918)	573,420
Earnings (loss) before taxes	**48,151,839**	**30,306,284**
Income tax expense	(12,031,736)	(6,449,847)
Profit (loss)	**36,120,103**	**23,856,437**
Earnings (loss) attributable to:		
Profit (loss) attributable to the owners of the controller	35,979,442	23,947,903
Profit (loss) attributable to non-controlling interests	140,661	(91,466)
Profit (loss)	**36,120,103**	**23,856,437**
Earnings per basic share		
Earnings (loss) per basic share in continued operations	316.79	214.60
Earnings (loss) per basic share in discontinued operations	-	-
Earnings (loss) per basic share	**316.79**	**214.60**
Earnings per diluted share		
Earnings (loss) per diluted share in continued operations	316.79	214.60
Earnings (loss) per diluted share in discontinued operations	-	-
Earnings (loss) per diluted share	**316.79**	**214.60**

CONSOLIDADATED STATEMENT OF COMPREHENSIVE INCOME

As of December 31, 2015 and 2014
(in 000's CLP)

STATEMENT OF COMPREHENSIVE INCOME	01.01.2015 through 12.31.2015 Th$	01.01.2014 through 12.31.2014 Th$
Profit (loss)	**36,120,103**	**23,856,437**
Components of Other Comprehensive Income, before taxes		
Translation of exchange differences, actuarial gain (loss) and cash flow hedges		
Profit (loss) from translation exchange differentials, before taxes	(2,648,191)	(579,687)
Other comprehensive income, actuarial profit (loss) from defined benefit plans	466,451	(322,647)
Profit (loss) from cash flow hedges, before taxes	221,171	(93,425)
Other comprehensive income, before taxes	**(1,960,569)**	**(995,759)**
Income tax on components of other comprehensive income	**(175,705)**	**106,734**
Total comprehensive income	**33,983,829**	**22,967,412**
Comprehensive income attributable to owners of the controller	33,843,168	23,058,878
Comprehensive income attributable to non-controlling interests	140,661	(91,466)
Total comprehensive income	**33,983,829**	**22,967,412**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of December 31, 2015 and 2014
(in 000's CLP)
Year 2015

Statement of changes in equity	Issued capital Th$	Reserves for translation of exchange differences Th$	Reserves for derivatives hedges Th$	Reserves for gains and losses on defined benefit plans Th$	Total other reserves Th$	Accumulated gains (losses) Th$	Equity attributable to the owners of the controller Th$	Equity: Non-controlling interests Th$	Equity: Total equity Th$
Equity at January 1, 2015	129,242,454	524,175	40,705	(372,737)	192,143	2,071,006	131,505,603	1,472,335	132,977,938
Changes in equity									
Comprehensive Income									
Gain (loss)	-	-	-	-	-	35,979,442	35,979,442	140,661	36,120,103
Other comprehensive income	-	(2,648,191)	171,408	340,509	(2,136,274)	-	(2,136,274)	-	(2,136,274)
Total comprehensive income	**-**	**(2,648,191)**	**171,408**	**340,509**	**(2,136,274)**	**35,979,442**	**33,843,168**	**140,661**	**33,983,829**
Dividends	-	-	-	-	-	(35,071,006)	(35,071,006)	(257,380)	(35,328,386)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	53,417	53,417	123,731	177,148
Total increase (decrease) in equity	**-**	**(2,648,191)**	**171,408**	**340,509**	**(2,136,274)**	**961,853**	**(1,174,421)**	**7,012**	**(1,167,409)**
Equity at December 31, 2015	**129,242,454**	**(2,124,016)**	**212,113**	**(32,228)**	**(1,944,131)**	**3,032,859**	**130,331,182**	**1,479,347**	**131,810,529**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of December 31, 2015 and 2014
(in 000's CLP)
Year 2014

Statement of changes in equity	Issued capital Th$	Reserves for translation of exchange differences Th$	Reserves for derivatives hedges Th$	Reserves for gains and losses on defined benefit plans Th$	Total other reserves Th$	Accumulated gains (losses) Th$	Equity		
							Equity attributable to the owners of the controller Th$	Non-controlling interests Th$	Total equity Th$
Equity at January 1, 2014	94,989,618	1,103,862	114,511	(137,205)	1,081,168	34,100,706	130,171,492	1,694,708	131,866,200
Changes in equity									
Resultado integral									
Gain (loss)	-	-	-	-	-	23,947,903	23,947,903	(91,466)	23.856,437
Other comprehensive income	-	(579,687)	(73,806)	(235,532)	(889,025)	-	(889,025)	-	(889,025)
Total comprehensive income	**-**	**(579,687)**	**(73,806)**	**(235,532)**	**(889,025)**	**23,947,903**	**23,058,878**	**(91,466)**	**22,967,412**
Dividends	-	-	-	-	-	(50,752,827)	(50,752,827)	(89,396)	(50,842,223)
Equity issuance	34,252,836	-	-	-	-	-	34,252,836	-	34,252,836
Differed tax effect for rate change	-	-	-	-	-	(5,221,793)	(5,221,793)	(41,511)	(5,263,304)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	(2,983)	(2,983)	-	(2,983)
Total increase (decrease) in equity	**34,252,836**	**(579,687)**	**(73,806)**	**(235,532)**	**(889,025)**	**(32,029,700)**	**1,334,111**	**(222,373)**	**1,111,738**
Equity at December 31, 2014	**129,242,454**	**524,175**	**40,705**	**(372,737)**	**192,143**	**2,071,006**	**131,505,603**	**1,472,335**	**132,977,938**

CONSOLIDATED STATEMENT OF DIRECT CASH FLOW

As of December 31, 2015 and 2014
(in 000's CLP)

STATEMENT OF DIRECT CASH FLOW	01.01.2015 through 12.31.2015 Th$	01.01.2014 through 12.31.2014 Th$
Cash flow from (used in) operating activities		
Type of collection by operating activity		
Collection from the sale of goods and services rendered	370,869,740	433,182,782
Other collections (payments) from operating activities	5,618,465	1,755,529
Type of payment		
Payments to suppliers for goods and services	(206,809,794)	(303,400,907)
Payments to and on behalf of employees	(29,169,672)	(26,265,258)
Other payments for operating activities	(61,127,060)	(53,827,090)
Income taxes refunded (paid)	(8,100,476)	(11,882,384)
Other cash receipts (payments)	1,446,280	330,542
Net cash flow from operating activities	**72,727,483**	**39,893,214**
Cash flow from (used in) investing activities		
Cash flows used in obtaining control of subsidiaries or other businesses	-	(4,285,000)
Revenue from sales of property, plant and equipment	188,484	5,576,744
Purchases of intangible assets	(465,928)	(1,388,712)
Purchases of property, plant and equipment	(21,714,687)	(26,073,590)
Proceeds (payments) from other long-term assets	(2,273,332)	(7,007,974)
Net cash flow used in investing activities	**(24,265,463)**	**(33,178,532)**
Cash flows from (used in) financing activities		
Proceeds from shares issues	-	34,252,836
- Proceeds from long-term loans	90,107,860	-
- Proceeds from short-term loans	-	19,132,289
Total loan proceeds	**90,107,860**	**19,132,289**
Payment of loans	(76.177.638)	(5,888,474)
Payment of financial lease liabilities	(1,078,478)	-
Interest paid	(4,216,570)	(4,590,773)
Dividends pain	(35,328,386)	(50,842,223)
Net cash flows from (used in) financing activities	**(26,693,212)**	**(7,936,345)**
Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate	**21,768,808**	**(1,221,663)**
Effects of exchange rate variations on cash and cash equivalent	(225,692)	(260,667)
Net increase (decrease) in cash and cash equivalent	**21,543,116**	**(1,482,330)**
Cash and cash equivalent at the beginning of the period	9,671,802	11,154,132
Cash and cash equivalent at the end of the period	**31,214,918**	**9,671,802**

Material disclosures

In the course of 2015 Empresas Lipigas S.A. has reported the following material disclosures to the Superintendence of Securities and Insurance:

1. On March 6, Empresas Lipigas S.A. began the seaborne import operations of LPG reception, storage and dispatch at the facilities located inside the maritime terminal in Quintero Bay. The facilities are inside the maritime terminal built by Oxiquim S.A. for the exclusive use by Empresas Lipigas S.A. under a 25-year renewable lease. This operation means that the company can directly purchase raw materials on the international market, thus importing roughly 250 thousand tons of LPG per year, which is expected to have a positive impact on the company's results, dependent upon the volumes to be imported and market conditions.

It is estimated that said operation will have the following impacts on Empresas Lipigas S.A.'s statement of financial position for the first quarter of 2015:

- An increase of CLP$37,317,000,000 in non-current assets within Property, plant and equipment.
- A decrease of CLP$676,000,000 in current assets accounted for in Trade and other receivables.
- A decrease of CLP$16,224,000,000 in non-current assets within Other financial assets.
- An increase of CLP$816,00,000 in current liabilities within Other financial liabilities.
- An increase of CLP$19,601,000,000 in non-current liabilities within Other financial liabilities in the amount.

2. On March 25, 2015, the Board of Directors of Empresas Lipigas S.A. approved the payment of an interim dividend of CLP$44.0240 per share against the profits for the 2015 fiscal year, which shall be paid as from April 27, 2015 to shareholders registered on April 20, 2015, at the company's offices located at Avenida Apoquindo 5400, 15th floor, Santiago.

3. On March 25, 2015, the Board of Directors of Empresas Lipigas S.A. approved the creation of a subsidiary in the form of a joint stock company (SpA). This subsidiary will have an initial capital of CLP$10,000,000, which will be fully subscribed by Empresas Lipigas S.A. The subsidiary will be incorporated within the next 30 days. The duration of this subsidiary will be indefinite and it will engage mainly in the local and international purchase and sale of liquefied gas as well as the storage of liquefied gas, in particular the management of the liquefied gas imported through the Oxiquim Maritime Terminal located in Quintero, in the Fifth Region.

4. On March 25, 2015, the Board of Directors of Empresas Lipigas S.A. passed the following resolutions:

A. To convene a Regular General Shareholders Meeting for 10:00 a.m. on April 29, 2015 at Avenida Apoquindo 5400, 14th floor, Las Condes, Santiago, for the purpose of discussing the following matters:

   i. An analysis of the Company's situation and the external auditors' opinion, as well as the approval or disapproval of the annual report and the financial statements for the fiscal year ending December 2014;
   ii. The distribution of profits and the payment of dividends for the fiscal year.
   iii. The appointment of the external auditors to review the financial statements for the 2015 fiscal year;
   iv. The presentation of related-party transactions pursuant to article 44 of Law 18046;
   v. A decision on the newspaper where Company notices will be published; and
   vi. Other corporate matters within the purview of a Regular General Shareholders Meeting.

B. To propose approval of the interim dividends of CLP$16,500,000,000 paid against 2014 fiscal year profits and the payment of an additional final dividend of CLP$2,071,006,144 on account of 2014 fiscal year profits, equal to CLP$18.2348 per share

5. On April 23, 2015, the Board of Directors of Empresas Lipigas S.A. placed Series E bonds on the local market under ticker symbol BLIPI-E through a 30-year bond credit facility for 3,500,000 Unidades de Fomento, registered under number 801 in the Securities Registry. The bonds expire in 25 years and the annual compounded rate is 3.40%, with a spread of 177 base points above the reference rate. Larrain Vial S.A. Corredora de Bolsa and BCI Corredor de Bolsa S.A. were the placement agents in this transaction.

6. On April 29, 2015, the Regular Shareholders Meeting of Empresas Lipigas S.A. elected the following board of directors for a term of 3 years:

Regular Directors	Alternate Directors
Juan M. Santa Cruz Munizaga	Jorge Yaconi Aguayo
Jaime Andrés García Rioseco	Jorge Osvaldo Hurtado Garretón
Pablo Ernesto Noguera Gorget	Alfonso Ardizzoni Martin
Mario Alfredo Vinagre Muñoz	Diego Vidal Sánchez
Jaime Fernando Santa Cruz Negri	Roberto Piriz Simonetti
José Miguel Barros van Hovell tot Westerflier	Felipe Porzio Honorato
Rodrigo Andrés Swett Brown	Rodrigo Terré Fontbona

At a board meeting held afterwards on the same date, the Board appointed Mr. Juan Manuel Santa Cruz Munizaga as Chairman and Mr. Jaime Garcia Rioseco as Vice-Chairman.

7. On April 29, 2015, the Regular Shareholders Meeting of Empresas Lipigas S.A. approved the payment of an additional dividend of CLP$2,071,006,144 against 2014 fiscal year profits, equal to CLP18.2348 per share. Payment will be made within 45 days after the date of the Shareholders Meeting.

8. On June 9, 2015, Mr. Luis Felipe Silva Labbe has resigned from his position of chief executive officer and board member of Norgas S.A., a subsidiary of Empresas Lipigas S.A. The Board of Directors of Norgas S.A. has appointed Mr. Esteban Rodriguez Bravo to his directorship and Mr. Morris Pesso Olcese as chief executive officer. Mr. Silva will continue with the Lipigas Group, in the position of general manager of Trading de Gas SpA, another subsidiary.

9. On June 24, 2015, the Board of Directors of Empresas Lipigas S.A. passed the following resolution:

A. To convene a Special General Shareholders Meeting for 10:00 a.m. on July 29, 2015 at Avenida Apoquindo 5400, 14th floor, Las Condes, Santiago, to discuss the proposal of Lipigas going public and to address the following matters:

i. an amendment to the bylaws of Lipigas in order to stipulate that it will be an open corporation;
ii. the registration of Lipigas' shares in the Securities Registry of the Securities and Insurance Commission;
iii. the approval of a capital increase through the issuance of new cash shares representing at least 10% of the shares that will be tradable after their initial placement, which will be offered to third parties to become exchange-traded; and
iv. the authorization to the Board to set the form and time for issuance of the new cash shares and the grant of the necessary powers of attorney.

10. On June 24, 2015, the Board of Directors of Lipigas S.A. approved the payment of an interim dividend of CLP$79.24313 per share against the 2015 fiscal year profits. It will be paid beginning July 27, 2015 to shareholders registered as at July 20, 2015, at the company's offices located at Avenida Apoquindo 5400, 15th floor, municipality of Las Condes, Santiago.

11. On July 29, 2015, a Special Shareholders Meeting of Empresas Lipigas S.A. was held at which the following was approved by the unanimous vote of all shares, namely 113,574,473 shares out of a total of 113,574,515 shares:

i. to subject the Company to the rules on open stock corporations after its shares are registered in the Securities Registry of the Securities and Insurance Commission;
ii. to register the shares in Empresas Lipigas S.A. in the Securities Registry of the Securities and Insurance Commission;
iii. to increase the company's capital from CLP$129,242,454,493, divided into 113,574,515 registered common shares of the same value, of no par value and in one same series. 12,619,391 new cash shares will be issued representing 10% of the shares that will be tradable after their initial placement, which will be offered to third parties to become exchange-traded. The shares may also be placed abroad;

iv. to empower the Board of Directors to determine the form and period for issuance of the new cash shares, to grant the necessary powers of attorney and to decide on placement of the shares on the local and/or foreign markets; and

iv. to amend the bylaws of Empresas Lipigas S.A. so that they reflect the resolutions passed at said Shareholders Meeting.

12. On September 9, 2015, Empresas Lipigas S.A. will report to the press its consolidated results for the second semester of 2015.

13. On September 30, 2015, the Board of Directors of Lipigas S.A. approved the payment of an interim dividend of CLP$114.46230 per share against the 2015 fiscal year profits. It will be paid beginning October 26, 2015 to shareholders registered as at October 20, 2015, at the company's offices located at Avenida Apoquindo 5400, 15th floor, Santiago.

14. On October 28, 2015, the Board of Directors of Empresas Lipigas S.A. agreed to convene a Special General Shareholders Meeting for 10:00 a.m. on November 13, 2015 at Avenida Apoquindo 5400, 14th floor, Las Condes, Santiago, to submit the following matters for its approval:

i. Amend the transitional articles of the bylaws of Lipigas, extending the terms of the mandate given to the Board of Directors for the placement of shares and grant the necessary powers of attorney for said purpose.

15. On November 2, 2015, Empresas Lipigas S.A., shall inform the press a preview of its consolidated results for the third quarter of 2015. Such financial information does not in any way constitute nor replace the delivery of financial statements to the Superintendence of Securities and Insurance and the market, in terms of the requirements of content, procedures and deadlines set forth by the Superintendence pursuant to current regulations.

16. On November 3, 2015 the Material Disclosure presented on November 2, 2015, is complemented to include the following legend: "this financial information does not in any way constitute nor replace delivery of the financial statements to the Superintendence of Securities and Insurance and the market, in terms of Securities Registration Requirements N ° 1129 regarding content, procedures and deadlines set forth by the Superintendence pursuant to current regulations."

17. On November 5, 2015, Empresas Lipigas S.A. will report to the press its consolidated results for the third quarter of 2015.

18. On November 10, 2015, regarding press information in Diario Financiero, the following is reported:

1. On July 31, 2015, the Technical Secretariat of the Free Competition Defense Committee of the Peruvian National Institute of Competition and Intellectual Property initiated an administrative procedure to investigate an alleged pricing agreement in five importing and/or bottling LPG companies in Peru focused on a period prior to 2011, among which the Company's subsidiary Lima Gas S.A. is included, which was acquired in 2013.

2. The procedure is currently suspended, as long as the authorities resolve confidentiality requests made in relation to a series of documents that would sustain the allegations made. Deadlines for disclaimers and exercising the rights of defense will begin to run once such requests are resolved and proofs of charges are brought to the attention of companies and individuals investigated.

3. The foregoing was reported in the financial statements of Empresas Lipigas S.A. as of June 2015 (as a subsequent event) and as of September 2015.

4. According to the terms established by Peruvian legislation, a procedure of this nature can take several years to obtain an administrative resolution, in addition to subsequent judicial authorities, and taking into account that we don't have any precedent indicating irregularities in the company, we believe that it is premature to establish provisions on this issue.

5. We have taken this investigation with the utmost seriousness, as it should be in these cases, and we are conducting an internal review to confirm the proper functioning of business processes and thus cooperate with the authority in clarifying any doubts it might have in this regard.

19. On November 13, 2015, a Special Shareholders Meeting of Empresas Lipigas S.A. was held at which the following was approved by the unanimous vote of all shares, namely 113,574,473 shares out of a total of 113,574,515 shares: Amend the transitional articles of the bylaws of Empresas Lipigas S.A., extending the terms of the mandate given to the Board of Directors for the placement of shares and grant the necessary powers of attorney for said purpose.

20. On November 17 the Board of Directors of Empresas Lipigas S.A. authorized the signing of a binding agreement with Neogas do Brazil Gas Natural Comprimido S.A. for the acquisition of 100% of its subsidiary Neogas Perú S.A.

Neogas Perú S.A. is a Peruvian-based company dedicated to the distribution of compressed natural gas to industrial customers and supply stations for automobiles. This acquisition aligns with the Company's strategy of becoming a relevant actor in the gas distribution in Latin America. The acquisition of Neogas Perú S.A. allows for extending the offer to industrial clients far from natural gas networks with an efficient and environmentally sustainable energy.

In the 12 months ended August 31, 2015, Neogas Perú S.A. generated sales in the amount of USD 43.5 million, and an adjusted EBITDA of USD 7.5 million, during the same period. The total assets of Neogas Perú S.A. as August 31, 2015 were approximately USD 37.6 million. At the same date, the company had adjusted net financial liabilities of approximately USD 16.4 million.

The price to be paid for the transfer of 100% of the shares of Neogas Perú S.A. (including adjusted financial debt) amounts to approximately USD25.6 million, a figure that will be subject to certain post-closing transaction adjustments.

The acquisition of Neogas Perú S.A. is estimated to materialize in the following 90 days, at the latest, after compliance of certain preceding conditions.

21. On December 3, 2015, regarding the issuance of shares that would take place pursuant to the determination of the Special Shareholders Meeting held July 29, 2015. Complemented and amended by the Special Shareholders' Meeting held November 13, 2015, the Board of Directors of Empresas Lipigas S.A. at a special session held today, agreed to declare the Book Order Auction process in the Santiago Stock Exchange void, in spite of having received orders for more than CLP 176,000,000,000, the minimum price condition of the auction was not fulfilled.

22. On December 16, 2015 the Board of Directors of Empresas Lipigas S.A., approved the payment of an interim dividend of CLP$52.82875 per share against the 2015 fiscal year profits. It will be paid beginning December 29, 2015 to shareholders registered as at December 21, 2015, at the company's offices located at Avenida Apoquindo 5400, 15th floor, Santiago.

23. On December 17, a material disclosure was reported to the Superintendence, regarding the payment of an interim dividend against the 2015 fiscal year profits, in the amount of $52.82875 beginning December 29, 2015. It was noted that shareholders registered on December 21, 2015, would be entitled to the same, when it should have stated December 22, 2015.

Investment and financing policy

Investment policy

Empresas Lipigas S.A has internal procedures for the preparation and approval of the annual budget for expenses and investments and for individual investment projects.

The yearly budget is proposed by Management to the Board of Directors, which must approve it, taking into account profitability targets suitable for shareholders, the fulfillment of their financial obligations and the maintenance of a balanced financial structure.

Approvals for individual investment projects within the approved annual budget depend on the amount of the investment involved and are made based on profitability criteria applicable to the various markets where the Company has operations.
Additional projects from the annual budget are submitted for approval by Management to the Board of Directors.

Currently, the Company's investment plans are aimed at strengthening the leadership in the LPG business in Chile and increase participation in the LPG business in Colombia and Peru.

Also, in 2015, 6 new liquefied natural gas (LNG) industrial clients were added, reaching a dozen of companies using this fuel in different productive processes.

In the case of Colombia and Peru, as well as regular investments in the LPG business, the Company permanently analyzes growth opportunities via acquisitions that meet the profitability parameters established by the Board of Directors. Thus, we have materialized the acquisitions of Lidergas in Colombia in June 2014, and Neogas Perú in February 2016.

Financing policy

Empresas Lipigas obtains its funding resources from own sources, supplier credits, debt with financial institutions and the securities market.

Until 2010, the Company only resorted to borrowing in the financial market on few occasions and with regards to specific projects, With the entry into LPG operations in other countries, and the consequent increase of the needs of funds, together with the commitments relating to the construction of the facilities at the maritime terminal of Quintero, the Company has resorted to bank indebtedness.

In April 2015, the Company completed its first issuance of public debt in the market through the placement of a 25-year term bond in the amount of UF 3.5 million, restructuring its funding source at a term commensurate with the investments carried out.

The approval of indebtedness operations is carried out on the basis of the amount of each transaction. Operations for amounts exceeding CLP 6,000,000,000 are approved by the Board of Directors.

The Company's indebtedness operations do not have additional commitments relating to the maintenance of certain financial indicators with bond holders.

Statement of responsibility

The Directors and the General Manager of Empresas Lipigas S.A. who sign this statement, are liable under oath with respect to the accuracy of the information provided in this 2015 Annual Report, which replaces the previous version of the same Annual Report and has been prepared according to General Rule N ° 30 of Chile's Superintendence of Securities and Insurance.

Juan Manuel Santa Cruz Munizaga
Chairman of the Board of Directors
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Ernesto Noguera Gorget
Director
RUT: 3.678.316-8

Mario Vinagre Muñoz
Director
RUT: 3.803.145-7

Jaime García Rioseco
Director
RUT: 5.894.661-3

Jaime Santa Cruz Negri
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RUT: 6.861.742-1

José Miguel Barros van Hovell
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