



EMPRESAS LIPIGAS S.A. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2017

(in 000's of Chilean pesos – Th\$)

Limited review for the period ended June 30, 2017.

Audited for the fiscal year ended December 31, 2016.

**Consolidated Financial Statements
Empresas Lipigas S.A.
as of June 30, 2017**

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CLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2017 and December 31, 2016
(in 000's CLP)

ASSETS	Note	06.30.2017 Th\$	12.31.2016 Th\$
ASSETS			
Cash and cash equivalent	3	15,021,733	18,121,977
Trade receivables and other receivables, current	7	37,543,999	31,580,348
Inventories	9	15,813,120	16,538,407
Current tax assets	10	3,927,656	2,912,618
Other non-financial assets, current	6	785,880	799,084
Total Current Assets		73,092,388	69,952,434
Non-current assets or disposal groups held for sale		41,222	44,294
Total Current Assets		73,133,610	69,996,728
NON-CURRENT ASSETS			
Other financial assets, non-current	4	1,668,325	1,866,935
Investments accounted for using the equity method		1,100	1,100
Intangible assets other than goodwill	11	8,588,829	8,544,594
Property, plant and equipment	13	289,188,733	278,294,088
Goodwill	12	14,394,146	14,054,987
Deferred tax assets	10	1,110,145	912,278
Other non-financial assets, non-current	6	911,765	971,922
Total Non-Current Assets		315,863,043	304,645,904
Total Assets		388,996,653	374,642,632

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2017 and December 31, 2016
(in 000's CLP)

EQUITY AND LIABILITIES	Note	06.30.2017 Th\$	12.31.2016 Th\$
CURRENT LIABILITIES			
Other financial liabilities, current	14	11,213,600	12,219,045
Trade payable and other accounts payable, current	15	37,505,794	34,902,813
Intercompany accounts payable, current	8	7,012,301	-
Other provisions, current	16	1,239,689	1,213,083
Tax liabilities, current	10	822,867	689,787
Other non-financial liabilities, current	2.23	2,469,550	1,680,194
Provisions for employee benefits, current	17	1,791,828	1,624,135
Total Current Liabilities		62,055,629	52,329,057
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	14	118,697,981	118,399,094
Trade payable and other accounts payable, current	15	412,500	862,691
Deferred tax liabilities	10	30,799,503	29,416,081
Other non-current non-financial liabilities	18	34,780,233	34,294,591
Provisions for employee benefits, non-current	17	2,433,643	2,132,882
Total Non-Current Liabilities		187,123,860	185,105,339
TOTAL LIABILITIES		249,179,489	237,434,396
EQUITY			
Issued capital	19	129,242,454	129,242,454
Other reserves	19	(3,452,757)	(4,169,882)
Accumulated earnings (losses)	19	12,751,561	10,907,198
Equity attributable to the owners of the controller		138,541,258	135,979,770
Non-controlling interests	19	1,275,906	1,228,466
Total Equity		139,817,164	137,208,236
Total Equity and Liabilities		388,996,653	374,642,632

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

INTERIM CONSOLIDATED INCOME STATEMENT BY FUNCTION
As of June 30, 2017 and June 30, 2016
(in 000's CLP)

STATEMENT OF INCOME BY FUNCTION	Note	06.30.2017 Th\$	06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Revenue	21	223,904,944	195,688,603	124,792,023	110,251,549
Cost of sales	22	(149,638,071)	(127,855,352)	(81,519,353)	(71,863,129)
Gross Earnings		74,266,873	67,833,251	43,272,670	38,388,420
Other income by function	21	104,527	85,713	52,727	34,254
Other expenses by function	22	(11,312,173)	(9,721,515)	(5,962,062)	(5,681,274)
Distribution costs	22	(17,781,373)	(16,491,529)	(9,711,735)	(9,071,976)
Administrative expenses	22	(14,274,164)	(13,231,732)	(7,135,132)	(6,777,132)
Financial costs	23	(2,758,480)	(4,218,761)	(1,407,998)	(2,482,615)
Financial income	23	550,540	666,064	150,804	343,901
Exchange differentials	23	(47,121)	255,113	(54,865)	44,243
Profit (loss) on indexation units	23	(1,394,536)	(1,873,990)	(846,001)	(1,067,456)
Other gains (losses)	23	71,008	636,227	(44,494)	653,421
Earnings (loss) before taxes		27,425,101	23,938,841	18,313,914	14,383,786
Income tax expense	10	(7,361,375)	(5,830,999)	(4,920,228)	(3,640,121)
Profit (loss)		20,063,726	18,107,842	13,393,686	10,743,665

Earnings (loss) attributable to:

Profit (loss) attributable to the owners of the controller		20,016,286	18,087,472	13,368,197	10,756,455
Profit (loss) attributable to non-controlling interests	19	47,440	20,370	25,489	(12,790)
Profit (loss)		20,063,726	18,107,842	13,393,686	10,743,665

Earnings per basic share

Earnings (loss) per basic share in continued operations	20	176.24	159.26	117.70	94.71
Earnings (loss) per basic share in discontinued operations		-	-	-	-
Earnings (loss) per basic share		176.24	159.26	117.70	94.71

Earnings per diluted share

Earnings (loss) per diluted share in continued operations	20	176.24	159.26	117.70	94.71
Earnings (loss) per diluted share in discontinued operations		-	-	-	-
Earnings (loss) per diluted share		176.24	159.26	117.70	94.71

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As of June 30, 2017 and June 30, 2016
(in 000's CLP)

STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Profit (loss)		20,063,726	18,107,842	13,393,686	10,743,665
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		638,839	(88,486)	(94,307)	1,202,783
Other comprehensive income, actuarial profit (loss) from defined benefit plans		(334,821)	(80,199)	(293,592)	(58,248)
Profit (loss) from cash flow hedges, before taxes		416,394	(909,423)	(82,972)	(724,387)
Other comprehensive income, before taxes		720,412	(1,078,108)	(470,871)	420,148
Income tax on components of other comprehensive income	10.4	(3,287)	226,274	97,939	178,714
Total comprehensive income		20,780,851	17,256,008	13,020,754	11,342,527
Comprehensive income attributable to owners of the controller		20,733,411	17,235,638	12,995,265	11,355,317
Comprehensive income attributable to non-controlling interests		47,440	20,370	25,489	(12,790)
Total comprehensive income		20,780,851	17,256,008	13,020,754	11,342,527

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods ended June 30, 2017 and 2016
(in 000's CLP)
Year 2017

Statement of Changes in Equity	Issued Capital Th\$	Reserves for translation of exchange differences Th\$	Reserves for cash flow hedges Th\$	Reserves for gains and losses on defined benefit plans Th\$	Total Other reserves M\$	Accumulated Gains (Losses) Th\$	Equity		
							Equity attributable to owners of the controllers Th\$	Non-controlling interests Th\$	Total equity Th\$
Equity at January 1, 2017	129,242,454	(3,544,232)	(654,062)	28,412	(4,169,882)	10,907,198	135,979,770	1,228,466	137,208,236

Changes in equity

Comprehensive income										
	-	-	-	-	-	20,016,286	20,016,286	47,440	20,063,726	6.670.040
	-	638,839	322,705	(244,419)	717,125	-	717,125	-	717,125	1.090.058
	-	638,839	322,705	(244,419)	717,125	20,016,286	20,733,411	47,440	20,780,851	7.760.098
Dividends	-	-	-	-	-	(18,171,923)	(18,171,923)	-	-	(18,171,923)
Total increase (decrease) in equity	-	638,839	322,705	(244,419)	717,125	1,844,363	2,561,488	47,440	2,608,928	
Equity at June 30, 2017	129,242,454	(2,905,393)	(331,357)	(216,007)	(3,452,757)	12,751,561	138,541,258	1,275,906	139,817,164	

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods ended June 30, 2017 and 2016
(in 000's CLP)
Year 2016

Statement of changes in equity	Issued Capital Th\$	Reserves for translation of exchange differences Th\$	Reserves for cash flow hedges Th\$	Reserves for gains and losses on defined benefit plans Th\$	Total Other Reserves Th\$	Accumulated Gains (Losses) Th\$	Equity		
							Equity attributable to owners of the controllers Th\$	Non-controlling interests Th\$	Total equity Th\$
Equity at June 1, 2016	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
Changes in Equity									
Comprehensive income									
Gain (Loss)	-	-	-	-	-	18,087,472	18,087,472	20,370	18.107.842
Other comprehensive income	-	(88,486)	(704,803)	(58,546)	(851,835)	-	(851,835)	-	(851.835)
Total comprehensive income	-	(88,486)	(704,803)	(58,546)	(851,835)	18,087,472	17,235,638	20,370	17.256.008
Dividends	-	-	-	-	-	(16,079,442)	(16,079,442)	(126,000)	(16,205,442)
Total increase (decrease) in equity	-	(88,486)	(704,803)	(58,546)	(851,835)	2,008,030	1,156,195	(105,630)	1,050,565
Equity at June 30, 2016	129,242,454	(2,212,502)	(492,690)	(90,774)	(2,795,966)	5,040,889	131,487,377	1,373,717	132,861,094

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

INTERIM CONSOLIDATED STATEMENT OF DIRECT CASH FLOWS
As of June 30, 2017 and June 30, 2016
(in 000's CLP)

STATEMENT OF DIRECT CASH FLOW	Note	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$
Cash flow from (used in) operating activities			
Type of collection by operating activity			
Collection from the sale of goods and services rendered		97,179,139	86,725,432
Other collections (payments) from operating activities		217,142,993	190,822,162
Type of payment			
		636,824	1,596,716
Payments to suppliers for goods and services			
Payments to and on behalf of employees		(124,387,470)	(104,770,027)
Other payments for operating activities		(17,201,241)	(16,038,577)
Income taxes refunded (paid)		(36,921,325)	(32,105,456)
Other cash receipts (payments)		(6,690,924)	(9,705,617)
Net cash flow from operating activities		389,000	(2,159,082)
Cash flow from (used in) investing activities			
Cash flows used in obtaining control of subsidiaries or other businesses		(1,405,853)	(17,893,212)
Revenue from sales of property, plant and equipment		69,285	64,184
Purchases of intangible assets		(715,297)	(797,638)
Purchases of property, plant and equipment		(18,647,716)	(11,478,586)
Proceeds (payments) from other long-term assets		34,197	(245,914)
Cash and cash equivalent received through business combinations		-	1,102,234
Net cash flow used in investing activities		(20,665,384)	(29,248,932)
Cash flows from (used in) financing activities			
Proceeds from issuance of shares			
Proceeds from long-term loans		-	3,255,945
Proceeds from short-term loans		4,241,300	5,665,638
Total loan proceeds		4,241,300	8,921,583
Payment of loans		(4,706,344)	(3,898,811)
Payment of financial lease liabilities		(1,863,150)	(3,002,870)
Interest paid		(1,947,599)	(2,902,625)
Dividends paid		(11,159,923)	(7,405,442)
Net cash flows from (used in) financing activities		(15,435,716)	(8,288,165)
Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate		(3,133,243)	(9,896,978)
Effects of exchange rate variations on cash and cash equivalent		32,999	(86,080)
Net increase (decrease) in cash and cash equivalent		(3,100,244)	(9,983,058)
Cash and cash equivalent at the beginning of the period		18,121,977	31,214,918
Cash and cash equivalent at the end of the period		15,021,733	21,231,860

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

EMPRESAS LIPIGAS S.A.

Notes to the interim consolidated financial statements as of June 30, 2017

1. General information on the Company

Empresas Lipigas S.A. (hereinafter the "Company") and its subsidiaries comprise the Lipigas Group (hereinafter the "Group"). Empresas Lipigas S.A. is an open stock corporation, and its registered office is located at Apoquindo 5400, 15th floor, in the municipality of Las Condes, Santiago, Chile

Inversiones El Espino S.A., a privately held company, was incorporated by public deed dated August 9, 2000. Subsequently, it was agreed by public deed dated October 31, 2000, to amend the corporate name from Inversiones El Espino S.A. to Empresas Lipigas S.A.

The Company's corporate purpose is to invest, acquire, sell, manage, exploit and commercialize any type of tangible and intangible real estate property or personal property in any way, for its own account or for others, whether owned by it or by others; hold interests in any type of company engaged in the business of importing, exporting, storage, fractioning, commercialization, distribution and transport of liquefied gas (LPG). Its corporate purpose was amended by public deed dated October 14, 2002 to include the commercialization of LPG and any type of liquid or gaseous fuel. The Special Shareholders Meeting held November 14, 2014 added to the corporate purpose the use of any form of gas to generate electricity or other type of energy and the commercialization, sale, and distribution of that type of energy.

The Company was registered in Chile's securities issuers' registry of the Superintendence of Securities and Insurance on February 4, 2015.

The Company obtained from Chile's Superintendence of Securities and Insurance, the registration of its shares in the securities issuers registry of said entity on October 21, 2015.

The Company's shares began trading on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*) on November 24, 2016.

The Company's Board of Directors authorized the issuance of these interim consolidated financial statements for the period ended June 30, 2017 on August 30, 2017.

2. Summary of Main Accounting Policies

Described below are the main accounting policies used in preparing the consolidated financial statements. These policies have been designed based on the International Financial Reporting Standards prevailing as of June 30, 2017 and they have been applied uniformly to the periods presented in these consolidated financial statements.

2.1 Bases for preparation of the consolidated financial statements

These interim consolidated financial statements of the Company correspond to the period ended June 30, 2017 and have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The previously mentioned standards have been applied uniformly to the periods presented. IFRS include International Accounting Standards (IAS) and interpretations by the respective Interpretations Committees (SIC and IFRIC) issued by IASB.

The preparation of the financial statements as described above requires that certain estimations and accounting standards be used. It also requires Management to exercise judgment in the application of the Company's accounting policies. Note 2.30 discloses the areas that imply a greater degree of judgment or complexity or the areas where the assumptions and estimations are material.

There were no uncertainties as of the date of these interim consolidated financial statements regarding events or conditions that may contribute doubt about the possibility that the Company will continue to normally operate as an ongoing business.

The interim consolidated financial statements have been presented using the historic cost criteria, except for certain financial instruments, which are disclosed at their fair value.

2.2 Currency of presentation and functional currency

These interim consolidated financial statements are presented in thousands of Chilean pesos (Th\$) as it is the functional currency of the main economic environment in which the Company does business.

Each entity in the Group has determined its own functional currency according to the requirements of IAS 21 *"The Effects of Changes in Foreign Exchange Rates"*, and the items included in each entity's financial statements are measured using that functional currency.

2.3 Periods covered by the financial statements

The interim consolidated financial statements include the classified consolidated statement of financial position for the period ended June 30, 2017 and the fiscal year ended December 31, 2016; and the consolidated statement of income by function, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of direct cash flows for the period ended June 30, 2017 and 2016.

2.4 New rulings, amendments, improvements and accounting interpretations (IFRS and Interpretations of the IFRIC)

Improvements, amendments and interpretations to existing standards that have entered into force during the period June 30, 2017, have been published as of the date of issuance of these interim consolidated financial statements and have been adopted by the Company. These became mandatory as of the dates indicated below:

- a) First-time mandatory application of standards, interpretations and amendments for the fiscal years beginning January 1, 2017.

Standards and Interpretations	Mandatory for fiscal years beginning on or after
Amendment to IAS 7 "Statement of Cash Flows" - Published in February 2016. The amendment introduces additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
Amendment to IAS 12 "Income Taxes" - Published in February 2016. The amendment clarifies how to account for a deferred tax asset that is related to a debt instrument measured at fair value.	January 1, 2017
Amendment to IFRS 1 "First time adoption of IFRS", relative to the suspension of short-term exemptions for first time adopters of IFRS 7, IAS 19 and IFRS 10. Published in December 2016.	January 1, 2017
Amendment to IFRS 12 "Information to be disclosed regarding Ownership in Other Entities". Published in December 2016. The amendment clarifies the scope of this standard. These amendments should apply retroactively to the annual periods beginning January 1, 2017.	January 1, 2017
Amendment to IAS 28 "Investments in Associates and Joint Ventures", regarding the fair value measurement of the associate or joint venture. Published in December 2016.	January 1, 2017

Adoption of the above Standards, Amendments and Interpretations do not have a material impact on the Company's interim consolidated financial statements.

- b) Standards, interpretations and amendments issued but not in effect, for the fiscal year starting January 1, 2017 that have not been adopted early.

Standards and Interpretations	Mandatory for fiscal years beginning on or after
IFRS 9 "Financial Instruments." Published in July 2014. The IASB has published the full version of IFRS 9, which supersedes IAS 39 implementation guidance. This final version includes requirements on the classification and measurement of financial assets and liabilities and an expected credit loss model that replaces the actual model on incurred loss impairment. The part on hedge accounting contained in this final version of IFRS 9 had already been published in November 2013. Early adoption is permitted.	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers." Published in May 2014. It sets down the principles to be followed by an entity in presenting useful information to the users of financial statements on the nature, amount, timing and uncertainty of income and cash flows from contracts with customers. The basic principle is that an entity will recognize income from the transfer of goods or services promised to customers that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It supersedes IAS 11 Construction Contracts; IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue - Barter Transactions involving Advertising Services. Early adoption is permitted.	January 1, 2018
IFRS 16 "Leases" - Published in January 2016, establishes the principle for recognizing, measuring, presenting and disclosing leases. IFRS 16 replaces current IAS 17, introduces a single accounting model for the lessee, and requires the lessee to record assets and liabilities of all lease agreements with a lease term of more than 12 months, unless the underlying asset has a low	January 1, 2019

Standards and Interpretations	Mandatory for fiscal years beginning on or after
value. The purpose is to assure that lessees and lessors submit relevant information in a way that faithfully represents the transactions. This information sets the basis for users of the financial statements to evaluate the impact of the leases on the entity's financial statements, financial performance and cash flows. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, early application is permitted for entities applying IFRS 15 on or before the initial application of IFRS 16.	
IFRS 17 "Insurance Contracts". Published in May 2017, replaces the current IFRS 4. IFRS 17 will mainly change accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The rule applies to annual periods beginning January 1, 2021, allowing early adoption provided the application of IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial instruments".	January 1, 2021
IFRIC 22 "Foreign Currency Transactions and Advance Consideration". Published in December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or a non-financial liability arising from the payment or collection of an advance consideration before the recognition of the related asset, expense or income (or the corresponding part). The interpretation provides guidance regarding the date of a transaction (payment/collection), and also for multiple transactions. The purpose of this interpretation is that of reducing diversity in practice.	January 1, 2018
IFRIC 23 "Uncertain tax positions". Published in June 2016. This interpretation clarifies the application of recognition and measurement requirements of IAS 12 when there is uncertainty about the tax treatments.	January 1, 2019
Amendment to IFRS 2 "Share-based payments". Published in June 2016. The amendment clarifies the measurement of cash-settled share-based payments and accounting for amendments that change such payments to equity-settled. In addition, it introduces an exception to the principles of IFRS 2 that will require treatment of premiums as if it were entirely equity-settled, when the employer is required to withhold the tax related to share-based payments.	January 1, 2018
Amendment to IFRS 15 "Revenue from Contracts with Customers". Published in April 2016. The amendment clarifies guidance on identifying performance obligations in contracts with customers, intellectual property licensing and assessing principal versus agent considerations (gross versus net presentation of income). It includes new and amended illustrative examples as guidance, as well as practical examples regarding the transition to the new standard on income.	January 1, 2018
Amendment to IFRS 4 "Insurance Contracts", when applying IFRS 9 "Financial Instruments". Published in September 2016. The amendment provides two options for entities that issue insurance contracts within the scope of IFRS 4: (1) the overlay approach, giving all entities that issue insurance contracts the option to reclassify, from profit or loss to other comprehensive income, the volatility that could arise from applying IFRS 9 before the new insurance contract standard, and (2) An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is insurance related, to optionally apply a temporary exemption to IFRS 9 until the year 2021, continuing until then with the application of IAS 39.	January 1, 2018
Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Published in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or the contribution of goods between an investor and its associate or joint venture. The main consequence of the amendments is that a complete gain or loss is recognized when the transaction involves a business (in a subsidiary or not) and a partial a gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.	Undetermined

The Company has not made early adoption of any of these standards. Company management is assessing the impacts of the adoption of the above Standards, Amendments and Interpretations will have on the Company's interim consolidated financial statements at the time of its first application, particularly IFRS 9, 15 and 16.

2.5 Basis for consolidation

2.5.1 Subsidiaries

Subsidiaries are all entities in which the Company has the power to direct the financial and operating policies, which is generally accompanied by an interest representing more than one-half of the voting rights. The evaluation of whether the Company controls another entity considers the existence and effect of potential voting

rights that are currently possible to be exercised or converted. Subsidiaries are consolidated as of the date when control is obtained and they are excluded from the consolidation on the date when control ceases.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of the assets delivered, of the equity instruments issued and of the liabilities incurred or assumed on the date of transfer. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially valued at the fair value on the date of acquisition, regardless of the scope of minority interests. Excess cost of the fair value of the Company's interest in identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of net assets in the subsidiary acquired, the difference is recognized directly in the consolidated statement of income by function.

The transactions, balances and unrealized gains in transactions between entities in the Group are eliminated in the consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment loss in the transferred asset. Accounting policies of subsidiaries are amended, whenever necessary, to ensure uniformity in the policies adopted by the Company.

2.5.2 Non-controlling transactions and interests

The Group's policy is to consider transactions with non-controlling interests as if they were transactions with Company shareholders, disclosing such transactions as equity transactions with no impact on income, provided they do not correspond to a loss of control.

2.6 Subsidiaries

2.6.1 Directly consolidated entities

Subsidiaries included in the consolidation are itemized below:

Country	Company	Ownership Interest (%)	
		06.30.2017	12.31.2016
Chile	Norgas S.A.	58.00	58.00
Chile	Inversiones Lipigas Uno Ltda.	100.00	100.00
Chile	Inversiones Lipigas Dos Ltda.	100.00	100.00
Chile	Trading de Gas SpA.	100.00	100.00

Assets, liabilities and equity of the subsidiary Norgas S.A. are itemized below:

Summary Statement of Financial Position Norgas S.A	06.30.2017 Th\$	12.31.2016 Th\$
Current Assets	766,170	547,415
Non-current Assets	2,752,186	2,830,934
Total Assets	3,518,356	3,378,349
Current Liabilities	120,317	90,875
Non-current Liabilities	360,167	362,556
Equity	3,037,872	2,924,918
Total Liabilities and Equity	3,518,356	3,378,349

Income and expenses of the subsidiary Norgas S.A. are itemized below:

Summary Statement of Income Norgas S.A	06.30.2017 Th\$	12.31.2016 Th\$
Revenue	459,920	2,286,508
Cost of sales and expenses	(321,269)	(2,250,055)
Other income (expenses)	(25,697)	12,046
Profit (loss)	112,954	48,499

Assets, liabilities and equity of the subsidiary Trading de Gas SpA are itemized below:

Summary Statement of Financial Position Trading de Gas SpA	06.30.2017 Th\$	12.31.2016 Th\$
Current Assets	21,439,196	20,458,374
Non-current Assets	36,477,402	36,392,324
Total Assets	57,916,598	56,850,698
Current Liabilities	9,482,244	8,785,196
Non-current Liabilities	34,689,289	36,195,354
Equity	13,745,065	11,870,148
Total Liabilities and Equity	57,916,598	56,850,698

Income and expenses of the subsidiary Trading Gas SpA are itemized below:

Summary Statement of Income Trading de Gas SpA	06.30.2017 Th\$	06.30.2016 Th\$
Revenue	62,513,858	54,633,967
Cost of sales and expenses	(57,571,746)	(47,891,083)
Other income (expenses)	(1,963,826)	(2,392,588)
Profit (loss)	2,978,286	4,350,296

The subsidiaries Inversiones Lipigas Uno Limitada and Inversiones Lipigas Dos Limitada, present under assets and liabilities, mainly investments in Peru and Colombia, itemized in Note 2.6.2 below.

2.6.2 Indirectly consolidated entities

Indirect subsidiaries included in the consolidation are itemized below:

Country	Company	Ownership Interest (%)	
		06.30.2017	12.31.2016
Colombia	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	100.00	100.00
Colombia	Chilco Metalmecánica S.A.S.	100.00	100.00
Colombia	Rednova S.A.S. E.S.P.	100.00	-
Peru	Lima Gas S.A.	100.00	100.00
Peru	Limagas Natural Perú S.A.	100.00	100.00

Assets, liabilities and equity for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S., and Rednova S.A.S. E.S.P. (total for Colombia) Lima Gas S.A. and Limagas Natural Perú S.A. (total for Peru) as of 06.30.2017 and 12.31.2016 are itemized below:

Summary Consolidated Statements of Financial Position - Subsidiaries	06.30.2017 Th\$ Colombia	12.31.2016 Th\$ Colombia	06.30.2017 Th\$ Peru	12.31.2016 Th\$ Peru
Current assets	6,686,815	5,897,744	12,605,703	14,987,995
Non-current assets	37,806,704	36,654,889	58,401,897	57,319,772
Total assets	44,493,519	42,552,633	71,007,600	72,307,767
Current liabilities	3,730,384	3,590,532	18,472,201	20,669,167
Non-current liabilities	23,060,818	22,706,839	11,736,627	12,709,287
Equity	17,702,317	16,255,262	40,798,772	38,929,313
Total liabilities and equity	44,493,519	42,552,633	71,007,600	72,307,767

Income and expenses for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S. and Rednova S.A.S. E.S.P (total for Colombia) Lima Gas S.A. and Limagas Natural Perú S.A. (total for Peru) as of 06.30.2017 and 06.30.2016 are itemized below:

Summary Consolidated Statement of Income - Subsidiaries	06.30.2017 Th\$ Colombia	06.30.2016 Th\$ Colombia	06.30.2017 Th\$ Peru	06.30.2016 Th\$ Peru
Revenue	21,859,431	18,077,117	46,137,744	41,580,361
Cost of sales and expenses	(19,348,249)	(17,025,248)	(43,933,131)	(39,222,385)
Other income (expenses)	(1,041,204)	(1,017,897)	(1,256,587)	(791,811)
Profit (loss)	1,469,978	33,972	948,026	1,566,165

2.6.3 Changes in the perimeter of consolidation

During the period ended June 30, 2017 and the fiscal year ended December 31, 2016 the following variations occurred in the perimeter of consolidation of the Lipigas Group:

Peru

On February 5, 2016, Lima Gas S.A. acquired the political and economic rights of 100% of the shares of Neogas Peru S.A. (a company dedicated to commercializing compressed natural gas for industrial clients and service stations). Beginning November 2016, the company Neogas Perú S.A. changes its name to Limagas Natural Perú S.A. in accordance to the decision of the Special Shareholders' Meeting held November 14, 2016.

Colombia

On January 6, 2017, the company Rednova S.A.S. E.S.P. is established for developing the distribution of network gas in Colombia.

2.7 Foreign Currency Translation

2.7.1 Functional and presentation currency

The items included in the interim consolidated financial statements of the Company and its subsidiaries are valued using the currency of the main economic environment in which the Company operates ("functional currency"). The functional and presentation currency of Empresas Lipigas S.A. and its subsidiaries Norgas S.A., Trading de Gas SpA, Inversiones Lipigas Uno Limitada and Inversiones Lipigas Dos Limitada is the Chilean peso; and for its subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S. and Rednova S.A.S. E.S.P., it is the Colombian peso; and for Lima Gas S.A. and Limagas Natural Perú S.A. it is the Peruvian sol. For consolidation effects, the Company's subsidiaries translated their financial statements to Chilean pesos, which is their presentation currency.

The income and financial position of all of the Company's subsidiaries (none of which uses a currency in a hyperinflationary economy) whose functional currency is different from the presentation currency are translated to the presentation currency in the following way:

- Assets and liabilities in each statement of financial position are translated using the closing exchange rate of each fiscal year or period.
- Income and expenses of each income account are translated using the accumulated average monthly exchange rates for the fiscal year or period (unless this average is not a fair approximation of the exchange rates on the transaction dates, in which case income and expenses are translated at the exchange rate prevailing on the transaction date).
- All translation differentials are recognized as a separate component of equity through Other Comprehensive Income.

2.7.2 Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing on the dates of the respective transactions. Foreign currency losses and gains resulting from the settlement of these transactions and from the translation of foreign currency-denominated monetary assets and liabilities at the closing exchange rates are recognized as exchange differentials in the consolidated statement of income by function, unless they originate in cash and cash equivalent balances designated as foreign currency cash flow hedges, which are allocated to Other Comprehensive Income.

Foreign currency balances as of June 30, 2017 and December 31, 2016, respectively, are itemized in Note 26.

2.7.3 Exchange rates and indexation units

Assets and liabilities in foreign currency and those set in Unidades de Fomento are presented at the following exchange rates and closing values, respectively:

Date	CLP / USD	CLP / UF	CLP / COP	CLP / PEN
06.30.2017	664.29	26,665.09	0.22	204.40
12.31.2016	669.47	26,347.98	0.22	199.69

CLP : Chilean peso
 UF : Unidad de Fomento
 USD : U.S. dollar
 COP : Colombian peso
 PEN : New Peruvian sol

2.8 Financial information by operating segment

Information by segment is presented according to IFRS 8 *Operating Segments*, consistent with internal reports regularly reviewed by Company management used in the decision making process on allocating resources and performance evaluation of each of the operating segments.

According to IFRS 8, an operating segment is defined as a component of an entity that meets the following three requirements:

- It conducts an activity that generates income and incurs costs.
- There is separate financial information on said segment.
- The chief operating decision-maker regularly evaluates the segment's performance.

The Company's reporting segments correspond to the geographic scope of the countries where activities are developed: Chile, Colombia and Peru.

Note 25 of the consolidated financial statements provides detailed information.

2.9 Property, plant and equipment

2.9.1 Appraisal

Property, plant and equipment components held for use in operations or for administrative means are presented at cost, net of the corresponding accumulated depreciation and impairment losses, when relevant, including expenses directly attributable to the acquisition of the good.

Items of property, plant and equipment, are initially recognized at acquisition cost. The price of acquisition of goods and services, including the non-recoverable tax and customs charges are considered when determining the purchase price. Similarly, emplacement and start-up costs are included, until fit for operation.

On the date of transition to IFRS, the Company chose to present certain items in property, plant and equipment at fair value, using said value as the cost on the transition date pursuant to IFRS 1.

Work in progress is transferred to operating assets at the end of the test period once they are available for use. Depreciation begins as of that moment.

Subsequent costs (replacement of components, improvements, extensions, growth, etc.) are included as an increase in the value of the initial asset or recognized as a separate asset only if it is likely that future economic benefits associated with the fixed asset will flow to the Company and the cost of the element can be reliably determined. The value of the substituted component is retired in the accounting. Remaining repairs and maintenance are debited to income in the fiscal year or period when they are performed.

2.9.2 Depreciation method

Asset depreciation is calculated using the straight-line method based on the estimated useful life of the goods, taking into account the residual value, whose average per item is:

Type of Property, Plant and Equipment	Useful Life (Years)
Buildings - Constructions and buildings	25/45
Storage tanks	30/50
Property, plant and equipment in third-party facilities - Piping systems - Meters - Household tanks	16/50
Plant and Equipment - Machinery and equipment - Cylinders - Pallets - Financial leases	10/30
Information Technology Equipment	4/5
Smaller Motor Vehicles	5/10
Other property, plant and equipment - Transportation fleet - Furniture and office equipment	10/20

The residual value and useful life of assets are reviewed and adjusted, if necessary, at each financial statement closing, so that the remaining useful life is consistent with the economic use of the assets.

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to the recoverable amount by establishing impairment provisions.

Losses and gains on the sale or retirement of items of property, plant and equipment are calculated by comparing the income earned to the carrying value and the result (gain or loss) is included in the consolidated statement of income by function.

Interest expense incurred in building any asset that necessarily requires a substantial period before it is ready for its intended use, is capitalized during the period required to complete and prepare the asset for its intended use. Other interest expense is recorded in income (as financial costs).

Land is not depreciated because its useful life is indefinite.

2.10 Intangible assets other than goodwill

2.10.1 Computer software

Computer software licenses acquired are capitalized on the bases of the cost incurred in acquiring and preparing them to the specific program. These costs are amortized during their estimated useful life.

Expenses related to developing or maintaining computer software are recognized as an expense once they are incurred. The costs directly related to producing unique and identifiable computer software controlled by the Company, likely to generate economic benefits in excess of costs in more than one year are recognized as intangible assets. Direct costs include the expenses of personnel developing the computer software and an appropriate percentage of general expenses.

2.10.2 Customer-related intangible assets

Pursuant to IFRS 3, a company that acquires another company must recognize the identifiable assets acquired in a business combination separate from goodwill. An intangible asset will be distinguishable from goodwill if it meets either the separability criterion or the contractual-legal criterion.

The Company has recognized customer-related intangible assets as those assets acquired in business combinations. The value of the contracts with customers included in the combination has been calculated at the time of the combination and their fair value has been estimated based on forecasted sales and margins on those sales, to which a finite useful life has been assigned based on the duration of the business relationship with those customers. Amortization is calculated according to the useful life defined.

2.10.3 Trademarks

Trademarks acquired in a business combination are appraised at the fair value determined on the acquisition date.

The royalty savings method was used in order to calculate the value of the trademarks acquired in business combinations. The underlying premise of that method is that the intangible asset has a fair value equal to the actual savings on royalties attributable to that trademark (generated by savings earned by possessing the asset because no royalties have to be paid to a third party for use of a similar asset).

The useful life of the trademarks is set based on the Company's intention to use it, if an indefinite use of them is foreseen, they will not be amortized.

2.10.4 Other intangible assets identified in business combinations

The Company has recognized as other intangible assets those that have been able to be identified in business combinations and which comply with the criterion of separability or contractual legality.

2.11 Goodwill

Goodwill represents the excess acquisition cost on the date of acquisition above the fair value of the interest held by the Company in the identifiable net assets of the subsidiary acquired. Goodwill in relation to subsidiary acquisitions is an intangible asset and it is accounted for in intangible assets.

Goodwill relating to the acquisition of associates is included in investments in associates accounted for by the equity method and it is tested for impairment together with the total balance for the associate. Separately recognized goodwill is tested for impairment annually and valued at its cost, less accumulated impairment losses.

The transaction cost includes the carrying value of the goodwill of an entity sold, recorded in the gains and losses on the sale of that entity.

Goodwill purchased is allocated to cash-generating units to conduct impairment testing. The distribution is made among the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that included goodwill.

Negative goodwill in the acquisition of an investment or business combination is credited directly to the consolidated statement of income by function.

2.12 Impairment of non-current assets

Assets that have an indefinite useful life and that are not subject to depreciation or amortization are tested annually for impairment losses. Depreciable or amortizable assets are tested for impairment provided an event or change in circumstances indicates that the carrying value might not be recoverable or annually in the case of goodwill. The impairment loss is recognized to be the excess carrying value of the asset as compared to its recoverable amount. The recoverable amount is the fair value of an asset less costs of sale or value in use, whichever is higher. Assets are grouped at the lowest level at which there is identifiable separate cash flows (cash-generating units) in order to evaluate impairment losses.

Impairment tests are performed based on the estimates of the evolution of the market in which the generating unit operates and on forecasts of revenues, costs, expenses, investments in property, plant and equipment and working capital needs based on the business plans of each unit. In order to find the recovery value of non-current assets subject to impairment tests, the resulting flows are discounted at a weighted rate of capital cost appropriate to the characteristics of the assessed business.

Goodwill recorded in the acquisition of the investments in Colombia and Peru is evaluated annually to determine whether there is any loss in value of this asset. An impairment provision is made, if there is evidence of a loss in value, which is recognized in income for the corresponding quarter or fiscal year.

2.13 Financial instruments

A financial instrument is any contract that simultaneously creates both a financial asset in one entity and a financial liability or equity instrument in another entity.

The Company recognizes financial assets and financial liabilities at the time that it assumes the obligations or acquires the contractual rights to the same.

2.13.1 Financial assets

a) Cash and cash equivalent

Cash and cash equivalent include cash on hand and other short-term highly liquid investments originally expiring in three months or less.

b) Trade receivables and other receivables

Trade receivables are recognized at their nominal value since their average period for collection is short (generally no longer than 90 days) and there is no material difference in their fair value less the impairment loss provision. An impairment loss provision is established for trade receivables when there is impartial evidence that the Company will be unable to collect all sums owed it according to the original terms of accounts receivable.

When a receivable is considered uncollectible and collection efforts have been exhausted, the respective uncollectible account provision is written off. The subsequent recovery of previously written off amounts is recognized as a credit in the consolidated statement of income by function.

There is no implicit interest attributable to trade receivables and other accounts receivables when accounts expire in less than 90 days.

Loans and accounts receivable that include balances owed by distributors and other business customers are non-derivative financial assets for which there are fixed or determinable payments that are not traded on an active market. They are included in current assets unless the expiration date is longer than 12 months from the closing date of the consolidated financial statements, in which case they are classified as non-current assets.

c) Other non-current financial assets

The Company recognizes restricted availability funds under this item

d) Other current financial assets

This item includes derivative financial instruments that are appraised at their fair value, both at the beginning and subsequently. Accounting changes depend on the following classifications:

(i) Derivatives not qualifying for hedge accounting: When derivatives do not qualify for hedge accounting, they are recognized at their fair value with changes in profit or loss.

(ii) Derivatives qualifying for hedge accounting: Certain derivatives do qualify for hedge accounting and they are recognized at fair value in the consolidated statement of financial situation. Changes in fair value are recognized in other comprehensive income in the consolidated statement of comprehensive income and are accumulated in the cash flow hedge reserve account in equity until the hedge risk materializes. At that time, they are reclassified to income or to the cost of the asset whose acquisition has been hedged, as the case may be. Financial derivatives are contracted to hedge exchange rate risk and price variations under a cash flow hedging strategy according to IAS 39.

The profit or loss realized in hedge accounting is reclassified, as other comprehensive income, to the hedged items that underlie the hedge (inventories, property, plant and equipment and other non-current non-financial assets). Unrealized profits or losses are kept in the cash flow hedge reserve account.

In this case “realize” means that the risk of the hedged item has occurred, i.e., the hedged asset is received, the advance and/or account payable in the hedged foreign currency is paid or there is a variation in the realizable value of the inventory.

The Company records the relationship between the hedging instruments and hedged items at the start of the transaction, together with the risk management objectives and the strategy to manage several hedge transactions. The Company also records, from the start and continuously, its evaluation of whether the derivatives used in the hedged transactions are highly effective in offsetting changes in the fair value or in the cash flows of the hedged items.

e) Fair value hierarchies

As of June 30, 2017 and December 31, 2016, the Company maintains liabilities related to derivative contracts, which were classified under other current financial liabilities and are recorded at fair value in the statement of financial position. The Company uses the following hierarchy to determine and disclose the fair value of financial instruments:

Level 1: the quoted prices in a market for identical assets and liabilities.

Level 2: assumptions other than quoted prices included in level 1 and that are observable for assets or liabilities, either directly or indirectly.

Level 3: assumptions for assets or liabilities that are not based on observable information directly in the market.

During the period ended June 30, 2017 derivative instruments were measured using hierarchy level 2 and mutual funds were measured using level 1.

f) Impairment of financial assets

The Company evaluates whether there is objective evidence on the closing date of the consolidated financial statements that a financial asset or group of financial assets may have suffered impairment losses.

2.13.2 Financial liabilities

a) Other current and non-current financial liabilities

Loans and similar financial liabilities are initially recognized at fair value, net of any costs incurred in the transaction. They are thereafter appraised at the amortized cost while any difference between the funds obtained (net of the cost required to obtain them) and the reimbursement amount is recognized in the consolidated statement of income by function during the life of the debt, using the effective interest rate method.

b) Trade payables and other accounts payable

Trade payables and other accounts payable are shown at their nominal value since the average term for payment is short and there is no significant difference compared to their fair value.

2.14 Non-current assets classified as held for sale

The Company appraises non-current assets classified as held for sale at the lower of the carrying value and fair value less costs of sale, as indicated in IFRS 5.

2.15 Inventories

Inventories are appraised at their cost or net realizable value, whichever is lower. The cost is calculated using the average weighted price (AWP).

The cost of products includes costs that are necessary to give them their current status and location, in order for goods to be in a condition to be commercialized; not including interest costs.

2.16 Issued capital

Capital is represented by common shares in one single class and it is recorded at the value of the contributions made by the Company's owners.

2.17 Income tax and deferred taxes

Income tax expense in the fiscal year or period includes the current income tax and deferred tax. Tax is shown in the consolidated statement of income by function unless the items are recognized directly in equity in the consolidated statement of comprehensive income or result from a business combination.

Current income tax debit is calculated based on tax laws governing on the date of the consolidated financial statements.

Deferred taxes are calculated, according to the balance sheet method, based on the differences between the tax bases of assets and liabilities and their carrying value in the consolidated financial statements. However, no record is made if deferred taxes arise from the initial recognition of a liability or asset in a transaction other than a business combination but there is no impact, at the time of the transaction, on either the carrying profit or loss or the financial profit or loss. A deferred tax is calculated according to regulations and the tax rates approved or about to be approved on the closing date of the consolidated financial statements that are expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are shown when it is likely that there will be future tax benefits available that can be used to offset those differences.

2.18 Provisions

Liabilities existing at the date of the consolidated financial statements, arising as a result of past events which may derive in a probable materialization of equity decreases for the Company, whose payment amount and timing are uncertain, are recorded as provisions in the consolidated statement of financial position for the current value of the most probable amount estimated that the Company will have to pay to settle the liability.

2.19 Employee benefit provisions, current

The Company recognizes expenses by provisioning for bonuses and profit-share. These amounts are recorded at their nominal value.

2.20 Employee benefit provisions, non-current

The Company has liabilities for severance indemnities under collective bargaining agreements and individual employment contracts.

Defined benefit plans stipulate the payment to be received by an employee at the estimated time of enjoyment of the benefit, which usually depends on one or more factors such as the employee's age, turnover, years of employment and compensation.

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit liability, calculated based on actuarial variables. The present value of the defined benefit liability is calculated by discounting the estimated outgoing cash flows using a market interest rate denominated in the same currency as the currency in which the benefits will be paid. The term approximates the term of the severance indemnity obligation until maturity.

The costs of past services are recognized immediately in income. Actuarial gains and losses are recognized immediately in the statement of financial position as a debit or credit to other comprehensive income in the fiscal year or period in which they occur.

The present value of severance indemnity obligations is calculated by discounting estimated future flows using adjustable interest rates in UF on premium corporate bonds (or government bonds) denominated in the currency in which the benefits were paid, a rate difference based on top line companies' risk rating, rated AA+ or more and considering the maturity terms of the obligations.

The rates applied in the valuation of those obligations for the period ended June 30, 2017 and the fiscal year ended December 31, 2016 are rates established above the variation of the UF (Unidad de Fomento) for the term of the obligation, resulting in annual rates of 2.21% and 3.78% for the mentioned closing dates, respectively.

2.21 Cylinder and tank guarantees

As part of the distribution and sale of LPG system, the Company and two of its subsidiaries receive cash deposits, in exchange for the delivery to clients of cylinders and tanks for storage of liquefied gas, as guaranty for the return of those containers and tanks. Customers have the right to request that this money be reimbursed provided they return the cylinder or tank in good condition, together with supporting documents.

The Company follows IAS 37 - Provisions, Contingent Liabilities and Contingent Assets in appraising this liability, provided the conditions in that standard are met (please also see Note 2.30.4):

- a) the Company has a present obligation (legal or implicit) resulting from a past event;
- b) it is probable (that is, it is more likely than not) that the Company will have to dispose of revenue-generating resources in order to pay the obligation; and
- c) also, the amount of the corresponding debt can be reliably estimated. The standard emphasizes that a debt will not be reliably estimable in extremely rare cases only.

This obligation is shown under non-current liabilities at the present value of the disbursements that are expected to have to be made to pay that liability, discounted at the market interest rate and denominated in the same currency in which the obligation will be paid over a term that approximates the term of the obligations, estimating a maximum period of reimbursement of the guarantee of 40 years.

In the case of Colombia, due to the recent enactment of the brand cylinder regulations, Management believes that there is insufficient information to use the IAS 37 discounting model, which is why the obligation is recorded at its nominal value within non-current liabilities.

Government bonds from each country with maturities equivalent to those of the obligations to be discounted are used to calculate the discount rate.

Discount rates for the period ended June 30, 2017 and the fiscal year ended December 31, 2016, respectively are: 5.25% and annual 5.36% for Chile; and 6.73% and annual 6.68% for Peru.

2.22 Classification of balances as current and non-current

Balances are classified in the consolidated statement of financial position by maturity. Balances expiring in 12 months or less from the closing date of the consolidated financial statements are classified as current and those exceeding that expiration are classified as non-current.

Any obligations expiring in less than 12 months but whose long-term refinancing is assured are reclassified as non-current at the Company's discretion.

2.23 Recognition of income

Revenue includes the fair value of the payments received or receivable for the sale of goods and services in the ordinary course of the Company's business, operating mainly in the commercialization of LPG and NG and a smaller percentage comes from other income related to the principal activity. Revenue is shown net of sales tax, reimbursements, refunds and discounts.

The Company recognizes income when it can be valued reliably, it is likely that the future economic benefits will flow to the entity, and the specific conditions are met for each of the Company's activities as described below.

The sale of goods is recognized when the Company has delivered the products to the customer and there is no obligation pending fulfilment that might affect the acceptance of the products by the customer. Delivery does not take place until the products have been sent to the actual location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products under the sales contract, the period of acceptance has ended or the Company has objective evidence that the standards required for acceptance have been met.

Sales are shown at the price set in the sales contract, net of volume discounts and reimbursements estimated on the date of sale. It is assumed that there is no implicit financial component since the sales are made with an average short period of collection.

The Company recognizes prepaid income from coupon sales (a document delivered to the customer in support of the right to request a future delivery of gas in a cylinder) in Other current non-financial liabilities because although the economic benefit has flowed to the Company, ownership of the asset is not transferred until the beneficiary makes use of the coupon, at which time the income is actually recognized.

Interest income is recognized according to the effective interest rate method.

2.24 Leases

Financial leases

The Company leases certain property, plant and equipment. When the Company assumes substantially all the risks and benefits inherent to the property, the leases are classified as financial leases. Financial leases are capitalized at the start of the lease at the fair value of the property or asset leased or at the present value of the minimum payments under the lease, whichever is lower.

Each lease payment is distributed among liabilities and finance charges to obtain a constant interest rate on the outstanding balance of the debt. Lease debt net of finance charges is included in other financial liabilities. The interest element in the financial cost is charged to the consolidated statement of income by function during the lease so that there is a constant periodic interest rate on the remaining balance of the liability for each fiscal year or period. The asset acquired under a financial lease is depreciated during its useful life or the duration of the lease, if it is estimated that the Company will not acquire the good.

Operating leases

The Company recognizes an operating lease when substantially no risks and advantages inherent to the ownership of the leased property have been transferred.

2.25 Dividend distribution

Dividends payable to the Company's shareholders are recorded at the liability in the consolidated financial statements in the fiscal year or period when they are declared and approved by the Board or by the Company's shareholders.

Pursuant to its bylaws, the Company must distribute at least 50% of the net profits from each fiscal year. The respective shareholders meeting must vote in favor of any lower percentage distribution, passed unanimously by the voting shares.

Interim, final and eventual dividends are accounted for as a reduction in "Total Equity" at the time of approval by the competent body, which is usually the Board of Directors, in the first case, and the Shareholders' Meeting, is responsible for approving final and eventual dividends.

2.26 Earnings per share

Basic earnings (loss) per share are calculated as the quotient between the net earnings (loss) attributable to the shareholders of the Company in the fiscal year or period and the weighted average number of common shares in the Company in circulation in that period, excluding the mean number of shares in the Company held by an associate, if any. The Company and its associates have not performed any type of potentially diluting transaction that supposes a gain per diluted share other than the basic per-share profit.

2.27 Current prepayments

The Company records operating insurance payments as prepayments, within Other non-financial assets.

2.28 Current tax receivables

The Company records the net income tax balances in its favor as current tax receivables.

2.29 Intercompany receivables and payables

The Company records trade accounts as intercompany receivables or payables and the sale of goods or services provided or received by the Company and dividends payable to its shareholders are accounted for as intercompany transactions.

2.30 Management estimates and judgments or critical standards

The Company makes estimations and judgments that have a direct impact on the figures in these consolidated financial statements. As a result, changes in assumptions and estimations may cause significant changes in those financial statements.

Estimations and judgments are continuously evaluated and are based on historic experience and other factors, including the expectation of future events believed to be reasonable under the circumstances and the information available at the time the consolidated financial statements are prepared. The most relevant are described below:

2.30.1 Uncollectible provision

A provision is set up for trade receivables impairment losses when it is estimated that there is evidence that the Company will be unable to collect all sums owed to it according to the original terms of the receivables. Some indicators of a potential receivable's impairment are financial troubles of the debtor, the probability that the debtor will begin a bankruptcy or financial reorganization and default or non-payment, in addition to the experience regarding the behavior and characteristics of the collective portfolio.

2.30.2 Calculation of depreciation, amortization and estimation of associated useful lives

The Company determines on technical grounds the estimated useful lives and the corresponding charges for depreciation and amortization of the items in property, plant and equipment and intangible assets. This estimation is based on the forecasted life cycles of the assets allocated to the operation and income-generation associated with the Company's business. Management reviews the estimated useful lives of property, plant, equipment and intangibles at the close of each reported fiscal year.

2.30.3 Non-current employee benefit provisions

The Company and certain employees have agreed to indemnities upon separation, which are discussed in Note 2.20. The amount of salary that an employee will receive at the estimated moment of the benefit is established based on defined benefit plans and which usually depends on one or more factors, such as: age of the employee, rotation, and years of service, discount rate and compensation.

2.30.4 Provision for cylinder and tank guarantees

In May 2008, the IFRIC (International Financial Reporting Standards Interpretations Committee) issued a notice on its deliberations regarding the accounting of containers and bottles. The discussions sustained by IFRIC to answer questions contain concept guidance to analyze the accounting of deposits in guaranty for containers. Those discussions resulted in two theoretical frameworks:

- a) Deposits in guarantee are an obligation falling within the purview of IAS 37. Under this approach, there is an obligation to refund the guarantee to customers, but that obligation is subject to a degree of uncertainty as to the time and period of payment because it depends on the customer seeking a refund. Therefore, a record is made of the best estimation of the disbursement that would be required to settle the actual obligation.
- b) Deposits in guarantee are a financial liability in the terms of IAS 32 - Financial Instruments: Presentation; and IAS 39 - Financial Instruments: Classification and Measurement. Under this approach, the obligation is considered a financial instrument and is therefore recorded at its fair value, which is, for demand deposits, the same as the amount that would be paid at the time it comes due.

For analysis purposes, guarantee refunds requested by customers totaled the following percentages, measured against the value at the start of the fiscal year or adjusted period, according to the regulations governing in each country:

	Chile	Colombia	Peru	Total
2015	0.6%	0.3%	0.4%	0.5%
2016	0.4%	0.0%	0.4%	0.4%
2017 (as of 06.30.2017)	0.6%	0.0%	0.2%	0.5%

The low percentage of refunds is due to many reasons, such as the low individual amount of cylinder guarantees, the exchangeability of cylinders among companies in the industry (in the case of Chile and Peru), the continuity of the relationship with customers, etc.

Pursuant to IAS 8, absent any rule applying to a specific transaction, management must exercise its best judgment in designing and applying an accounting policy that will produce information that is:

- a) relevant to the economic decision-making needs of users; and
- b) reliable

Based on the above information, the Company considers that for Chile and Peru, following IAS 37 in recording the liability for customer guarantees for cylinders and tanks is what best reflects the value of that liability for the users of the information contained in its financial statements, i.e., at the discounted value in non-current liabilities. In the case of Colombia, due to the recent enactment of the brand cylinder regulations in Colombia, Management believes that there is insufficient information to use the IAS 37 discounting model, which is why the obligation is recorded at its undiscounted value within non-current liabilities.

2.30.5 Estimation of the impairment in goodwill purchased

The Company evaluates each year or at any certain time, if there are signs, whether goodwill has experienced impairment, in accordance with the accounting policy described in Note 2.12. The recoverable amounts of cash-generating units have been determined based on their values in use based on the forecasts of generation of future flows.

2.30.6 Estimation of intangible assets identified in a business combination

The Company has made an evaluation to determine the value of intangible assets identified in a business combination according to the requirements in IFRS 3, as discussed in Notes 2.10.2, 2.10.3 and 2.10.4.

2.31 Statement of cash flows

The statement of cash flows shows the cash movements during the fiscal year or period, calculated by the direct method.

The following expressions are used in these statements of cash flows as defined below:

- **Cash flows:** receipts and disbursements of cash or cash equivalent, meaning highly liquid term investments out to less than three months with a low risk of any change in value.
- **Operating activities:** are activities constituting the main source of revenue for the Company and other activities that cannot be qualified as an investment or financing.
- **Investing activities:** the acquisition, sale or disposal by other means of non-current assets and other assets not included in cash and cash equivalent.
- **Financing activities:** are activities that cause changes in the size and composition of total equity and of financial liabilities.

2.32 Reclassifications

For the period ended June 30, 2016 certain reclassifications between items were performed in the consolidated statement of income by function in order to standardize classification criterion used for the period ended June 30, 2017. The following is a breakdown of the reclassifications performed:

Item	06.30.2016 Th\$ Before reclassifications	Reclassifications Th\$	06.30.2016 Th\$ After reclassifications
Cost of sales	(128,592,838)	737,486	(127,855,352)
Other expenses by function	(10,220,448)	498,932	(9,721,516)
Distribution costs	(15,490,492)	(1,001,037)	(16,491,529)
Management expenses	(12,996,351)	(235,381)	(13,231,732)

3. Cash and cash equivalent

Composition of cash and cash equivalent as of June 30, 2017 and December 31, 2016 is the following:

Types of Cash and Cash Equivalent	06.30.2017 Th\$	12.31.2016 Th\$
Cash on hand	145,264	58,089
Bank balances	5,192,962	5,435,909
Short-term investments (mutual funds and trusts)	9,589,731	12,534,203
Other cash and cash equivalent	93,776	93,776
Cash and cash equivalent	15,021,733	18,121,977

The composition of the item by type of currency as of June 30, 2017 and December 31, 2016 is the following:

Currency	06.30.2017 Th\$	12.31.2016 Th\$
CLP	12,384,352	14,699,583
USD	152,025	676,219
COP	1,686,349	1,671,647
PEN	799,007	1,074,528
Cash and Cash Equivalent	15,021,733	18,121,977

4. Financial instruments

4.1 Financial assets

The current value and fair value of the financial assets are itemized below:

Financial Assets	Note	06.30.2017		12.31.2016	
		Fair Value Th\$	Book Value Th\$	Fair Value Th\$	Book Value Th\$
Cash and cash equivalent	3	15,021,733	15,021,733	18,121,977	18,121,977
Trade receivables and other accounts receivable	7	37,543,999	37,543,999	31,580,348	31,580,348
Other financial assets, non-current	4	1,668,325	1,668,325	1,866,935	1,866,935
Total Financial Assets		60,377,626	54,234,057	54,234,057	51,569,260

The book value of current receivables, cash and cash equivalent and other financial assets is the same as the fair value, given the nature of the classification of these instruments in current assets (short-term horizon). It is also the fair value for other non-current financial assets since losses due to any uncollectible receivable is already accounted for in the impairment loss provisions discussed in Note 7.

Loans, receivables and trading are included in financial assets according to IAS 39, except for those designated as cash flow hedges.

The short-term deposit balances within cash and cash equivalent are valued at the fair value and are rated level 1 or lower, according to IFRS 7.

The Company signed a lease and a service contract for the unloading, storage and dispatching of liquefied gas for a period of 25 years at the receiving, storage and dispatching facilities to be built by Oxiquim S.A. for the exclusive use by the Company. The services under that contract began in March 2015.

As of June 30, 2017 and December 31, 2016 the Company had receivables for Th\$18,969,132 and Th\$19,003,329, respectively, under agreements with Oxiquim S.A. for the construction of facilities. The account is presented discounting the financial lease liability with Oxiquim S.A. because they correspond to values that will be discounted from future payments of that financial lease.

The advances made to Oxiquim S.A. as of June 30, 2017 for Th\$18,138,367, offset in other non-current financial liabilities, and for Th\$830,765, in other current financial liabilities, accrue an interest rate based on the restatement of the Unidad de Fomento and will be reimbursed by Oxiquim S.A. simultaneous to payment by the Company of the monthly installments under the lease and service contract for the unloading, storage and dispatching of LPG over a period of 25 years beginning March 2015.

Other non-current financial assets correspond to restricted availability funds related to guaranty deposits in Colombia and the purchase of Limagas Natural Perú S.A.

4.2 Financial liabilities

The Company's financial liabilities currently correspond to instruments with contractual payment flows, adjustable or, in certain cases, subject to a fixed or variable interest rate.

The book values and fair values of the financial liabilities are shown below:

Financial Liabilities	Note	06.30.2017		12.31.2016	
		Fair Value Th\$	Book Value Th\$	Fair Value Th\$	Book Value Th\$
Trade payables and other accounts payable, current	15	37,918,294	37,918,294	35,765,504	35.765.504
Other financial liabilities	14	130,593,652	129,911,581	131,091,484	130.618.139
Intercompany accounts payable	8	7,012,301	7,012,301	-	-
Total Financial Liabilities		175,444,580	175,524,247	174,842,176	166,856,988

The Company classifies all of its financial liabilities according to IAS 39, except for those designated as hedge instruments, as loans and accounts payable.

4.3 Derivatives

4.3.1 Description of other current financial assets and liabilities

Following its risk management policy, the Company has signed derivative contracts (currency forwards and product price swaps) to hedge against the U.S. dollar exchange rate variations of expected cash flows and the changes in the inventory realization value. Some of those derivatives have been designated as hedges.

The Company's strategy for designated hedge transactions is the following:

- a) Hedge the exchange rate risk in the acquisition of items in Property, plant and equipment (cylinders, etc.) from the moment that the purchase order is placed until the asset is received by the Company.

In this case, the fluctuations in the fair value of the hedge instrument are recorded in other comprehensive income and accumulated in equity until the asset is received or ownership is acquired, at which time the corresponding amount accumulated in equity is reclassified as the cost of the good, as provided in IAS 39.

- b) Hedge the exchange rate risk in foreign currency account payable flows (accounts payable for the purchase of items in Property, plant and equipment and accounts payable for the purchase of LPG) from receipt of the asset until payment of the debt.

Fluctuations in the fair value of the hedge instrument are recorded in other comprehensive income and accumulated in an Equity reserve. The portion of the fluctuation corresponding to the risk hedged that has materialized or accrued is reclassified from the equity reserve to income.

- c) Hedge the risk of a variation in the sale price of product inventory stored at the Quintero maritime terminal facilities.

In this case, fluctuations in the fair value of the hedge instrument are recorded in other comprehensive income and accumulated in Equity until the ownership and risk of the product are transferred to customers. After that, it is allocated to the equity reserve at the cost of sale.

The effects of changes in the fair value of derivatives not yet allocated to hedged items are shown in Equity.

Allocations of the gain or loss in the valuation of financial hedges were as follows for the period ended June 30, 2017 and 2016:

Cash Flow and inventory price hedges	(Profit) Loss at 06.30.2017	(Profit) Loss at 06.30.2016
Other reserves	(322,705)	704,803
Total	(322,705)	704,803

The hedge effects are the only ones recycled to income in the short term, of the total of other comprehensive income.

4.3.2 Effectiveness of the hedge

The Company has signed several contracts to hedge against exchange rate variations in the price of inventory realization. The gains or losses realized during 2017 and 2016 have been allocated during the period or fiscal year to hedge the items that made those hedges necessary, as described in the preceding paragraph.

The Company estimates that hedges for cash flow and exchange rate variation in the price of inventory realization have been 100% effective.

5. Risk management

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. The main risk factors affecting business can be described as follows:

5.1 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 has 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 and other accounts receivable and other non-current financial assets.

Credit risk is associated mainly with trade and other accounts receivable. 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.

As described in Note 4.1 above, 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 uncollectability. 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	06.30.2017 Th\$	12.31.2016 Th\$
Cash and cash equivalent	3	15,021,733	18,121,977
Trade and other accounts receivable	7	37,543,999	31,580,348
Other financial assets, non-current	4	1,668,325	1,866,935
Total		54,234,057	51,569,260

5.1.1 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.

5.2 Liquidity risk

Liquidity risk refers to the possibility that an entity cannot cope with their 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 credit lines to deal with particular illiquidity situations.

Periodically, cash flow projections and analysis of the financial situation are performed, to acquire new financing or restructuring of 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.

5.3 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. In addition, the Company is exposed to risks related to commercialized products.

5.3.1 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 the functional currency of the Company and that of its subsidiaries. The Company and its subsidiaries cover the risk of purchase operations of liquefied gas and imports of goods or commitments of future payments in foreign currency through forwards.

As of June 30, 2017 and December 31, 2016, the balances of accounts in currencies other than the functional currency of the Company and its subsidiaries were as follows:

Originating transaction currency: US dollar

Current and non-current assets	Assets at 06.30.2017 Th\$	Assets at 12.31.2016 Th\$
Cash and cash equivalent	152,025	676,219
Trade accounts and other accounts receivable, current	1,651,104	2,111,361
Other financial assets, non-current	1,081,196	1,284,295

Current and non-current liabilities	Liabilities at 06.30.2017 Th\$	Liabilities at 12.31.2016 Th\$
Other financial liabilities, current	496,012	283,354
Trade accounts and other accounts payable, current	7,032,884	8,891,864
Other financial liabilities, non-current	111,390	175,645

- **Foreign investments:** as of June 30, 2017, the Company holds net foreign investments in Colombian pesos for an amount equivalent to Th\$30,259,167 (Th\$28,577,749 as of December 31, 2016) and in Peruvian soles for an amount equivalent to Th\$41,267,231 (Th\$34,137,915 as of December 31, 2016).

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 for this concept corresponds to the placement of Series E bonds in the Chilean market carried out in 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 cancel most of the Company's bank liabilities in Chile. The placement rate was 3.44% for a face rate of 3.55%. Interest is payable semi-annually and the 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 in Chile 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., for 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 in Chile are correlated to the variation in the UF.
- Sensitivity analysis regarding exchange rate variations and adjustment units

The Company estimates that a variation in the exchange rates and indexation units would generate the following effects:

Exchange rate Variation(*)	Increase Loss (Gain) Th\$	Decrease Loss (Gain) Th\$	Allocation
CLP/UF +/- 3%	3,368,299	(3,368,299)	Results: Adjustment units
CLP/USD +/- 4%	38,201	(38,201)	Results: Exchange rate differences
CLP/USD +/- 4%	(288,433)	288,433	Equity: Reserves for cash flow hedges
CLP/COP +/- 7%	(2,118,142)	2,118,142	Equity: Reserves for exchange rate translation differences
CLP/PEN +/- 2%	825,345	(825,345)	Equity: Reserves for exchange rate translation differences

*Percentages are equivalent to the evolution annual average of the last two years.

5.3.2 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 June 30, 2017, 97% of the Group's financial debt is at fixed rates. As a result, the risk of fluctuations in market interest rates regarding 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, separated between fixed and variable interest rates is presented below as of June 30, 2017 and December 31, 2016:

Category	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed Interest Th\$	Variable Interest Th\$	Fixed Interest Th\$	Variable Interest Th\$	Fixed Interest Th\$	Variable Interest Th\$
Other financial liabilities	14	10,837,464	376,136	114,716,511	3,981,470	125,553,975	4.357.606
Total as of 06.30.2017		11,767,514	10,837,464	376,136	114,716,511	3,981,470	125,553,975

Category	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed Interest Th\$	Variable Interest Th\$	Fixed Interest Th\$	Variable Interest Th\$	Fixed Interest Th\$	Variable Interest Th\$
Other financial liabilities	14	11,767,514	451,531	114,023,885	4,375,209	125,791,399	4.826.740
Total as of 12.31.2016		3,100,556	11,767,514	451,531	114,023,885	4,375,209	125,791,399

5.3.3 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 an annual average moving

market share of 36.7% as of December 2016 according to information of Chile's Superintendencia of Electricity and Fuel (*Superintendencia de Electricidad y Combustible*)

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 an annual average moving market share of 14.2% as of December 2016 according to information of the Superintendencia of Public Services (*Sistema Único de Información de la Superintendencia de Servicios Públicos.*)

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 December 2016, reached an annual average moving market share of 8.8% according to information of by Peru's State Energy and Mines Investment Regulator. (*Organismo Supervisor de la Inversión en Energía y Minería del Peru.*)

a.1) 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 has a high seasonality resulting from temperature variations.

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

a.2) 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.

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.

For the Colombian market, the risk factor of commercializing LPG in terms of supply 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 and imports the product from Bolivia to supply the south of the country.

a.3) Prices

LPG purchase prices are affected by the variations of international value of fuel prices and exchange rate variation of each local currency with respect to the U.S. dollar. The Company does not foresee significant 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 located at the Quintero Bay 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.

In Peru, the subsidiary Limagas Natural Perú S.A. has signed supply contracts to meet the demand needs with natural gas distributors from several regions.

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 from the NLG Quintero Terminal to comply with an Annual Supply Plan entered into by both parties.

6. Other non-financial assets

The composition of this item as of June 30, 2017 and December 31, 2016 is as follows:

Item	Current		Non-Current	
	06.30.2017 Th\$	12.31.2016 Th\$	06.30.2017 Th\$	12.31.2016 Th\$
Prepaid expenses	785,880	799,084	-	-
Employee accounts receivable	-	-	67,660	66,950
Guaranties delivered	-	-	93,776	93,776
Other assets	-	-	750,329	811,196
Total	785,880	799,084	911,765	971,922

7. Trade receivables and other accounts receivables

7.1 Composition

7.1.1 Types of trade receivables and other accounts receivables

The composition of this item as of June 30, 2017 and December 31, 2016 is as follows:

Trade receivables and other accounts receivable, net	06.30.2017 Th\$	12.31.2016 Th\$
Trade receivables	35,249,752	28,337,722
Other accounts receivables	2,294,247	3,242,626
Total	37,543,999	31,580,348

Trade receivables and other accounts receivable, gross	06.30.2017 Th\$	12.31.2016 Th\$
Trade receivables	37,457,636	30,144,058
Other accounts receivable	2,294,247	3,242,626
Total	39,751,883	33,386,684

7.1.2 Impairment of trade receivables and other accounts receivables

The breakdown of trade receivables impairment as of June 30, 2017 and December 31, 2016 is as follows:

Book value of impaired trade receivables and other accounts receivable	06.30.2017 Th\$	12.31.2016 Th\$
Provisioned trade receivables	2,207,884	1,806,336
Total	2,207,884	1,806,336

The details on the movement in the provision because of the impairment in trade receivables and other receivables were:

Provision for trade receivables and other accounts receivable	06.30.2017 Th\$	12.31.2016 Th\$
Opening balance	1,806,336	1,957,336
Collection fees and write-off of uncollectible accounts	-	(722,655)
Provision for the fiscal year or period	392,049	565,008
Translation differential	9,499	6,647
Total	2,207,884	1,806,336

The expirations of trade receivables and other accounts receivable as of June 30, 2017 and December 31, 2016 is as follows:

Trade receivables and other accounts receivable, expired but not impaired	06.30.2017 Th\$	12.31.2016 Th\$
0-3 months past due	9,263,381	7,932,967
3-6 months past due	573,452	473,642
Total	9,836,833	8,406,609

Trade receivables and other accounts receivable, outstanding	06.30.2017 Th\$	12.31.2016 Th\$
Expiring in 0-3 months	25,624,177	21,965,678
Expiring in 3-6 months	290,279	29,762
Expiring in 6-12 months	1,792,710	1,178,299
Total	27,707,166	23,173,739

7.1.3 Portfolio that has been protested and is in judicial collection

The portfolio that has been protested and is in judicial collection as of June 30, 2017 and December 31, 2016 is as follows:

Portfolio in Judicial Collection	06.30.2017	
	Receivables in Protested Portfolio Th\$	Receivables in Judicial Collection Th\$
Portfolio either protested or in judicial collection	16,765	163,001
Total	16,765	163,001

Portfolio in Judicial Collection	12.31.2016	
	Receivables in Protested Portfolio Th\$	Receivables in Judicial Collection Th\$
Portfolio either protested or in judicial collection	30,129	140,995
Total	30,129	140,995

8. Intercompany balances and transactions

Intercompany transactions are paid or collected at different terms, and are not subject to special conditions, except in the case of dividend payments that are subject to the terms stipulated by the approving body.

8.1 Intercompany current accounts payable and receivable

The composition of this item as of June 30, 2017 and December 31, 2016 is as follows:

Company	Transaction description	Term of transaction	Type of Relationship	Currency	Current balance	
					06.30.2017	12.31.2016
					Th\$	Th\$
Shareholders of Empresas Lipigas S.A.	Dividends payable	Less than 30 days	Direct	CLP	7,012,301	-
Total					7,012,301	-

Dividends payable were cancelled on July 4, 2017.

8.2 Intercompany transactions and their effects on results.

Intercompany transactions (except dividends distributions) and their effects on results for the period ended June 30, 2017 and 2016 are presented as follows:

Company	Type of relationship	Description of the transaction	01.01.2017 through 06.30.2017 Th\$	Effect on results (Debit)/Credit	01.01.2016 through 06.30.2016 Th\$	Effect on results (Debit)/Credit
Larraín Vial S.A. Corredora de Bolsa	Indirect (Director in common)	Financial investments	2,601	2,601	57,273	57,273

Intercompany transactions are recognized at market value.

8.3 Key employee compensation

Key employee compensation, which includes directors and managers, is comprised of a fixed monthly sum and a variable sum (in the case of managers).

Compensation to the Board of Directors and Directors' Committee for the 2017 and 2016 period was:

Concept	06.30.2017 Th\$	06.30.2016 Th\$
Board Compensation	139,400	120,000
Directors' Committee Compensation	18,600	15,900
Total Income	158,000	135,900

Compensation paid to managers for the periods ended June 30, 2017 and 2016 was:

Type of income	06.30.2017 Th\$	06.30.2016 Th\$
Fixed	983,846	783,809
Variable	288,888	356,081
Total Income	1,272,734	1,139,890

9. Inventories

The composition of the item as of June 30, 2017 and December 31, 2016 is as follows:

Type of Inventory	06.30.2017 Th\$	12.31.2016 Th\$
LPG	14,372,536	15,321,989
Materials	1,440,584	1,216,418
Total	15,813,120	16,538,407

9.1 Materials obsolescence provision

The materials obsolescence provision as of June 30, 2017 and December 31, 2016 was comprised as follows:

Book Value of Obsolescence Provision	06.30.2017 Th\$	12.31.2016 Th\$
Materials obsolescence provision	138,383	137,815
Total	138,383	137,815

The details of the movement in the materials obsolescence provision are:

Movements in Obsolescence Provision	06.30.2017 Th\$	12.31.2016 Th\$
Opening Balance	137,815	170,183
Increases in the provision	568	-
Decreases in the provision	-	(32,368)
Total	138,383	137,815

The reduction in the provision value resulted from the consumption of materials.

There were no inventories delivered in guarantee on the date of these consolidated financial statements.

The cost of inventories recognized as a cost of sale for the period ended June 30, 2017 and 2016 is as follows:

Inventory Cost	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$
Inventory cost recognized as a cost of sales	149,638,071	127,855,352

10. Income tax and deferred taxes

10.1 Current tax recoverable (payable)

Itemization	06.30.2017 Th\$	12.31.2016 Th\$
Provisional monthly payments	713,613	391,705
Provisional monthly payments previous years	552,425	401,242
Recoverable taxes	2,661,618	2,119,671
Total current tax assets	3,927,656	2,912,618

Itemization	06.30.2017 Th\$	12.31.2016 Th\$
Income tax	(61,447)	(333,270)
Other taxes	(761,420)	(356,517)
Total current tax liabilities	(822,867)	(689,787)

10.2 Deferred taxes

Chile

The Tax Reform Law 20,780 published in the *Official Gazette* of the Republic of Chile on September 29, 2014 progressively increased the corporate income tax rate and established two taxation systems:

- An attributed income system in which the income generated by a company is immediately attributed to the company's owners, reaching a 25% tax rate starting in the year 2017.
- A partially integrated income system (applicable to the Company and its subsidiaries in Chile) in which the income generated by a company is attributed to its owners provided the company distributes its profits, reaching a 27% tax rate starting in the year 2018.

Deferred tax reversals for the most part will materialize subsequent to 2018 onward; therefore, the rate used in these cases is 27%.

Peru

The affiliated company Lima Gas S.A. and its subsidiary Limagas Natural Perú S.A. are subject to Peruvian tax regime. As of June 30, 2017 and December 31, 2016, the income tax rate on taxable profits was 29.5% and 28%, respectively.

Beginning 2015 fiscal year, pursuant to Law 30,296 published December 31, 2014, in effect since January 1, 2015, income tax rate on taxable profits, after deducting workers' profit share will be as follows:

- 2015 and 2016 fiscal years: 28 percent.

Legislative Decree N ° 1261 published December 10, 2016 indicates the change in the applicable income tax rate on taxable earnings, after deducting employee interests, which shall be in force from January 1, 2017, and will be the following:

- 2017 fiscal year onward: 29.5 percent.

Dividend distribution to a person domiciled abroad is subject to a tax withholding on dividends remitted. Up to the year 2014, withholding amounted to 4.1%. Due to the previously mentioned approved amendments, dividends to be distributed and generated in the years 2015 and 2016, will suffer an increased withholding rate from 4.1% to 6.8%. For the years 2017 onward, the rate will be 5%. Under certain considerations, this withholding is computable in the income tax liquidation in Chile.

Colombia

The subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S. and Rednova S.A.S. E.S.P. are subject to the Colombian taxation regime.

Income tax regulations and income tax for equality (CREE) that regulated companies in Colombia until December 31st 2016, was repealed by the new tax reform implemented by Law 1819 of 2016 where beginning January 1st 2017:

- Tax unification: beginning 2019 there will be a single income tax. CREE and CREE surcharge was eliminated.
- During 2017, income tax rate is 34% plus a 6% surcharge, and for 2018, the rate will be 33% plus a 4% surcharge. The surcharge only applies to companies that have earnings exceeding 800 million COPs (equivalent to Th\$ 176,000).
- Beginning 2019, companies will have a single rate of 33%.

Accumulated balances and movements in deferred tax assets and liabilities as of June 30, 2017 is the following:

Deferred tax asset	Balance at 01.01.2017	(Debit) credit to income	Others(*)	Balance 06.30.2017
Taxable goodwill	7,709,455	(428,341)	-	7,281,114
Tax losses	2,313,671	(205,947)	5,558	2,113,282
Current provisions	900,601	47,953	24,025	972,579
Other assets	1,236,769	(5,217)	(11,973)	1,219,579
Assets under financial leasing	388,941	168,544	-	557,485
Total	12,549,437	(423,008)	17,610	12,144,039
Deferred tax liability	Balance at 01.01.2017	(Debit) credit to income	Others(*)	Balance 06.30.2017
Property, plant and equipment	(32,851,894)	(599,578)	(112,120)	(33,563,592)
Trade receivables and other accounts receivables	(519,226)	42,458	(285)	(477,053)
Employee benefit provisions	(332,826)	(2,386)	87,454	(247,758)
Other non-financial liabilities	(7,104,264)	(113,595)	(30,589)	(7,248,448)
Intangible assets, other than goodwill	(203,949)	-	-	(203,949)
Other liabilities	(41,081)	(57,762)	6,246	(92,597)
Total	(41,053,240)	(730,863)	(49,294)	(41,833,397)
Net deferred tax as of 06.30.2017	(28,503,803)	(1,153,871)	(31,684)	(29,689,358)

Accumulated balances and movements in deferred tax assets and liabilities as of December 31, 2016 is the following:

Deferred tax asset	Balance at 01.01.2016	(Debit) credit to income	Others(*)	Balance 12.31.2016
Taxable goodwill	9,034,037	(1,324,582)	-	7,709,455
Tax losses	1,838,256	(3,284)	478,699	2,313,671
Current provisions	1,068,873	(164,144)	(4,128)	900,601
Other assets	1,533,113	124	(296,468)	1,236,769
Assets under financial leasing	-	388,941	-	388,941
Total	13,474,279	(1,102,945)	178,103	12,549,437
Deferred tax liability	Balance at 01.01.2016	(Debit) credit to income	Others(*)	Balance 12.31.2016
Property, plant and equipment	(30,567,379)	(31,294)	(2,253,221)	(32,851,894)
Trade receivables and other accounts receivables	(594,850)	75,712	(88)	(519,226)
Employee benefit provisions	(284,476)	(28,674)	(19,676)	(332,826)
Other non-financial liabilities	(7,031,988)	(73,966)	1,690	(7,104,264)
Intangible assets, other than goodwill	(203,949)	-	-	(203,949)
Other liabilities	(280,545)	(71,345)	310,809	(41,081)
Cash flow hedge	(38,963,187)	(129,567)	(1,960,486)	(41,053,240)
Total	(30,567,379)	(31,294)	(2,253,221)	(32,851,894)
Net deferred tax as of 06.30.2017	(25,488,908)	(1,232,512)	(1,782,383)	(28,503,803)

(*) Corresponds mainly to effects originated in the acquisition of the subsidiary Limagas Natural Perú S.A.

10.3 Income tax recognized in income

Item	06.30.2017 Th\$	06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Current tax expense	6,089,380	5,480,554	4,366,287	3,663,526
Current tax adjustment previous fiscal year	118,124	99,221	118,124	99,221
Impact of temporary differences in deferred taxes and other items	1,153,871	251,224	435,817	(122,626)
Total debit to income	7,361,375	5,830,999	4,920,228	3,640,121

The reconciliation of the tax rate is as follows:

Itemization	06.30.2017 Th\$	06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Before-tax profit of continued operations	27,425,101	23,938,841	18,313,915	14,383,786
Income tax (Current rate of 25.5%/24%)	6,993,401	5,745,322	4,806,716	3,452,109
Tax impact of other jurisdictions' rates	266	87	(387)	13
Tax adjustment previous fiscal year	118,124	99,221	118,124	99,221
Other effects from permanent differences	249,584	(13,631)	(4,225)	88,778
Income tax recognized in income	7,361,375	5,830,999	4,920,228	3,640,121

10.4 Deferred tax recognized directly in other comprehensive income

The composition of taxes recognized in other comprehensive income is as follows:

Description	Debit (credit) to equity 06.30.2017 Th\$	Debit (credit) to equity 06.30.2016 Th\$	Debit (credit) to equity 04.01.2017 through 06.30.2017 Th\$	Debit (credit) to equity 04.01.2016 through 06.30.2016 Th\$
Actuarial movements on employee benefits	(90,402)	(21,654)	(79,270)	(15,727)
Movements on cash flow hedges	93,689	(204,620)	(18,669)	(162,987)
Deferred taxes recognized in equity	3,287	(226,274)	(97,939)	(178,714)

10.5 Netting

Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities are related to the income tax imposed by the tax authority on the same entity or different entities that intend to settle the balances on a net basis.

The deferred tax set-off is:

Parent Company and subsidiaries - Chile

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	10,700,432	(9,626,311)	1,074,121
Liabilities from deferred taxes	(35,506,238)	9,626,311	(25,879,927)
Balance as of 06.30.2017	(24,805,806)	-	(24,805,806)

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	10,927,574	(10,021,036)	906,538
Liabilities from deferred taxes	(35,001,382)	10,021,036	(24,980,346)
Balance as of 12.31.2016	(24,073,808)	-	(24,073,808)

Subsidiaries - Colombia

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	10,700,432	(9,626,311)	1,074,121
Liabilities from deferred taxes	(35,506,238)	9,626,311	(25,879,927)
Balance as of 06.30.2017	(24,805,806)	-	(24,805,806)

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	2,321,136	(2,315,396)	5,740
Liabilities from deferred taxes	(3,824,319)	2,315,396	(1,508,923)
Balance as of 12.31.2016	(1,503,183)	-	(1,503,183)

Subsidiaries – Peru

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	973,370	(973,370)	-
Liabilities from deferred taxes	(3,905,573)	973,370	(2,932,203)
Balance as of 06.30.2017	(2,932,203)	-	(2,932,203)

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	920,403	(920,403)	-
Liabilities from deferred taxes	(3,847,215)	920,403	(2,926,813)
Balance as of 12.31.2016	(2,926,813)	-	(2,926,813)

11. Intangible assets other than goodwill

11.1 Account composition

The composition of this account as of June 30, 2017 and December 31, 2016 is as follows:

Type of Intangible Assets, net	06.30.2017	12.31.2016
	Th\$	Th\$
Software	1,275,695	1,170,292
Connection rights (Limagas Natural Perú S.A.)	726,867	852,855
Commercial assets	928,601	807,848
Customers (acquisition of Lima Gas S.A)	1,319,315	1,433,197
Customers (acquisition of Progas)	489,973	576,224
Customers (acquisition of Lidergas)	1,684,935	1,734,736
Trademark (acquisition of Lidergas)	82,437	87,541
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	96,427	99,873
Other contracts (Limagas Natural Perú S.A.)	479,997	504,074
Network rights	226,628	-
Total intangibles, net	8,588,829	8,544,594
Type of Intangible Assets, gross	06.30.2017	12.31.2016
	Th\$	Th\$
Software	4,181,532	3,994,812
Connection rights (Limagas Natural Perú S.A.)	872,588	995,218
Commercial assets	1,279,798	1,279,798
Customers (acquisition of Lima Gas S.A)	2,797,266	2,797,266
Customers (acquisition of Progas)	720,280	720,280
Customers (acquisition of Lidergas)	1,992,042	1,992,042
Trademark (acquisition of Lidergas)	164,216	169,320
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	127,624	127,624
Trademark (acquisition of Gases del Cauca)	40,042	40,042
Other contracts (Limagas Natural Perú S.A.)	601,175	587,322
Network rights	230,336	-
Total intangibles, gross	14,284,853	13,981,678
Accumulated amortization of intangible assets	06.30.2017	12.31.2016
	Th\$	Th\$
Software	(2,905,837)	(2,824,520)
Commercial assets	(351,197)	(471,950)
Customers (acquisition of Lima Gas S.A)	(1,477,951)	(1,364,069)
Customers (acquisition of Progas)	(230,307)	(144,056)
Customers (acquisition of Lidergas)	(307,107)	(257,306)
Trademark (acquisition of Lidergas)	(81,779)	(81,779)
Customers (acquisition of Gases del Cauca)	(31,197)	(27,751)
Trademark (acquisition of Gases del Cauca)	(40,042)	(40,042)
Other contracts (Limagas Natural Perú S.A.)	(121,178)	(83,248)
Network rights	(3,708)	-
Total amortization of intangibles	(5,550,303)	(5,294,721)
Impairment of Intangible Assets	06.30.2017	12.31.2016
	Th\$	Th\$
Connection rights (Limagas Natural Perú S.A.)	(145,721)	(142,363)

11.2 Useful lives

The following table shows the estimated useful lives by type of intangibles:

Estimated Useful Lives	Estimated Useful Life in years
Software	4
Connection rights	Indefinite
Other contracts	7
Commercial assets	4 to 6
Customers	10 to 20
Trademarks	5/Indefinite
Network rights	5-20

The Company amortizes its intangible assets with finite useful lives by the straight-line method.

11.3 Movement in intangible assets

The movement in intangible assets for the period ended June 30, 2017 and the fiscal year ending December 31, 2016, respectively is as follows:

Movement in Intangible Assets	Net Software Th\$	Net Commercial Assets Th\$	Customers, net Th\$	Trademarks, net Th\$	License and connection rights Th\$	Other agreements Th\$	Total intangible assets, net Th\$
Opening balance at 01.01.2017	1,312,655	807,848	3,844,030	1,365,495	710,492	504,074	8,544,594
Additions	208,226	275,928	808	-	230,335	-	715,297
Translation adjustment movement	3,198	(1)	(66,246)	(5,038)	36,106	10,742	(21,239)
Amortization	(248,384)	(155,174)	(187,942)	(66)	(23,438)	(34,818)	(649,822)
Total changes	(36,960)	120,753	(253,380)	(5,104)	243,003	(24,076)	44,236
Ending balance at 06.30.2017	1,275,695	928,601	3,590,650	1,360,391	953,495	479,997	8,588,829

Movement in Intangible Assets	Net Software Th\$	Net Commercial Assets Th\$	Customers, net Th\$	Trademarks, net Th\$	License and connection rights Th\$	Other agreements Th\$	Total intangible assets, net Th\$
Opening balance at 01.01.2016	675,721	623,421	4,216,729	1,396,951	-	-	6,912,822
Additions	986,501	442,886	-	-	487,673	-	1,917,060
Business combination additions	-	-	-	-	364,151	587,322	951,473
Translation adjustment movement	(1,203)	2	1,072	233	1,031	1,044	2,179
Amortization	(348,364)	(258,461)	(373,771)	(31,689)	-	(84,292)	(1,096,577)
Impairment provision	-	-	-	-	(142,363)	-	(142,363)
Total changes	636,934	184,427	(372,699)	(31,456)	710,492	504,074	1,631,772
Ending balance at 12.31.2016	1,312,655	807,848	3,844,030	1,365,495	710,492	504,074	8,544,594

11. Goodwill

12.1 Account composition

As of June 30, 2017 and December 31, 2016, this account is composed as follows:

Goodwill	06.30.2017 Th\$	12.31.2016 Th\$
Lima Gas S.A	2,767,469	2,767,469
Limagas Natural Peru S.A.	10,345,771	10,107,372
Progas Operation	366,008	366,008
Lidergas Operation	812,266	814,138
Ingasoil Operation	102,632	-
Total goodwill	14,394,146	14,054,987

The following table reflects estimated useful lives:

Estimated useful lives	Estimated useful life
Goodwill	Indefinite

12.2 Goodwill movement table

The movement in goodwill for the period ended June 30, 2017 and the fiscal year ended December 31, 2016, respectively is as follows:

Goodwill movements	06.30.2017 Th\$	12.31.2016 Th\$
Beginning balance	14,054,987	3,947,615
Limagas Natural Peru S.A. additions (Note 12.3)	-	10,107,372
Ingasoil additions	102,632	-
Movement for translation differences and other adjustments	236,527	-
Ending goodwill balance	14,394,146	14,054,987

The movement in goodwill recorded during the period ended June 30, 2017 corresponds to the acquisition of assets of network gas distribution by the subsidiary Rednova S.A.S. E.S.P. Pursuant to IFRS 3, the Company has one year from the date of the business combination (January 2017) to make adjustments to the determination of goodwill acquired, identifying assets and liabilities acquired.

12.3 Breakdown of acquired goodwill

Breakdown of goodwill acquired February 1, 2016 resulting from the acquisition of the Peruvian subsidiary Limagas Natural Perú S.A. is the following:

Goodwill Limagas Natural Perú S.A.	
	Th\$
Value paid at acquisition as of 02.01.2016 (a)	17,601,013
Balances of acquired assets and recognized identifiable liabilities assumed:	
Current Assets	5,321,538
Non-Current Assets	18,073,487
Total Assets (b)	23,395,025
Current Liabilities	12,600,472
Non-Current Liabilities	3,625,765
Total Liabilities (c)	16,226,237
Equity at Fair Value (d= b-c)	7,168,788
Ownership interest % (e)	100%
Equity value (f=d x e)	7,168,788
Acquired Goodwill as of 06.30.2017 (g= a-f)	10,432,225

Reclassification of assets identified pursuant IFRS 3

Amounts assignable to property, plant & equipment	(234,189)
Identified deferred tax	69,086
Total Reclassification 2016 fiscal year (=h)	(165,103)
Amounts assignable to connection licenses	364,151
Identified deferred tax	(94,679)
Total Reclassification 2016 fiscal year (=i)	269,472
Amounts assignable to other contracts	587,322
Identified deferred tax	(173,260)
Total Reclassification 2016 fiscal year (=j)	414,062
Amounts assignable to Accounts receivable Neogas Brazil	784,777
Identified deferred tax	(204,042)
Total Reclassification 2016 fiscal year (=k)	580,735
Amounts assignable to Other provisions	(1,046,369)
Identified deferred tax	272,056
Total Reclassification 2016 fiscal year (=l)	(774,313)
Final Goodwill as of 12.3.1.2016 (m=g-h-i-j-k-l)	10,107,372
Goodwill translation difference as of 06.30.2017	238,399
Final Goodwill as of 06.30.2017	10,345,771

12.4 Impairment tests

Goodwill balances undergo impairment tests on a yearly basis.

Impairment tests are made based on estimates of the evolution of the market in which each generating unit operates and goodwill has been determined. Projections are performed on revenues, costs, expenses, investments in property, plant and equipment and working capital needs based on market growth projections and plans of each business unit. 5-year plans are considered in each case, including consideration of a perpetual flow, if applicable. The resulting flows are discounted at a nominal weighted rate of capital cost suitable to the characteristics of the business under evaluation based on the valuation model of financial assets (Capital Asset Pricing Model) to find the value of recovery of non-current assets subject to impairment test. As of December 31, 2016, the discount rates used were 10.97% for the Colombian operations and 9.44% for the operations in Peru, respectively.

As of June 30, 2017, there is no evidence indicating the need to recognize the impairment of accounted goodwill.

12. Property, plant and equipment

13.1 Account composition

The composition of this account as of June 30, 2017 and December 31, 2016 is the following:

Types of Property, Plant and Equipment, net	06.30.2017	12.31.2016
	Th\$	Th\$
Construction in progress	20,360,830	16,010,562
Land	23,929,673	23,797,370
Buildings	16,177,282	15,453,088
Storage Tanks	4,417,619	4,305,159
PP&E in third-party facilities	88,737,717	86,376,587
Plant and equipment	79,954,440	75,842,936
IT equipment	827,386	819,482
PP&E in financial lease	36,988,519	37,850,700
Motor vehicles	15,127,677	15,144,000
Other property, plant and equipment	2,667,590	2,694,204
Total property, plant and equipment, net	289,188,733	278,294,088

Types of Property, Plant and Equipment, gross	06.30.2017	12.31.2016
	Th\$	Th\$
Construction in progress	20,360,830	16,010,562
Land	23,929,673	23,797,370
Buildings	21,485,278	20,265,098
Storage Tanks	7,125,987	7,066,345
PP&E in third-party facilities	134,267,521	128,099,760
Plant and equipment	125,205,694	117,650,577
IT equipment	3,840,961	3,649,721
PP&E in financial lease	41,796,903	41,744,911
Motor vehicles	21,564,128	20,940,541
Other property, plant and equipment	7,365,856	7,102,083
Total property, plant and equipment, gross	406,942,831	386,326,968

Accumulated depreciation and impairment of property, plant and equipment	06.30.2017	12.31.2016
	Th\$	Th\$
Construction in progress	-	-
Land	-	-
Buildings	5,307,996	4,812,010
Storage Tanks	2,708,368	2,761,186
PP&E in third-party facilities	45,529,804	41,723,173
Plant and equipment	45,251,254	41,807,641
IT equipment	3,013,575	2,830,239
PP&E in financial lease	4,808,384	3,894,211
Motor vehicles	6,436,451	5,796,541
Other property, plant and equipment	4,698,266	4,407,879
Accumulated depreciation of property, plant and equipment	117,754,098	108,032,880



The land for the bottling plant located in Yumbo (Valle) of the subsidiary Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. is mortgaged in favor of Seguros Colpatría S.A. This mortgage was constituted as collateral for issuing the compliance policy with Seguros Colpatría in favor of Ecopetrol, as a condition of the latter for the regular LPG dispatch and supply to the subsidiary. The mortgage was granted without limit on amount although the compliance policy is limited to Th\$543,471.

As of December 31, 2016 as mentioned in note 14, the subsidiary Limagas Natural Perú S.A. maintained several contracts signed to provide certain assets in trust, whose purpose was to serve as a means of payment and as collateral of full and timely payment of financial leasing contracts and of certain obligations of the operation. Such contracts were cancelled during the first quarter of 2017.

13.2 Movement in property, plant and equipment

The following table provides a reconciliation of changes in property, plant and equipment by type as of June 30, 2017 and December 31, 2016:

2017

Movements in 2017	Construction in progress Th\$	Land Th\$	Buildings Th\$	Storage tanks Th\$	PP&E in third-party facilities Th\$	Plant and equipment Th\$	IT equipment Th\$	PP&E in financial lease Th\$	Motor vehicles Th\$	Other property, plant and equipment Th\$	Property, plant and equipment Th\$
Opening balance on January 1, 2017	16,010,562	23,797,370	15,453,088	4,305,159	86,376,587	75,842,936	819,482	37,850,700	15,144,000	2,694,204	278,294,088
Additions	9,915,544	-	287,049	5,901	2,411,246	5,547,192	150,098	664	211,645	118,377	18,647,716
Transfers	(4,922,888)	-	846,183	180,520	3,132,610	584,528	29,833	-	14,488	134,726	-
Expropriation	(687,334)	-	(24,637)	-	(73,025)	(194,214)	289	-	-	(26,513)	(1,005,434)
Translation differential	44,946	132,304	78,587	54,535	353,883	1,276,444	1,331	48,432	213,852	12,429	2,216,743
Depreciation	-	-	(468,943)	(128,496)	(3,466,795)	(3,154,382)	(173,646)	(911,276)	(584,794)	(349,283)	(9,237,615)
Other increases (decreases)	-	(1)	5,955	-	3,211	51,936	(1)	(1)	128,486	83,650	273,235
Total Changes	4,350,268	132,303	724,194	112,460	2,361,130	4,111,504	7,904	(862,181)	(16,323)	(26,614)	10,894,645
Ending balance as of June 30, 2017	20,360,830	23,929,673	16,177,282	4,417,619	88,737,717	79,954,440	827,386	36,988,519	15,127,677	2,667,590	289,188,733

2016

Movements in 2016	Construction in progress Th\$	Land Th\$	Buildings Th\$	Storage tanks Th\$	PP&E in third-party facilities Th\$	Plant and equipment Th\$	IT equipment Th\$	PP&E in financial lease Th\$	Motor vehicles Th\$	Other property, plant and equipment Th\$	Property, plant and equipment Th\$
Opening balance on January 1, 2016	16,693,748	23,748,154	12,863,472	2,166,527	82,641,948	70,655,430	757,296	38,387,060	2,641,558	2,414,236	252,969,429
Additions	11,685,630	275,076	1,164,877	2,150	4,035,228	6,102,130	313,605	1,334,642	835,750	512,510	26,261,598
Business combination additions	797,221	-	-	-	1,175,294	3,549,825	10,962	-	12,681,692	53,485	18,268,479
Transfers	(11,654,557)	-	2,187,014	2,819,197	3,661,291	2,258,986	46,597	-	485,732	195,740	-
Expropriation	(1,343,169)	-	-	-	(72,456)	(91,228)	(168,185)	(20,178)	(86,160)	(13,929)	(1,795,305)
Translation differential	(47,111)	(225,860)	(74,599)	1,533	211,679	(599,205)	19,065	(24,366)	(73,448)	(18,122)	(830,434)
Depreciation	-	-	(685,703)	(307,245)	(6,641,581)	(5,677,626)	(320,743)	(1,744,658)	(1,106,962)	(450,053)	(16,934,571)
Other increases (decreases)	(121,200)	-	(1,973)	(377,003)	1,365,184	(355,376)	160,885	(81,800)	(234,162)	337	354,892
Total Changes	(683,186)	49,216	2,589,616	2,138,632	3,734,639	5,187,506	62,186	(536,360)	12,502,442	279,968	25,324,659
Ending balance as of December 31, 2016	16,010,562	23,797,370	15,453,088	4,305,159	86,376,587	75,842,936	819,482	37,850,700	15,144,000	2,694,204	278,294,088

13.3 Accumulated depreciation movement

The following table provides accumulated depreciation movement as of June 30, 2017 and December 31, 2016:

2017

Accumulated Depreciation Movement	Buildings Th\$	Storage tanks Th\$	PP&E in third- party facilities Th\$	Plant and equipment Th\$	IT equipment Th\$	PP&E in financial lease Th\$	Motor vehicles Th\$	Other property, plant and equipment Th\$	Property, plant and equipment Th\$
Accumulated depreciation as of January 1, 2017	4,812,010	2,761,186	41,723,173	41,807,641	2,830,239	3,894,211	5,796,541	4,407,879	108,032,880
Depreciation in the fiscal year	468,943	128,496	3,477,718	3,226,764	173,646	911,276	584,794	265,978	9,237,615
Retirement, expropriations and transfers	(5,873)	(180,520)	6,370	21,298	(628)	528	(6,827)	(338)	(165,990)
Translation differences	32,916	(794)	322,543	195,551	10,318	2,369	61,943	24,747	649,593
Ending balance as of June 30, 2017	5,307,996	2,708,368	45,529,804	45,251,254	3,013,575	4,808,384	6,436,451	4,698,266	117,754,098

2016

Accumulated Depreciation Movement	Buildings Th\$	Storage tanks Th\$	PP&E in third- party facilities Th\$	Plant and equipment Th\$	IT equipment Th\$	PP&E in financial lease Th\$	Motor vehicles Th\$	Other property, plant and equipment Th\$	Property, plant and equipment Th\$
Accumulated depreciation as of January 1, 2016	4,178,176	2,078,471	35,571,454	35,356,468	2,658,302	2,186,667	1,637,225	3,985,309	87,652,072
Depreciation in the fiscal year	685,702	307,245	6,641,581	5,679,495	320,743	1,744,658	1,106,026	449,121	16,934,571
Depreciation acquired in business combinations	-	-	1,065,887	1,116,445	32,119	-	3,148,731	17,180	5,380,362
Retirement, expropriations and transfers	1,980	-	(988,700)	(91,739)	(161,445)	-	(4,691)	(486)	(1,245,081)
Translation differences	(53,848)	375,470	(567,049)	(253,028)	(19,480)	(37,114)	(90,750)	(43,245)	(689,044)
Ending balance as of December 31, 2016	4,812,010	2,761,186	41,723,173	41,807,641	2,830,239	3,894,211	5,796,541	4,407,879	108,032,880

13.4 Assets in financial leases

Itemization of these accounts as of June 30, 2017 and December 31, 2016 is the following:

Property, plant and equipment in financial lease, net	06.30.2017			12.31.2016		
	Th\$			Th\$		
	Gross Value	Accumulated depreciation, amortization and impairment	Net Value	Gross Value	Accumulated depreciation, amortization and impairment	Net Value
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Plant and equipment in financial lease	37,468,650	3,383,904	34,084,746	37,777,576	2,716,575	35,061,001
Motor vehicles in financial lease	4,010,535	1,260,124	2,750,411	3,641,839	1,026,184	2,615,655
Other property, plant and equipment in financial lease	317,718	164,356	153,362	325,496	151,452	174,044
Total	41,796,903	4,808,384	36,988,519	41,744,911	3,894,211	37,850,700

Minimum lease payments, financial lease liability	06.30.2017			12.31.2016		
	Th\$			Th\$		
	Gross	Interest	Present Value	Gross	Interest	Present Value
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Within one year	3,819,003	866,470	2,952,533	3,976,158	713,419	3,262,739
More than one year and less than 5 years	8,401,534	3,227,679	5,173,855	8,408,591	3,041,498	5,367,093
More than 5 years	27,876,210	13,342,166	14,534,044	27,523,310	12,788,533	14,734,777
Total	40,096,747	17,436,315	22,660,432	39,908,059	16,543,450	23,364,609

13.5 Impairment of property, plant and equipment

The Company has not recognized any impairment losses in property, plant and equipment as of the date of these consolidated financial statements because there were no signs of impairment, as instructed in paragraph 78 of IAS 16.

13.6 Additional information on property, plant and equipment

Additional information disclosable on property, plant and equipment	06.30.2017	12.31.2016
	Th\$	Th\$
Carrying value of fully depreciated property, plant and equipment still in use	17,706,302	17,924,467
Carrying value of property, plant and equipment temporarily out of service	101,610	86,057
Carrying value of property, plant and equipment retired and not held for sale	-	-

13.7 Other additional information on property, plant and equipment

The property, plant and equipment at third-party facilities are piping systems, tanks and meters used for residential, industrial and commercial consumption.

14. Other financial liabilities

This account is composed of financial lease liabilities and bank loans, bonds and balances payable resulting from derivative operations.

The closing balances as of June 30, 2017 and December 31, 2016 are the following:

Other financial liabilities	06.30.2017		12.31.2016	
	Current	Non-Current	Current	Non-Current
	Th\$	Th\$	Th\$	Th\$
Bank loans	6,523,568	4,277,632	6,904,924	4,689,377
Loan interests payable	39,849	-	46,883	-
Bonds interests payable	1,324,569	-	1,313,933	-
Bond surcharge	90,255	1,384,635	63,577	1,389,917
Financial leases	2,952,533	19,707,899	3,262,739	20,101,870
UF Bond (BLIPI-E)	-	93,327,815	-	92,217,930
Derivative liability position	282,826	-	626,989	-
Total Other Financial Liabilities	11,213,600	118,697,981	12,219,045	118,399,094

14.1 Bank loans and financial leases – Breakdown of currencies and maturities.

Bank loans and financial leases by currency and maturity as of June 30, 2017 and December 31, 2016 are itemized below:

Bank loans as of June 30, 2017:

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current			Non-current			
							Maturity			Total Current as of 06.30.2017 Th\$	1 to 5 years Th\$	5 years or more Th\$	Total Non-current as of 06.30.2017 Th\$
							Within 1 month	1 to 3 months	3 to 12 months				
							Th\$	Th\$	Th\$				
Colombia	Corpbanca	COP	Quarterly	10.17%	10.17%	Unsecured	-	-	302,573	302,573	3,144,820	-	3,144,820
Peru	BCP	PEN	Quarterly	7.10%	7.10%	Unsecured	-	21,299	66,256	87,555	118,788	-	118,788
Peru	BCP	PEN	Quarterly	6.90%	6.90%	Unsecured	-	24,697	76,618	101,315	49,456	-	49,456
Peru	BCP	PEN	Monthly	6.85%	6.85%	Unsecured	6,579	13,268	61,554	81,401	179,914	-	179,914
Peru	Scotiabank	PEN	Quarterly	4.35%	4.35%	Unsecured	-	817,600	-	817,600	-	-	-
Peru	Banco Continental	PEN	Quarterly	4.52%	4.52%	Unsecured	-	1,042,440	-	1,042,440	-	-	-
Peru	Banco Continental	PEN	Monthly	7.50%	7.50%	Unsecured	9,605	19,211	86,449	115,265	326,584	-	326,584
Peru	BCP	PEN	Monthly	7.20%	7.20%	Unsecured	8,720	17,977	83,244	109,941	380,355	-	380,355
Peru	Scotiabank	PEN	Quarterly	4.35%	4.35%	Unsecured	-	613,200	-	613,200	-	-	-
Peru	Scotiabank	PEN	Quarterly	4.35%	4.35%	Unsecured	-	1,663,531	-	1,663,531	-	-	-
Peru	Scotiabank	PEN	Quarterly	4.52%	4.52%	Unsecured	-	750,717	-	750,717	-	-	-
Peru	Banco Santander	PEN	Monthly	9.25%	9.25%	Unsecured	14,018	28,348	132,868	175,234	77,715	-	77,715
Peru	BANBIF	PEN	Monthly	5.50%	5.50%	Unsecured	26,189	-	-	26,189	-	-	-
Peru	BANBIF	PEN	Monthly	5.25%	5.25%	Unsecured	-	50,357	276,304	326,661	-	-	-
Peru	Banco Continental	USD	Monthly	6.50%	6.50%	Unsecured	10,428	20,856	125,134	156,418	-	-	-
Peru	Banco Continental	USD	Monthly	1.75%	1.75%	Unsecured	153,528	-	-	153,528	-	-	-
Total							229,067	5,083,501	1,211,000	6,523,568	4,277,632	-	4,277,632

Bank loans as of December 31, 2016:

Country	Lender	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-current		
							Maturity			Total Current as of 12.31.2016 Th\$	1 to 5 years Th\$	5 years or more Th\$	Total Non-current as of 12.31.2016 Th\$
							Within 1 month	1 to 3 months	3 to 12 months				
							Th\$	Th\$	Th\$				
Colombia	Corpbanca	COP	Quarterly	10.86%	10.86%	Unsecured	-	104,827	314,482	419,309	3,249,646	-	3,249,646
Peru	BBVA	PEN	Upon maturity	7.20%	7.20%	Unsecured	-	857,617	-	857,617	-	-	-
Peru	BCP	PEN	Upon maturity	6.55%	6.55%	Unsecured	-	195,391	-	195,391	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	164,744	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	164,744	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	164,744	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	164,744	-	-	-
Peru	Banco Santander	PEN	Monthly	9.25%	9.25%	Unsecured	13,746	26,496	124,189	164,431	163,415	-	163,415
Peru	BCP	USD	Monthly	2.85%	2.85%	Unsecured	76,643	-	-	76,643	-	-	-
Peru	BCP	PEN	Monthly	6.95%	6.95%	Unsecured	-	-	259,767	259,767	-	-	-
Peru	BANBIF	PEN	Monthly	7.00%	7.00%	Unsecured	243,041	-	-	243,041	-	-	-
Peru	BBVA	PEN	Monthly	7.00%	7.00%	Unsecured	10,189	20,378	194,731	225,298	-	-	-
Peru	BANBIF	PEN	Monthly	6.50%	6.50%	Unsecured	-	-	214,259	214,259	-	-	-
Peru	BCP	PEN	Monthly	6.95%	6.95%	Unsecured	-	-	251,729	251,729	-	-	-
Peru	BCP	PEN	Monthly	6.50%	6.50%	Unsecured	-	-	161,384	161,384	-	-	-
Peru	BANBIF	PEN	Monthly	6.00%	6.00%	Unsecured	-	-	115,269	115,269	-	-	-
Peru	BANBIF	PEN	Monthly	5.75%	5.75%	Unsecured	-	-	47,241	47,241	-	-	-
Peru	BANBIF	PEN	Monthly	5.75%	5.75%	Unsecured	-	-	47,122	47,122	-	-	-
Peru	BCP	PEN	Quarterly	7.10%	7.10%	Unsecured	-	20,069	62,431	82,500	159,593	-	159,593
Peru	BCP	PEN	Quarterly	6.90%	6.90%	Unsecured	-	23,338	72,391	95,729	98,633	-	98,633
Peru	Interbank	PEN	Monthly	6.85%	6.85%	Unsecured	6,218	12,540	58,177	76,935	216,190	-	216,190
Peru	Scotiabank	PEN	Quarterly	4.75%	4.75%	Unsecured	-	798,760	-	798,760	-	-	-
Peru	BBVA	PEN	Quarterly	4.68%	4.68%	Unsecured	-	1,098,295	-	1,098,295	-	-	-
Peru	BBVA	PEN	Monthly	7.50%	7.50%	Unsecured	9,384	18,768	84,456	112,608	375,363	-	375,363
Peru	BCP	PEN	Monthly	7.20%	7.20%	Unsecured	8,305	17,162	78,083	103,550	426,537	-	426,537
Peru	Scotiabank	PEN	Monthly	5.75%	5.75%	Unsecured	-	599,070	-	599,070	-	-	-
Total							367,526	4,451,687	2,085,711	6,904,924	4,689,377	-	4,689,377

Financial leases as of June 30, 2017:

	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 06.30.2017 Th\$	Within 1 month Th\$	1 to 3 months Th\$	3 to 12 months Th\$	Current as of 06.30.2017	1 to 5 years	More than 5 years	Non-current as of 06.30.2017 Th\$
Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	37,917,954	142,810	285,620	1,285,291	1,713,721	6,854,883	29,349,350	36,204,233
Prepayment compensation Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	(18,969,132)	(69,230)	(138,461)	(623,074)	(830,765)	(3,323,060)	(14,815,307)	(18,138,367)
Leasing De Occidente	Colombia	COP	Monthly	10.72%	10.72%	49,296	1,468	4,487	12,603	18,558	30,738	-	30,738
Banco Financiero	Peru	PEN	Monthly	7.95%	7.95%	2,764	2,764	-	-	2,764	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.00%	8.00%	2,541	2,541	-	-	2,541	-	-	-
Banco Santander	Peru	USD	Monthly	8.70%	8.70%	235,229	9,930	20,068	93,841	123,839	111,390	-	111,390
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	30,685	1,173	2,372	11,119	14,664	16,021	-	16,021
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	233,840	233,840	-	-	233,840	-	-	-
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	151,432	151,432	-	-	151,432	-	-	-
BANBIF	Peru	PEN	Monthly	8.35%	8.35%	220,197	220,197	-	-	220,197	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.70%	8.70%	33,414	33,414	-	-	33,414	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	381,226	381,226	-	-	381,226	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	24,214	24,214	-	-	24,214	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	41,297	41,297	-	-	41,297	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	35,704	35,704	-	-	35,704	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.85%	8.85%	148,076	148,076	-	-	148,076	-	-	-
Banco Financiero	Peru	USD	Monthly	8.70%	8.70%	62,227	62,227	-	-	62,227	-	-	-
Banco Financiero	Peru	PEN	Monthly	9.25%	9.25%	74,876	74,876	-	-	74,876	-	-	-
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	175,657	5,895	11,921	55,875	73,691	101,966	-	101,966
BCP	Peru	PEN	Monthly	5.00%	5.00%	86,743	4,380	8,862	40,752	53,994	32,749	-	32,749
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	63,359	3,383	6,814	31,454	41,651	21,708	-	21,708
BCP	Peru	PEN	Quarterly	6.85%	6.85%	3,127	-	1,551	1,576	3,127	-	-	-
Interbank	Peru	PEN	Monthly	6.60%	6.60%	35,903	851	1,716	7,951	10,518	25,385	-	25,385
Interbank	Peru	PEN	Monthly	7.50%	7.50%	1,071,024	16,832	33,969	158,033	208,834	862,190	-	862,190
Interbank	Peru	PEN	Monthly	7.50%	7.50%	42,465	747	1,507	10,017	12,271	30,195	-	30,195
Interbank	Peru	PEN	Monthly	7.50%	7.50%	506,313	7,788	15,718	73,116	96,622	409,691	-	409,691
					Total	22,660,430	1,537,835	256,144	1,158,554	2,952,533	5,173,856	14,534,043	19,707,899

Financial leases as of December 31, 2016:

	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2016 Th\$	Within 1 month Th\$	1 to 3 months Th\$	3 to 12 months Th\$	Current as of 12.31.2016	1 to 5 years Th\$	More than 5 years Th\$	Non-current as of 12.31.2016 Th\$
Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	38,040,071	139,087	278,174	1,251,784	1,669,045	6,676,181	29,694,845	36,371,026
Prepayment compensation Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	(19,003,329)	(67,388)	(134,775)	(606,489)	(808,652)	(3,234,609)	(14,960,068)	(18,194,677)
Leasing de Occidente	Colombia	COP	Monthly	10.72%	10.72%	78,551	6,486	18,478	14,619	39,583	38,968	-	38,968
BCP	Peru	USD	Monthly	7.00%	7.00%	9,161	3,833	5,328	-	9,161	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.60%	8.60%	3,456	1,497	1,959	-	3,456	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.70%	8.70%	51,240	51,240	-	-	51,240	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	469,087	469,087	-	-	469,087	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.70%	8.70%	33,921	33,921	-	-	33,921	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	51,986	51,986	-	-	51,986	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	43,934	43,934	-	-	43,934	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	186,455	186,455	-	-	186,455	-	-	-
Banco Financiero	Peru	PEN	Monthly	7.95%	7.95%	4,421	4,421	-	-	4,421	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.00%	8.00%	3,777	3,777	-	-	3,777	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	74,471	74,471	-	-	74,471	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.85%	8.85%	88,894	88,894	-	-	88,894	-	-	-
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	189,701	1,067	-	51,952	53,019	136,682	-	136,682
Banco Santander	Peru	USD	Monthly	8.70%	8.70%	296,552	10,828	19,393	90,686	120,907	175,645	-	175,645
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	273,833	273,833	-	-	273,833	-	-	-
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	177,331	177,331	-	-	177,331	-	-	-
BANBIF	Peru	PEN	Monthly	8.35%	8.35%	285,462	285,462	-	-	285,462	-	-	-
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	36,770	1,187	2,217	10,393	13,797	22,973	-	22,973
BCP	Peru	PEN	Monthly	5.00%	5.00%	110,164	4,169	8,476	38,819	51,464	58,700	-	58,700
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	81,414	3,215	6,475	29,889	39,579	41,835	-	41,835
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	9,611	4,794	4,817	-	9,611	-	-	-
BCP	Peru	PEN	Quarterly	6.85%	6.85%	6,165	-	1,468	4,547	6,015	150	-	150
Interbank	Peru	PEN	Monthly	6.60%	6.60%	39,821	805	1,623	7,524	9,952	29,869	-	29,869
Interbank	Peru	PEN	Monthly	7.50%	7.50%	1,146,489	15,860	35,900	148,908	200,668	946,181	-	946,181
Interbank	Peru	PEN	Monthly	7.50%	7.50%	42,834	704	1,420	6,605	8,729	34,105	-	34,105
Interbank	Peru	PEN	Monthly	7.50%	7.50%	532,006	7,382	14,899	69,312	91,593	440,413	-	440,413
					Total	23,364,609	1,878,338	265,852	1,118,549	3,262,739	5,367,093	14,734,777	20,101,870

(*) The Company signed a long-term lease with Oxiquim S.A. for the construction of storage and dispatching facilities at Quintero Bay so that it could receive LPG by sea. This lease is a financial lease according to the interpretation of IFRIC 4 and IAS 17 and has been recorded as a financial lease beginning March 2015 since the terminal began operating on that date.

(**) Advances made by the Company to Oxiquim S.A. under the previously mentioned contract are shown discounting the lease debt pursuant to paragraph 42 of IAS 32.

As of December 31, 2016, the subsidiary Limagas Natural Perú S.A. maintained several contracts signed in order to provide certain assets in trust, whose purpose is to serve as a means of payment and as collateral of full and timely payment of financial leases. In that sense, the subsidiary transferred as legal title subject to trust the collection rights and cash flows from gas supply contracted with certain specific clients and other flows, and the machinery and equipment of the plant located in Lurín. During the first quarter of 2017, such contracts were cancelled.

Financial covenants

The subsidiary Limagas Natural Perú S.A. has contracted financial leases with the following banks: BANBIF and Financiero for a total amount of Th\$ 1,412,759. These contracts require compliance of certain covenants based on financial ratios. Some of those ratios are not in compliance as of June 30, 2017. Management believes that this non-compliance does not have significant consequences. These loans have been entirely classified as current in terms of maturity. The Company will financially support the subsidiary, should any of the creditor institutions require it.

Bond Debt

Bond debt corresponds to the UF bonds issued by the Company on the Chilean market on April 23, 2015.

Closing balances for this instrument as of June 30, 2017 and December 31, 2016 are as follows:

As of June 30, 2017

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current			Non-Current			
					Maturity			Total Current at 06,30,2017 Th\$	Maturity		Total Non-Current at 06,30,2017 Th\$
					Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 or more years	
					Th\$	Th\$	Th\$		Th\$	Th\$	
BLIPI- E	3,500,000	UF	3,44%	3,55%	-	-	-	-	93,327,815	93,327,815	
Bond surcharge					7,521	15,043	67,691	90,255	381,968	1,002,667	1,384,635
					7,521	15,043	67,691	90,255	381,968	94,330,482	94,712,450

As of December 31, 2016

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current			Non-Current			
					Maturity			Total Current at 06.30.2017 Th\$	Maturity		Total Non-Current at 06.30.2017 Th\$
					Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 or more years	
					Th\$	Th\$	Th\$	Th\$	Th\$		
BLIPI- E	3,500,000	UF	3.44%	3.55%	-	-	-	-	-	92,217,930	92,217,930
Bond surcharge					5,298	10,596	47,683	63,577	383,425	1,006,492	1,389,917
					5,298	10,596	47,683	63,577	383,425	93,224,422	93,607,847

Risk Rating

As of June 30, 2017, the bond issued on the Chilean market was rated as follows:

AA: by Compañía Clasificadora de Riesgo Humphreys Ltda.

AA-: by Feller Rate Clasificadora de Riesgo Limitada

Covenants

The covenants binding upon the Company are explained below:

- Minimum equity: Th\$110,000,000
- Indebtedness $\leq 1.5 \times$ (net financial debt-to-equity ratio)

Covenant Status

The Company's compliance with the covenants as of June 30, 2017 is shown below:

Covenants	Amount	Compliance
Minimum equity (Th\$)	139,817,164	Yes
Indebtedness	0.82	Yes

- Minimum equity used: Total equity disclosed in the statement of financial position.
- Indebtedness used: ((Other current financial liabilities + other non-current financial liabilities)-cash and cash equivalent)/total equity.

Guarantees

As of this date, the Company has not granted guarantees that are framed within the prohibitions set forth in the ninth clause of the bond issue agreement governing the outstanding Series E.

15. Trade payables and other accounts payable

15.1 Trade payable and other accounts payable, current

Type of Supplier	06.30.2017 Th\$	12.31.2016 Th\$
LPG	13,242,126	13,801,300
Other suppliers	19,290,533	17,229,379
Withholdings and other taxes	4,973,135	3,872,134
Total trade payables and other accounts payable	37,505,794	34,902,813

Trade payables and other accounts payable include commitments to third parties mainly for the purchase of gas, acquisition of property, plant and equipment, services and the purchase of materials and spare parts.

Average payment period of LPG supplier accounts payable as of June 30, 2017 and December 31, 2016, was 21 days and 24 days, respectively.

Average payment period of other supplier accounts payable as of June 30, 2017 and December 31, 2016, was 39 days and 34 days, respectively.

15.2 Trade payables and other accounts payable, non-current

Type of Supplier	06.30.2017 Th\$	12.31.2016 Th\$
Other suppliers	-	8,213
Business combination suppliers	412,500	854,478
Total non-current trade payables and other accounts payable	412,500	862,691

16. Other provisions, current

As of June 30, 2017 and December 31, 2016, this account is itemized as follows:

Type of Provision	06.30.2017 Th\$	12.31.2016 Th\$
Lawsuits	168,640	166,714
Business combinations	1,071,049	1,046,369
Total other provisions	1,239,689	1,213,083

17. Provisions for employee benefits

17.1 Current provisions

As of June 30, 2017 and December 31, 2016, this account is itemized as follows:

Type of Provision	06.30.2017 Th\$	12.31.2016 Th\$
Personnel liabilities (bonuses, profit-share and others)	1,791,828	1,624,135
Total accumulated liabilities	1,791,828	1,624,135

17.2 Non-current provisions

Balances and movement of this account as of June 30, 2017 and December 31, 2016 are as follows:

Provision for severance payment for years of service	06.30.2017 Th\$	12.31.2016 Th\$
Opening Balance	2,132,882	2,071,061
Actuarial variables	334,821	(83,068)
Payments	(121,646)	(101,455)
Accrual	87,586	246,344
Total	2,433,643	2,132,882

Actuarial assumptions

The Company recorded a non-current liability for employment benefits, which is valued based on the actuarial method, for which the following actuarial assumptions are used:

Actuarial Assumptions	06.30.2017	12.31.2016
Mortality table	RV-2009	RV-2009
Real annual interest rate	2.21%	3.78%
Voluntary retirement turnover rate, men and women	1.30%	1.30%
Salary increase	1.70%	1.70%
Retirement age, men	65 yrs.	65 yrs.
Retirement age, women	60 yrs.	60 yrs.

18. Other non-current, non-financial liabilities (cylinder and tank guarantees)

Balances and movement of this account for the period ended June 30, 2017 and the fiscal year ended December 31, 2016 are as follows:

Other non-current liabilities	06.30.2017	12.31.2016
	Th\$	Th\$
Opening Balance	34,294,591	31,671,120
Deposits	856,941	948,335
Translation differences movement	(25,363)	(185,160)
Returns	(318,803)	(241,534)
Adjustment to present value	(27,133)	2,101,830
Ending balance	34,780,233	34,294,591

The liability for customer guarantees for cylinders and tanks as of June 30, 2017 totaled Th\$61,376,074 (Th\$60,894,102 at December 31, 2016), considering current values, as adjusted according to the regulations of each country.

19. Equity

19.1 Subscribed and paid-in capital

As of June 30, 2017 and December 31, 2016, company capital totaled Th\$192,339,407 of which Th\$129,242,454 has been subscribed and paid-in.

The Company aims to manage capital to protect the capacity to continue as an ongoing business and generate returns for shareholders, benefits to other stakeholders and an optimal capital structure that will reduce capital costs.

The Company monitors its capital by the leverage ratio. This ratio is calculated by dividing net debt by total equity plus net debt. Net debt corresponds to all indebtedness (both current and non-current), less cash and cash equivalent. Total capital corresponds to equity as shown in the classified consolidated statement of financial position.

19.2 Number of subscribed and paid-in shares

As of June 30, 2017 and December 31, 2016 113,574,515 shares without par value, represent the Company's capital.

On July 29, 2015, the Special Shareholders' Meeting decided to issue 12,619,391 new shares, which have not been subscribed as of this date.

On November 24, 2016, the Company's shares began trading on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*).

19.3 Dividends

During the period ended June 30, 2017, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th\$18,171,923 as follows:

Interim	
Date	Th\$
03.08.2017	7,041,620
06.13.2017	7,041,620
Sub total	14,083,240

Final	
Date	Th\$
04.27.2017	4,088,683
Sub-total	4,088,683

Total	18,171,923
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During the fiscal year ended December 31, 2016, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th\$29,863,146 as follows:

Interim	
Date	Th\$
03.30.2016	4,300,000
06.29.2016	8,800,000
09.28.2016	8,900,000
11.30.2016	4,883,704
Sub total	26,883,704

Final	
Date	Th\$
04.27.2016	2,979,442
Sub total	2,979,442

Total	29,863,146
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19.4 Non-controlling interests

As of June 30, 2017 and December 31, 2016, this account is itemized as follows:

Subsidiary	Country of Origin	Non-controlling percentage interest in subsidiary		06.30.2017		12.31.2016	
		2017	2016	Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests	Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests
				Th\$	Th\$	Th\$	Th\$
Norgas S.A.	Chile	42.00%	42.00%	1,275,897	47,440	1.228.457	43.119
Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	Chile	0.00%	0.00%	9	-	9	-
Total				1,275,906	47,440	1,228,466	43,119

19.5 Reconciliation of the movement in other comprehensive income reserves

Movements as of June 30, 2017:

Movement in other comprehensive income as of 06.30.2017	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th\$	Net Amount Th\$	Net Amount Th\$
After-tax gain (loss)	20,016,286	47,440	20,063,726
Gains (losses) from translation differentials, before taxes	638,839	-	638,839
Other comprehensive income, actuarial gains (losses) from defined benefits plans	(334,821)	-	(334,821)
Gains (losses) on cash flow hedges, before taxes	416,394	-	416,394
Total movement in the fiscal year	720,412	-	720,412
Income tax on the components of other comprehensive income	(3,287)	-	(3,287)
Total comprehensive income	20,733,411	47,440	20,780,851

Movements as of June 30, 2016:

Movement in other comprehensive income as of 06.30.2016	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th\$	Net Amount Th\$	Net Amount Th\$
After-tax gain (loss)	18,087,472	20,370	18,107,842
Gains (losses) from translation differentials, before taxes	(88,486)	-	(88,486)
Other comprehensive income, actuarial gains (losses) from defined benefits plans	(80,199)	-	(80,199)
Gains (losses) on cash flow hedges, before taxes	(909,423)	-	(909,423)
Total movement in the fiscal year	(1,078,108)	-	(1,078,108)
Income tax on the components of other comprehensive income	226,274	-	226,274
Total comprehensive income	17,235,638	20,370	17,256,008

20. Earnings per share

The earnings per basic share shown in the consolidated statement of income by function are calculated as the quotient between the profit (loss) for the fiscal year or period and the average number of shares outstanding the same period.

Earnings per share used to calculate the basic share and diluted share as of June 30, 2017 and 2016 is the following:

Per-share profit	01.01.2017 through 06.30.2017	01.01.2016 through 06.30.2016	04.01.2017 through 06.30.2017	04.01.2016 through 06.30.2016
Profit attributable to shareholders (Th\$)	20,016,286	18,087,472	13,368,197	10,756,455
Weighted average number of shares	113,574,515	113,574,515	113,574,515	113,574,515
Earnings per basic and diluted share (in pesos)	176.24	159.26	117.70	94.71

21. Revenue and other income by function

21.1 Revenue from ordinary activities

For the periods ended June 30, 2017 and 2016, the itemization of revenue is as follows:

Revenue	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Revenue from gas sales (LPG-NG-LNG-CNG)	219,864,732	191,865,384	122,754,778	108,326,917
Revenue from the sale of other fuels	1,553,984	1,254,365	659,247	725,304
Revenue from the sale of facilities	653,004	825,046	339,556	312,973
Revenue from meter leases	1,209,234	1,179,127	606,895	586,246
Revenue from other sales and services	623,990	564,681	431,547	300,109
Total revenue	223,904,944	195,688,603	124,792,023	110,251,549

The Company has not accounted for income by product line since revenue comes primarily from LPG, which represents more than 92% of total revenue.

21.2 Other income by function

For the periods ended June 30, 2017 and 2016, the itemization of other income is as follows:

Other income by function	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Commercial interest	104,527	85,713	52,727	34,254
Total other income by function	104,527	85,713	52,727	34,254

22. Costs and expenses by function broken down by nature

For the periods ended June 30, 2017 and 2016, the itemization of the Company's main costs and expenses is as follows:

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total as of 06.30.2017 Th\$
Gas purchases(*)	128,660,099	-	-	-	128,660,099
Depreciation	8,155,713	221,589	29,248	831,066	9,237,616
Amortization	239,176	336,521	74,125	-	649,822
Wages and salaries	1,715,993	3,548,206	3,584,117	2,021,121	10,869,437
Benefits	335,399	1,439,489	380,322	278,322	2,433,532
Mandatory expenses	121,721	331,603	677,884	192,593	1,323,801
Cylinder and tank maintenance	7,251,912	-	-	-	7,251,912
Other expenses	2,913,872	8,347,210	4,621,572	791,909	16,674,563
Advertising	-	-	807,532	-	807,532
Freight	244,186	9,679	-	13,666,362	13,920,227
Promotional campaigns	-	39,867	1,137,373	-	1,177,240
Balances as of 06.30.2017	149,638,071	14,274,164	11,312,173	17,781,373	193,005,781

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total as of 06.30.2016 Th\$
Gas purchases (*)	108,916,685	-	-	-	108,916,685
Depreciation	7,234,622	360,868	5,941	775,907	8,377,337
Amortization	125,547	254,122	121,949	-	501,619
Wages and salaries	1,665,110	3,078,752	3,504,396	1,787,824	10,036,082
Benefits	275,762	1,337,040	438,742	216,128	2,267,672
Mandatory expenses	115,894	349,389	372,965	168,334	1,006,582
Cylinder and tank maintenance	7,686,342	-	-	-	7,686,342
Other expenses	1,596,416	7,765,133	3,222,375	439,107	13,023,031
Advertising	-	-	932,267	-	932,267
Freight	238,974	25,902	-	13,104,229	13,369,105
Promotional campaigns	-	60,527	1,122,880	-	1,183,407
Balances as of 06.30.2016	127,855,352	13,231,732	9,721,515	16,491,529	167,300,129

(*) Gas purchases reflect the result between purchases plus beginning inventories, less ending inventories.

22. Costs and expenses by function broken down by nature (continued)

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total as of 04.01.2017 through 06.30.2017 Th\$
Gas purchases(*)	71,028,664	-	-	-	71,028,664
Depreciation	4,158,266	113,054	17,408	397,899	4,686,627
Amortization	124,061	172,351	37,457	-	333,869
Wages and salaries	863,738	1,759,269	1,813,450	1,017,238	5,453,695
Benefits	164,007	701,698	272,341	144,246	1,282,292
Mandatory expenses	62,015	188,903	338,938	100,398	690,254
Cylinder and tank maintenance	3,454,675	-	-	-	3,454,675
Other expenses	1,510,791	4,162,278	2,572,264	392,354	8,637,687
Advertising	-	-	306,022	-	306,022
Freight	153,136	5,979	-	7,659,600	7,818,715
Promotional campaigns	-	31,600	604,182	-	635,782
Balances as of 04.01.2017 through 06.30.2017	81,519,353	7,135,132	5,962,062	9,711,735	104,328,282

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total as of 04.01.2016 through 06.30.2016 Th\$
Gas purchases(*)	61,711,952	-	-	-	61,711,952
Depreciation	3,712,450	263,682	329	308,111	4,284,572
Amortization	57,157	137,890	70,794	-	265,841
Wages and salaries	761,056	1,430,162	1,877,747	990,556	5,059,521
Benefits	167,480	594,839	296,675	168,858	1,227,852
Mandatory expenses	61,983	186,690	202,539	81,280	532,492
Cylinder and tank maintenance	4,619,732	-	-	-	4,619,732
Other expenses	620,700	4,123,348	1,693,194	280,548	6,717,790
Advertising	-	-	687,677	-	687,677
Freight	150,619	23,306	-	7,242,623	7,416,548
Promotional campaigns	-	17,215	852,319	-	869,534
Balances as of 04.01.2016 through 06.30.2016	71,863,129	6,777,132	5,681,274	9,071,976	93,393,511

(*) Gas purchases reflect the result between purchases plus beginning inventories, less ending inventories.

23. Financial Income and other gains and losses

23.1 Financial Income

For the periods ended June 30, 2017 and 2016, the itemization of financial income is as follows:

Financial Income	01.01.2017 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
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Financial income

Interest on financial instruments	173,708	336,802	46,474	161,327
Other financial income	349,699	329,262	177,602	182,574
Restatement of other non-current liabilities	27,133	-	(73,272)	-
Total financial income	550,540	666,064	150,804	343,901

Financial costs

Bank loans expenses	(404,018)	(423,896)	(230,348)	(240,954)
Financial lease expenses	(737,802)	(824,143)	(360,577)	(453,965)
Bond interest	(1,593,220)	(1,522,695)	(812,886)	(777,320)
Other financial expenses	(23,440)	(28,284)	(4,187)	(13,742)
Adjustment of other non-current liabilities	-	(1,419,743)	-	(996,634)
Total financial costs	(2,758,480)	(4,218,761)	(1,407,998)	(2,482,615)

Exchange differences

Positive	1,981	325,491	(37,005)	50,138
Negative	(49,102)	(70,378)	(17,860)	(5,895)
Total exchange differences	(47,121)	255,113	(54,865)	44,243

Profit (loss) on adjustment units

Bond debt	(1,168,167)	(1,552,089)	(716,266)	(896,113)
Financial leases	(226,369)	(321,901)	(129,735)	(171,343)
Total profit (loss) on adjustment units	(1,394,536)	(1,873,990)	(846,001)	(1,067,456)

Total Financial Income	(3,649,597)	(5,171,575)	(2,158,059)	(3,161,927)
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23.2 Other gains (losses)

Other Gains (Losses)	01.01.2016 through 06.30.2017 Th\$	01.01.2016 through 06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Retirement of property, plant and equipment	(142,148)	(14,770)	(131,945)	(7,875)
Profit (loss) on the sale of property, plant & equipment	59,479	(15,382)	45,714	(15,623)
Other gains (losses)	153,677	666,379	41,737	676,919
Total other gains (losses)	71,008	636,227	(44,494)	653,421

24. Number of employees and payroll cost

The average number of employees for the period ended June 30, 2017 and the fiscal year ended December 2016 was 1,712 and 1,655 respectively

As of June 30, 2017 and December 31, 2016, the Company has a staff of 1,718, and 1,686 employees respectively, distributed according to the following table:

Employees	06.30.2017	12.31.2016
Executives	25	25
Professionals and technicians	923	909
Others	770	752
Total Employees	1,718	1,686

The cost of the salaries of the employees included in the above table was:

Item	06.30.2017 Th\$	06.30.2016 Th\$	04.01.2017 through 06.30.2017 Th\$	04.01.2016 through 06.30.2016 Th\$
Wages and salaries	10,869,437	10,036,082	5,453,695	5,059,521
Benefits	2,433,532	2,267,672	1,282,292	1,227,852
Mandatory expenses	1,323,801	1,006,582	690,254	532,492
Total payroll cost	14,626,770	13,310,336	7,426,241	6,819,865

25. Financial information by segment

The Company discloses financial items by operating segment based on the geographic area of the countries where activities are developed: Chile, Colombia and Peru. This is consistent with the management, allocation of resources and performance assessments in the Company's decision-making process,

Results, assets, liabilities and allocations to each segment are measured directly and not through a factor that allocates on the basis of a standard that must be explained,

LPG generates more than 92% of revenue and 100% corresponds to external clients, and no inter-segment revenue was generated.

At the close of these consolidated financial statements, there was no customer that represented more than 10% of the Group's revenue.

Below is an itemization of this disclosure as of June 30, 2017 and December 31, 2016 for the statement of financial position and as of June 30, 2017 and June 30, 2016 for statement of income and statement of direct cash flow (figures in Th\$):

25.1 Statement of financial position by segment

As of June 30, 2017	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
Total operating assets	252,850,685	42,562,658	78,267,909	373,681,252
Total operating liabilities	91,491,340	10,453,303	17,029,598	118,974,242
Total investment by segment	161,359,345	32,109,355	61,238,311	254,707,011
Net Financing (cash and cash equivalents)				114,889,847
Total Net Investment				139,817,164
Equity:				
Issued capital				129,242,454
Other reserves				(3,452,757)
Gains (accumulated losses)				12,751,561
Non-controlling interests				1,275,906
Total equity				139,817,164

As of December 31, 2016	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
Total operating assets	236,296,086	40,159,732	77,938,276	354,394,094
Total operating liabilities	75,718,373	9,874,949	19,096,375	104,689,697
Total investment by segment	160,577,713	30,284,783	58,841,901	249,704,397
Net Financing (cash and cash equivalents)				112,496,161
Total Net Investment				137,208,236
Equity:				
Issued capital				129,242,454
Other reserves				(4,169,882)
Gains (accumulated losses)				10,907,198
Non-controlling interests				1,228,466
Total equity				137,208,236

25.2 Statement of income by segment

(figures in Th\$)

Statement of Income by Function	Chile		Colombia		Peru		Total Lipigas Group	
	01.01.2017 through 06.30.2017	01.01.2016 through 06.30.2016	01.01.2017 through 06.30.2017	01.01.2016 through 06.30.2016	01.01.2017 through 06.30.2017	01.01.2016 through 06.30.2016	01.01.2017 through 06.30.2017	01.01.2016 through 06.30.2016
	Revenue	155,907,769	136,031,125	21,859,431	18,077,117	46,137,744	41,580,361	223,904,944
Purchases allocated to cost of sales	(84,383,269)	(70,812,463)	(12,068,665)	(10,457,227)	(32,208,165)	(27,646,995)	(128,660,099)	(108,916,685)
Cost of sales (excluding depreciation and amortization)	(8,712,097)	(7,882,349)	(1,617,093)	(1,418,374)	(2,253,893)	(2,277,776)	(12,583,083)	(11,578,499)
Other income by function	104,527	85,713	-	-	-	-	104,527	85,713
Other operating expenses	(29,193,358)	(25,693,887)	(4,631,064)	(4,254,717)	(8,050,740)	(7,977,386)	(41,875,162)	(37,925,990)
Depreciation and amortization	(7,291,885)	(6,520,005)	(1,031,428)	(894,932)	(1,564,125)	(1,464,019)	(9,887,438)	(8,878,956)
Operating profit (loss)	26,431,687	25,208,134	2,511,181	1,051,867	2,060,821	2,214,185	31,003,689	28,474,186
Non-operating profit (loss)							(3,578,588)	(4,535,345)
Profit (loss) before taxes							27,425,101	23,938,841
Income tax							(7,361,375)	(5,830,999)
Profit (loss)							20,063,726	18,107,842

Statement of Income by Function	Chile		Colombia		Peru		Total Lipigas Group	
	04.01.2017 through 06.30.2017	04.01.2016 through 06.30.2016	04.01.2017 through 06.30.2017	04.01.2016 through 06.30.2016	04.01.2017 through 06.30.2017	04.01.2016 through 06.30.2016	04.01.2017 through 06.30.2017	04.01.2016 through 06.30.2016
	Revenue	89,234,161	79,066,469	10,815,356	9,222,835	24,742,506	21,962,245	124,792,023
Purchases allocated to cost of sales	(47,831,409)	(41,758,846)	(5,988,131)	(5,345,148)	(17,209,124)	(14,607,958)	(71,028,664)	(61,711,952)
Cost of sales (excluding depreciation and amortization)	(4,153,859)	(4,204,871)	(853,951)	(754,464)	(1,200,552)	(1,422,233)	(6,208,362)	(6,381,568)
Other income by function	52,727	34,254	-	-	-	-	52,727	34,254
Other operating expenses	(15,496,184)	(14,273,554)	(2,362,242)	(2,133,954)	(4,212,335)	(4,342,072)	(22,070,761)	(20,749,580)
Depreciation and amortization	(3,716,518)	(3,285,597)	(522,967)	(468,298)	(781,011)	(796,518)	(5,020,496)	(4,550,413)
Operating profit (loss)	18,088,918	15,577,855	1,088,065	520,971	1,339,484	793,464	20,516,467	16,892,290
Non-operating profit (loss)							(2,202,553)	(2,508,504)
Profit (loss) before taxes							18,313,914	14,383,786
Income tax							(4,920,228)	(3,640,121)
Profit (loss)							13,393,686	10,743,665

25.3 Statement of direct cash flow by segment (Figures in Th\$)

Statement of direct cash flow by segment as of June 2017

	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
Net cash flow from (used in) operating activities	28,033,535	2,683,011	2,251,311	32,967,857
Net cash flow from (used in) investing activities	(16,982,460)	(2,144,285)	(1,538,639)	(20,665,384)
Net cash flow from (used in) financing activities				(15,435,716)
Effects of the variation of the exchange rate on cash and cash equivalent				32,999
Net increase (decrease) in cash and cash equivalent				(3,100,244)
Cash and cash equivalent at the beginning of the fiscal year				18,121,977
Cash and cash equivalent at the end of the fiscal year				15,021,733

Statement of direct cash flow by segment as of June 2016

	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
Net cash flow from (used in) operating activities	28,778,034	933,030	(2,070,945)	27,640,119
Net cash flow from (used in) investing activities	(7,783,232)	(990,786)	(20,474,914)	(29,248,932)
Net cash flow from (used in) financing activities				(8,288,165)
Effects of the variation of the exchange rate on cash and cash equivalent				(86,080)
Net increase (decrease) in cash and cash equivalent				(9,983,058)
Cash and cash equivalent at the beginning of the fiscal year				31,214,918
Cash and cash equivalent at the end of the fiscal year				21,231,860

Foreign currency balances

Foreign currency balances are shown below for the period ended June 30, 2017 and fiscal year ended December 31, 2016, respectively:

Foreign Currency Summary	Currency of origin	Total assets 06.30.2017 Th\$	Total assets 12.31.2016 Th\$	Foreign Currency Summary	Currency of origin	Total liabilities 06.30.2017 Th\$	Total liabilities 12.31.2016 Th\$
Current assets	USD	1,803,129	2,787,580	Current liabilities	USD	7,528,896	9,175,218
Current assets	COP	6,442,303	5,176,491	Current liabilities	COP	3,398,709	3,016,479
Current assets	PEN	10,822,948	12,063,802	Current liabilities	PEN	16,763,742	19,336,861
Non-current assets	COP	37,806,704	36,654,888	Non-current liabilities	COP	10,591,131	10,237,151
Non-current assets	PEN	56,719,311	55,461,967	Non-current liabilities	PEN	9,511,287	10,913,473
Non-current assets	USD	1,081,196	1,284,295	Non-current liabilities	USD	111,390	175,645
Total assets		114,675,592	113,429,022	Total liabilities		47,905,155	52,854,827

Balances for current and non-current assets in a foreign currency are shown below for the period ended June 30, 2017 and the fiscal year ended December 31, 2016, respectively:

Current assets in a foreign currency	Currency of origin	Total current assets 06.30.2017 Th\$	Total current assets 12.31.2016 Th\$
Cash and cash equivalent	USD	152,025	676,219
Cash and cash equivalent	COP	1,686,349	1,671,647
Cash and cash equivalent	PEN	799,007	1,074,528
Other financial assets	COP	18,123	-
Assets classified as held for sale	COP	41,222	44,294
Trade receivables and other accounts receivable	USD	1,651,104	2,111,361
Trade receivables and other accounts receivable	COP	3,462,145	2,513,564
Trade receivables and other accounts receivable	PEN	7,779,160	8,754,041
Inventories	COP	803,161	424,481
Inventories	PEN	936,890	1,058,584
Tax assets	COP	269,085	241,196
Tax assets	PEN	1,011,334	836,291
Other non-financial assets	COP	162,218	281,309
Other non-financial assets	PEN	296,558	340,358
Total current assets		19,068,381	20,027,872

26. Foreign currency balances (continued)

Non-current assets in a foreign currency	Currency of origin	Total non-current assets 06.30.2017 Th\$	Total non-current assets 12.31.2016 Th\$
Other financial assets	USD	1,081,196	1,284,295
Other financial assets	COP	559,799	581,409
Other financial assets	PEN	27,330	1,231
Investments accounted for using the equity method	COP	1,100	1,100
Intangible assets other than goodwill	COP	2,803,052	2,908,553
Intangible assets other than goodwill	PEN	1,194,525	1,285,560
Property, plant and equipment	COP	33,125,823	31,977,940
Property, plant and equipment	PEN	45,151,685	44,067,804
Goodwill	COP	1,280,906	1,180,146
Goodwill	PEN	10,345,771	10,107,372
Deferred tax assets	COP	36,024	5,740
Total non-current assets		95.607.211	93,401,150
Total assets		114,675,592	113,429,022

Balances for current and non-current liabilities in a foreign currency are shown below for the period ended June 30, 2017 and the fiscal year ended December 31, 2016, respectively:

Current liabilities in a foreign currency	Currency of origin	Total current liabilities 06.30.2017 Th\$	Total current liabilities 12.31.2016 Th\$
Other financial liabilities	USD	496,012	283,354
Other financial liabilities	COP	360,980	495,640
Other financial liabilities	PEN	7,776,002	8,564,038
Trade and other accounts payable	USD	7,032,884	8,891,864
Trade and other accounts payable	COP	2,887,132	2,316,792
Trade and other accounts payable	PEN	6,972,255	9,214,559
Other provisions	COP	91,659	91,507
Other provisions	PEN	1,148,031	1,121,576
Other non-financial liabilities	PEN	250,266	49,403
Employee benefits provisions, current	COP	58,938	112,540
Employee benefits provisions, current	PEN	617,188	387,285
Total current liabilities		27.691.347	31,528,558

26. Foreign currency balances (continued)

Non-Current liabilities in a foreign currency	Currency of origin	Total non-current liabilities 06.30.2017 Th\$	Total non-current liabilities 12.31.2016 Th\$
Other financial liabilities	USD	111,390	175,645
Other financial liabilities	COP	3,175,557	3,288,615
Other financial liabilities	PEN	2,632,719	3,150,638
Trade and other accounts payable	COP	-	8,213
Trade and other accounts payable	PEN	412,500	1,285,525
Deferred tax liabilities	COP	1,987,372	1,508,923
Deferred tax liabilities	PEN	2,932,203	2,926,812
Other non-financial liabilities	COP	5,428,202	5,431,400
Other non-financial liabilities	PEN	3,533,865	3,550,498
Total non-current liabilities		20,213,808	21,326,269
Total liabilities		47,905,155	52,854,827

27. Contingencies, lawsuits and other similar events

Considering the information handled by Company management and in accordance with the opinion of its Legal Department, outlined below are the main claims against the Company, which should not cause any material liability to the same, except for those discussed in Note 16 for which a provision has been made.

27.1 Empresas Lipigas S.A.

JUDICIAL

Lawsuit : "Joint and several liability of Empresas Lipigas S.A."

Court: Santiago Court

Subject: Indemnity for damages sought from Hodfe and Hodde Hermanos Limitada sub-distributor and from the Company as a jointly and severally liable party,

Amount: Th\$928,000

Status: The insurance company is defending the case. Contingency is covered by the insurance policy, except for the insurance deductible amounting to UF3,000; equivalent to Th\$79,995. Conciliation proceeding without agreement. Writ of evidence pending.

Lawsuit : "Abastecedora de Combustibles S.A. (Abastible) contra Empresas Lipigas S.A."

Court: Santiago Civil Court

Subject: Reimbursement of guarantees for cylinders returned pursuant to Chile's Electricity and Fuels Commission (SEC) Circular Letter No. 13,228

Amount: Th\$6,976,452

Status : In process. Order to produce evidence. Accrual of incidents filed by Gasco is pending.

On December 2, 2014, Chile's Superintendence of Electricity and Fuels issued Circular Letter N°13,228 ordering the application of the rule established by decree 194, of the year 1989 on the issue that distributing

companies may not retain cylinders of other distributors that they may have received in exchange of cylinders of other brands delivered by customers, above a maximum allowed percentage.

Consequently, during 2015, other LPG distribution companies returned to the Company a number of cylinders that they were unilaterally holding.

Abastecedora de Combustibles S.A. (Abastible) initiated a lawsuit against the Company unjustifiably claiming the return of guarantees for the cylinders returned pursuant to SEC's Circular Letter N°13,228. The plaintiff claims the repayment for guarantees given by customers to the Company amounting Th\$5,962,112, as well as alleged costs for storage/custody of such cylinders amounting UF 38,040 (Th\$1,014,340). The claim was answered and the reply and counter-suit were filed, and is in the status of receiving proof. According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

For its part, the Company filed a counter lawsuit against Abastecedora de Combustibles S.A. (Abastible) for damages incurred in the purchase and re-inspection of cylinders, the lawsuit is at the stage of statement of defense.

Lawsuit: "Abastecedora de Combustibles S.A. (Abastible) contra Empresas Lipigas S.A."

Court: Santiago Civil Court

Subject: Reimbursement of guarantees for cylinders returned pursuant to Chile's Electricity and Fuels Commission (SEC) Circular Letter No. 13,228

Amount: Th\$8,052,731

Status : In process. Order to produce evidence. Accrual of incidents filed by Gasco in a similar case is pending.

On August 10, 2016 the Company was notified of a new lawsuit initiated by Abastecedora de Combustibles S.A. (Abastible) against the Company, unjustifiably claiming the return of guarantees for the cylinders returned pursuant to SEC's Circular Letter N°13,228. The plaintiff claims the repayment for guarantees given by customers to the Company amounting to Th\$7,427,595, as well as alleged costs for storage/custody of such cylinders amounting UF 23,444 (Th\$625,136). The claim was answered and is in the status of receiving proof. According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

ADMINISTRATIVE PROCEEDING

"Indecopi proceeding against Lima Gas S.A."

Court: Lima

Subject: "Alleged pricing agreement",

Amount: Not determined

Stage: In process

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 subsidiary Lima Gas S.A. is included, which was acquired in 2013.

The procedure was resumed in January 2016, after settling confidentiality requests made in relation to a series of documents that would sustain the charges, and currently is at a stage of disclaimers by companies and individuals under investigation.

28. Administrative penalties

No material administrative penalties have been imposed on the Company, its Board of Directors or its managers by regulatory agencies during the period ended June 30, 2017 and fiscal year ended December 31, 2016.

29. Guarantees committed to third parties

The Company held guaranty receipts and surety bonds issued by different banks and insurance companies to third parties at the close of the period ended June 30, 2017 and fiscal year ended December 31, 2016, respectively, itemized below:

2017	Beneficiary	Currency	Country	Amount Th\$	Date
	Hospital San José - Casablanca	CLP	Chile	412	07-12-18
	Ilustre Municipalidad de Lumaco-Depto de Educación Comunal	CLP	Chile	100	08-31-17
	Hospital San José - Casablanca	CLP	Chile	412	07-12-18
	Hospital Regional de Talca	CLP	Chile	51,384	02-06-20
	Ilustre Municipalidad de Curacaví	CLP	Chile	250	10-31-17
	Ilustre Municipalidad de Purranque	CLP	Chile	2,212	01-02-18
	Hospital de niños Roberto del Río	CLP	Chile	341	03-01-18
	Dirección de compras y contratación pública	CLP	Chile	3,000	01-13-20
	Policia de Investigaciones de Chile	CLP	Chile	400	01-02-19
	Caja de Previsión de la Defensa Nacional	CLP	Chile	8,000	08-30-18
	Ilustre Municipalidad de los Lagos	CLP	Chile	290	10-30-17
	Director Regional de Vialidad, Ministerio de Obras Públicas	CLP	Chile	1,193	07-31-17
	Empresa Nacional de Minería	CLP	Chile	1,299	08-31-18
	Minera Meridian Ltda.	UF	Chile	49,650	03-29-19
	Serviu Región Metropolitana	UF	Chile	616	06-28-19
	Serviu Región Metropolitana	UF	Chile	616	10-12-18
	Serviu Región de los Lagos	UF	Chile	4,542	01-02-19
	Serviu Región de los Lagos	UF	Chile	20,926	01-02-19
	Serviu Región de los Lagos	UF	Chile	25,890	10-30-17
	Dirección regional de aduanas Antofagasta	USD	Chile	132,858	01-17-18
	Fisco de Chile – directora regional de aduana de Valparaíso.	USD	Chile	66,429	03-31-21
	Hospital San Camilo	CLP	Chile	11,523	01-22-18
	Dirección de Contabilidad de la Armada	CLP	Chile	214	03-01-18
	Ilustre Municipalidad de Peumo	CLP	Chile	50	11-10-17
	MOP - Dirección de Vialidad Región de Coquimbo	UF	Chile	240	09-11-17
	MOP - Dirección de Vialidad Región de Coquimbo	UF	Chile	133	09-11-17
	MOP - Dirección de Vialidad Región de Coquimbo	UF	Chile	133	09-11-17
	MOP - Dirección de Vialidad Región de Coquimbo	UF	Chile	240	01-28-19
	Serviu Región de los Lagos	UF	Chile	13,911	01-28-19
	Serviu Región de los Lagos	UF	Chile	54,234	01-28-19
	Serviu Región de los Lagos	UF	Chile	16,257	02-22-19
	Serviu Osorno	UF	Chile	19,695	09-24-18
	Serviu Región de los Lagos	UF	Chile	24,408	05-22-18
	Serviu Región de los Lagos	UF	Chile	18,181	04-01-19
	Serviu Región de los Lagos	UF	Chile	13,572	01-31-18
	Serviu Osorno	UF	Chile	6,222	04-02-18
	Serviu Osorno	UF	Chile	23,516	08-01-18
	Director de Vialidad	UF	Chile	1,040	09-30-18

2017 (continued)

2017	Beneficiary	Currency	Country	Amount Th\$	Date
	Director de Vialidad	UF	Chile	3,466	09-24-18
	Director de Vialidad	UF	Chile	1,040	09-24-18
	Director de Vialidad	UF	Chile	3,466	05-22-18
	Serviu Región de los Lagos	UF	Chile	15,843	04-01-19
	Ilustre Municipalidad de Osorno	CLP	Chile	10,000	04-02-18
	Ilustre Municipalidad de Linares	CLP	Chile	500	01-31-18
	Subsecretaría del Medioambiente	CLP	Chile	8,700	01-31-18
	Ilustre Municipalidad de Peumo	CLP	Chile	50	04-02-18
	Ilustre Municipalidad de Panquehue	CLP	Chile	200	08-01-18
	Ilustre Municipalidad de Panquehue	CLP	Chile	2,804	09-30-18
	Serviu Región de los Lagos	UF	Chile	25,756	07-18-18
	Serviu Osorno	UF	Chile	15,157	05-13-18
	Serviu Osorno	UF	Chile	16,021	05-13-18
	Serviu Osorno	UF	Chile	17,694	05-24-18
	Serviu Región de los Lagos	UF	Chile	41,531	05-30-18
	Serviu Osorno	UF	Chile	26,554	06-03-18
	Serviu Región de los Lagos	UF	Chile	3,314	06-07-18
	Ecopetrol	COP	Colombia	373,347	01-01-18
	Reficar	COP	Colombia	304,581	01-01-18
	Cenit	COP	Colombia	66,000	09-30-17
	Cenit	COP	Colombia	22,000	09-30-17
	Tygas	COP	Colombia	374,000	07-30-17
	Pluspetrol Perú Corporation S.A.	USD	Peru	21,935	07-14-17
	Hunt Oil Company Of Peru L.L.C. Sucursal del Perú	USD	Peru	251,260	07-14-17
	Sk Innovation, Sucursal Peruana	USD	Peru	175,483	07-14-17
	Pluspetrol Camisea S.A. y/o Pluspetrol Lote 56 S.A.	USD	Peru	249,266	07-14-17
	Tecpetrol del Peru S.A.C. y/o Tecpetrol Bloque 56 S.A.C.	USD	Peru	99,706	07-14-17
	Repsol Exploración Perú, Sucursal del Perú	USD	Peru	99,706	07-14-17
	Sonatrach Perú Corporation S.A.C.	USD	Peru	99,706	07-14-17
	Pluspetrol Perú Corporation S.A.	USD	Peru	14,624	07-14-17
	Pluspetrol Camisea S.A. y/o Pluspetrol Lote 56 S.A.	USD	Peru	166,177	07-14-17
	Hunt Oil Company Of Peru L.L.C. Sucursal del Perú	USD	Peru	167,507	07-14-17
	Sk Innovation, Sucursal Peruana	USD	Peru	116,989	07-14-17
	Tecpetrol del Perú S.A.C. y/o Tecpetrol Bloque 56 S.A.C.	USD	Peru	66,471	07-14-17
	Sonatrach Perú Corporation S.A.C.	USD	Peru	66,471	07-14-17
	Repsol Exploración Perú, Sucursal del Perú	USD	Peru	66,471	07-14-17
	Pluspetrol Perú Corporation S.A.	USD	Peru	36,559	06-30-18
	Pluspetrol Camisea S.A. y/o Pluspetrol Lote 56 S.A.	USD	Peru	415,443	06-30-18
	Tecpetrol del Peru S.A.C. y/o Tecpetrol Bloque 56 S.A.C.	USD	Peru	166,177	06-30-18
	Sonatrach Perú Corporation S.A.C.	USD	Peru	166,177	06-30-18
	Hunt Oil Company Of Peru L.L.C. Sucursal del Perú	USD	Peru	418,767	06-30-18
	Repsol Exploración Perú, Sucursal del Perú	USD	Peru	166,177	06-30-18
	Sk Innovation, Sucursal Peruana	USD	Peru	292,472	06-30-18
	INABIF	PEN	Peru	20,771	09-17-17
	Municipalidad Provincial Mariscal Nieto	PEN	Peru	22,320	01-01-18
	Inversiones San Borja S.A.	PEN	Peru	36,931	01-05-18
	INABIF	PEN	Peru	5,828	01-26-18
	Petroperú	PEN	Peru	1,294,343	02-03-18
	Marina de Guerra	PEN	Peru	12,642	02-13-18
	Minera Las Bambas	PEN	Peru	57,232	12-31-17
	Administradora Jockey Plaza Shopping Center S.A.	USD	Peru	13,294	04-23-18
	Marina de Guerra	PEN	Peru	4,731	08-15-17
	Universidad Nacional Mayor de San Marcos	PEN	Peru	2,044	12-29-17
	Marina de Guerra	PEN	Peru	5,165	08-28-17
	YPBF Yacimientos Petrolíferos	USD	Peru	764,415	12-29-17
	Marina de Guerra	PEN	Peru	2,044	12-29-17
	Petrocorp S.A.	USD	Peru	540,858	09-30-17

2017	Beneficiary	Currency	Country	Amount Th\$	Date
	Gas Natural de Lima y Callao S.A.	USD	Peru	733,587	02-02-18
	Gas Natural de Lima y Callao S.A.	USD	Peru	302,271	02-02-18
	Gas Natural de Lima y Callao S.A.	USD	Peru	199,413	02-02-18
	Petrocorp S.A.	USD	Peru	638,120	02-02-18
	Gas Natural de Lima y Callao S.A.	USD	Peru	53,177	03-11-18
	Gas Natural de Lima y Callao S.A.	USD	Peru	195,079	09-13-17

2016	Beneficiary	Currency	Country	Amount Th\$	Date
	Subsecretaría Del Medio Ambiente	CLP	Chile	8,700	06-30-17
	Ilustre Municipalidad De Los Lagos	CLP	Chile	290	10-30-17
	Hospital San Camilo	CLP	Chile	500	01-16-17
	Hospital Regional De Talca	UF	Chile	51,384	02-06-20
	Hospital San Jose - Casablanca	CLP	Chile	412	07-12-18
	Policia De Investigaciones De Chile	CLP	Chile	400	01-02-19
	Jefatura De Bienestar De La PDI	CLP	Chile	5,587	02-28-17
	Tesorería Del Estado Mayor General Del Ejército	CLP	Chile	10,171	05-31-17
	Caja De Previsión De La Defensa Nacional	CLP	Chile	8,000	08-30-18
	Saam S.A.	CLP	Chile	3,273	03-31-17
	Dirección De Contabilidad De La Armada	CLP	Chile	452	04-10-17
	Empresa Nacional De Minería	CLP	Chile	1,299	08-31-18
	Ilustre Municipalidad De Curacaví	CLP	Chile	250	10-31-17
	Ilustre Municipalidad De Purranque	CLP	Chile	2,212	01-02-18
	Hospital De Niños Roberto Del Rio	CLP	Chile	341	03-01-18
	Dirección De Compras Y Contratación Pública	CLP	Chile	3,000	01-13-20
	Dirección De Compras Y Contratación Pública	CLP	Chile	3,000	02-28-17
	Ilustre Municipalidad De Peumo	UF	Chile	50	02-28-17
	Hospital San Juan De Dios De San Fernando	CLP	Chile	1,190	02-28-17
	Director Regional De Vialidad, Ministerio De Obras Públicas	CLP	Chile	1,193	07-31-17
	Hospital San Camilo	UF	Chile	500	02-20-17
	Subsecretaría Del Medio Ambiente	UF	Chile	8,700	08-31-17
	Ilustre Municipalidad De Lumaco-Depto De Educación Comunal	CLP	Chile	100	08-31-17
	Hospital San Jose -Casablanca	CLP	Chile	412	07-12-18
	MOP - Dirección De Vialidad Región De Coquimbo	CLP	Chile	237	10-02-17
	MOP - Dirección De Vialidad Región De Coquimbo	CLP	Chile	237	07-31-17
	MOP - Dirección De Vialidad Región De Coquimbo	CLP	Chile	132	07-31-17
	MOP - Dirección De Vialidad Región De Coquimbo	USD	Chile	132	07-31-17
	Antofagasta Railway Company P.L.C.	USD	Chile	50,000	03-14-17
	Serviu Región Metropolitana	CLP	Chile	593	03-29-19
	Serviu Región De Los Lagos	CLP	Chile	25,559	01-02-19
	Seguros Sura (Ecopetrol)	COP	Colombia	373,347	01-01-18
	Seguros Sura (Cenit)	COP	Colombia	43,562	04-01-17
	Seguros Sura (Reficar)	COP	Colombia	304,581	01-01-18
	Petroperú	PEN	Peru	55,913	04-02-17
	Pluspetrol Perú Corporation S.A.	PEN	Peru	18,451	07-14-17
	Hunt Oil Company Of Peru L.L.C. Sucursal Del Perú	PEN	Peru	211,352	07-14-17
	Sk Innovation, Sucursal Peruana	USD	Peru	147,611	07-14-17
	Pluspetrol Camisea S.A. Y/O Pluspetrol Lote 56 S.A.	USD	Peru	209,675	07-14-17
	Tecpetrol Del Perú S.A.C. Y/O Tecpetrol Bloque 56 S.A.C.	PEN	Peru	83,870	07-14-17
	Repsol Exploración Perú, Sucursal Del Perú	PEN	Peru	83,870	07-14-17
	Sonatrach Peru Corporation S.A.C.	PEN	Peru	83,870	07-14-17

2016	Beneficiary	Currency	Country	Amount	Date
				Th\$	
	Marina De Guerra	USD	Peru	7,139	02-23-17
	Universidad Nacional Mayor De San Marcos	PEN	Peru	1,997	06-11-17
	Administradora Jockey Plaza Shopping Center S.A.	PEN	Peru	11,183	04-23-17
	Marina De Guerra	PEN	Peru	2,132	06-11-17
	Marina De Guerra	PEN	Peru	5,046	05-30-17
	Marina De Guerra	PEN	Peru	1,785	01-23-17
	Marina De Guerra	PEN	Peru	1,785	02-08-17
	Marina De Guerra	PEN	Peru	1,156	02-28-17
	Ypfb Yacimientos Petrolíferos- Stand By	PEN	Peru	643,002	06-30-17
	Inversiones San Borja Sa	PEN	Peru	36,080	01-04-17
	Pluspetrol Peru Corporation S.A.	PEN	Peru	12,301	07-14-17
	Hunt Oil Company Of Peru L.L.C. Sucursal Del Perú	PEN	Peru	140,901	07-14-17
	Sk Innovation, Sucursal Peruana	USD	Peru	98,407	07-14-17
	Pluspetrol Camisea S.A. Y/O Pluspetrol Lote 56 S.A.	PEN	Peru	139,783	07-14-17
	Tecpetrol Del Perú S.A.C. Y/O Tecpetrol Bloque 56 S.A.C.	PEN	Peru	55,913	07-14-17
	Repsol Exploración Perú, Sucursal Del Perú	PEN	Peru	55,913	07-14-17
	Sonatrach Peru Corporation S.A.C.	PEN	Peru	55,913	07-14-17
	Municipalidad Provincial Mariscal Nieto	PEN	Peru	11,161	01-31-17
	Municipalidad Provincial Mariscal Nieto	PEN	Peru	21,806	01-01-18
	Inabif	PEN	Peru	20,293	09-17-17
	Gas Natural De Lima Y Callao S.A.	PEN	Peru	82,519	02-02-17
	Gas Natural De Lima Y Callao S.A.	PEN	Peru	273,445	03-02-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	495,896	01-04-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	184,494	02-02-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	454,517	02-02-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	279,980	02-02-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	100,792	01-04-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	187,448	02-02-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	550,596	01-04-17
	Gas Natural De Lima Y Callao S.A.	USD	Peru	146,536	02-02-17
	Petrocorp S.A.	USD	Peru	53,549	09-30-17
	Petrocorp S.A.	USD	Peru	642,586	02-02-17

30. Environment

Empresas Lipigas S.A. has been a leader in the LPG industry in Chile regarding environmental standards and it is committed to complying with governing regulations. Proof of this is the certification of its Environmental Management System according to ISO 14,001:2004 awarded to its LPG plant in Antofagasta in 2008/2009, Four plants of the Company are now certified according to that standard: the plants in Antofagasta, Concón, Coquimbo and Rancagua,

Since 2011, Empresas Lipigas S.A. has also been measuring its carbon footprint and the planning of mitigating measures for implementation shortly.

The tables below include the disbursements made regarding environmental standards for period ended June 30, 2017 and fiscal year ended December 31, 2016, respectively:

jun-17

Disbursing Company Identification	Name of the project	Disbursement concept	Disbursement Investment /Expense	Investment/Expense Description	Disbursement amount Th\$	Exact or estimated date of future disbursements
Empresas Lipigas S.A.	Water well	Water well construction	Investment	Water well construction	1,240	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste control system Coquimbo	Mud removal and liquid industrial waste system maintenance	Expense	Operating expenses	800	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Coquimbo	Liquid industrial waste sampling	Expense	Operating expenses	500	06-30-17
Empresas Lipigas S.A.	Household waste removal Coquimbo	Household residue removal	Expense	Operating expenses	500	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste control system Antofagasta	Waste water removal	Expense	Operating expenses	825	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Antofagasta	Liquid industrial waste sampling	Expense	Operating expenses	900	06-30-17
Empresas Lipigas S.A.	Hazardous waste removal Antofagasta	Hazardous residue and mud removal	Expense	Operating expenses	200	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste control system Concón	Liquid industrial waste control system	Expense	Operating expenses	6,800	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	4,200	06-30-17
Empresas Lipigas S.A.	Household residue disposal Concón	Residue removal	Expense	Operating expenses	3,000	06-30-17
Empresas Lipigas S.A.	Isokinetic sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	1,800	06-30-17
Empresas Lipigas S.A.	Residue removal Rancagua	Residue removal	Expense	Operating expenses	500	06-30-17
Empresas Lipigas S.A.	Isokinetic sampling Maipú	Isokinetic sampling	Expense	Operating expenses	2,000	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Maipú	Sewage discharge	Expense	Operating expenses	2,400	06-30-17
Empresas Lipigas S.A.	Liquid industrial waste analysis Rancagua	Lab analysis of well water to be used as irrigation water	Expense	Operating expenses	200	06-30-17
Empresas Lipigas S.A.	Hazardous waste disposal Lenga	Hazardous residue removal	Expense	Operating expenses	200	06-30-17
Empresas Lipigas S.A.	Hazardous waste disposal Temuco	Hazardous residue removal	Expense	Operating expenses	400	06-30-17

jun-17

Disbursing Company Identification	Name of the project	Disbursement concept	Disbursement Investment /Expense	Investment/Expense Description	Disbursement amount Th\$	Exact or estimated date of future disbursements
Empresas Lipigas S.A.	Liquid industrial waste control system Coquimbo	Mud removal and liquid industrial waste system maintenance	Expense	Operating expenses	800	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Coquimbo	Liquid industrial waste sampling	Expense	Operating expenses	500	12-31-17
Empresas Lipigas S.A.	Household residue removal Coquimbo	Household residue removal	Expense	Operating expenses	500	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste control system Antofagasta	Waste water removal	Expense	Operating expenses	825	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Antofagasta	Liquid industrial waste sampling	Expense	Operating expenses	900	12-31-17
Empresas Lipigas S.A.	Hazardous waste removal Antofagasta	Hazardous residue removal y lodos	Expense	Operating expenses	200	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste control system Concón	Liquid industrial waste control system	Expense	Operating expenses	6,800	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	4,200	12-31-17
Empresas Lipigas S.A.	Household residue disposal Concón	Residue removal	Expense	Operating expenses	3,000	12-31-17
Empresas Lipigas S.A.	Isokinetic sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	1,800	12-31-17
Empresas Lipigas S.A.	Residue removal Rancagua	Residue removal	Expense	Operating expenses	500	12-31-17
Empresas Lipigas S.A.	Isokinetic sampling Maipú	Isokinetic sampling	Expense	Operating expenses	2,000	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste sampling Maipú	Sewage discharge	Expense	Operating expenses	2,400	12-31-17
Empresas Lipigas S.A.	Liquid industrial waste analysis Rancagua	Lab analysis of well water to be used as irrigation water	Expense	Operating expenses	200	12-31-17
Empresas Lipigas S.A.	Hazardous residue disposal Lenga	Hazardous residue removal	Expense	Operating expenses	200	12-31-17
Empresas Lipigas S.A.	Hazardous residue disposal Temuco	Hazardous residue removal	Expense	Operating expenses	400	12-31-17
Empresas Lipigas S.A.	Recertification transversal M.A. ISO14001 Audit	System audit	Expense	Operating expenses	1,475	12-31-17
Total					53,165	

Dec-16

Disbursing Company Identification	Name of the project	Disbursement concept	Asset Disbursement/ Expense	Investment or expense description	Disbursement amount Th\$	Exact or estimated date of future disbursements
Empresas Lipigas S.A.	Liquid industrial waste	Liquid industrial waste (Lenga Plant)	Investment	Water storage tanks, carbon filters, sand filters and water pumps	15,000	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste	Liquid industrial waste (Temuco)	Investment	Water storage tanks, carbon filters, sand filters and water pumps	20,000	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste	Liquid industrial waste (Osorno)	Investment	Water storage tanks, carbon filters, sand filters and water pumps	20,000	12-30-16
Empresas Lipigas S.A.	Implementation of WC dual discharge at plant	Care for natural resource pursuant to ISO 14001	Investment	Purchase of dual water discharge for WC at plant bathrooms	500	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste control system Coquimbo	Liquid industrial waste control system	Expense	Operating expenses	1,190	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste sampling Coquimbo	Liquid industrial waste sampling	Expense	Operating expenses	596	12-30-16
Empresas Lipigas S.A.	Household residue removal Coquimbo	Household residue removal	Expense	Operating expenses	960	12-30-16
Empresas Lipigas S.A.	Maintenance ISO 14001 Coquimbo	Maintenance ISO 14001	Expense	Legal compliance and environmental goals	1,650	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste control system Antofagasta	Liquid industrial waste control system	Expense	Operating expenses	4,323	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste sampling Antofagasta	Liquid industrial waste sampling	Expense	Operating expenses	1,440	12-30-16
Empresas Lipigas S.A.	Removal of hazardous residue and mud Antofagasta	Removal of hazardous residue and mud	Expense	Operating expenses	2,420	12-30-16
Empresas Lipigas S.A.	Maintenance ISO 14001 Antofagasta	Maintenance ISO 14001	Expense	Legal compliance and environmental goals	2,700	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste control system Concón	Liquid industrial waste control system	Expense	Operating expenses	13,600	12-30-16
Empresas Lipigas S.A.	Liquid industrial waste sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	8,784	12-30-16
Empresas Lipigas S.A.	Residue removal Concón	Removal of residue	Expense	Operating expenses	6,000	12-30-16
Empresas Lipigas S.A.	Maintenance ISO 14001 Concón	Maintenance ISO 14001	Expense	Legal compliance and environmental goals	33,750	12-30-16
Empresas Lipigas S.A.	Residue removal Rancagua	Removal of residue	Expense	Operating expenses	1,500	12-30-16
Empresas Lipigas S.A.	Isokinetic sampling Maipú	Isokinetic sampling	Expense	Operating expenses	4,000	12-30-16
Empresas Lipigas S.A.	Industrial liquid waste sampling Maipú	Industrial liquid waste sampling	Expense	Operating expenses	4,800	12-30-16

Dec-16

Disbursing Company Identification	Name of the project	Disbursement concept	Asset Disbursement/ Expense	Investment or expense description	Disbursement amount Th\$	Exact or estimated date of future disbursements
Lima Gas S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	2,538	03-31-16
Lima Gas S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	2,538	06-30-16
Lima Gas S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	2,015	12-31-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	972	02-26-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	1,833	03-11-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	4,567	04-15-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	972	05-20-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	4,567	07-08-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	719	06-03-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	2,326	06-17-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	6,640	07-08-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	489	09-30-16
Limagas Natural Perú S.A.	Environmental monitoring	Environmental monitoring	Expense	Environmental monitoring	6,410	10-25-16
Total					179,799	

31. Events occurring after the closing date of the interim consolidated financial statements

The following material event occurred in the Company's business between June 30, 2017, closing date of the interim consolidated financial statements, and the date when their publication was authorized:

31.1 Dividend Distribution

On June 30, 2017, the Company's Board of Directors approved a payment of an interim dividend for Th\$7,041,620, which was paid to shareholders on July 4, 2017.

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