

# **EMPRESAS LIPIGAS S.A. INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(in 000's of Chilean pesos – Th\$)**  
For the six-months periods ended  
June 30, 2016 and 2015

**Consolidated Interim Financial Statements**  
**Empresas Lipigas S.A.**  
**as of June 30, 2016 and 2015**

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**CLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2016 and December 31, 2015**  
**(in 000's CLP)**

<b>ASSETS</b>	<b>Note</b>	<b>06.30.2016</b>	<b>12.31.2015</b>
		<b>Th\$</b>	<b>Th\$</b>

<b>CURRENT ASSETS</b>			
Cash and cash equivalent	3	21,231,860	31,214,918
Other financial assets, current	4	2,399	246,977
Trade receivables and other receivables, current	7	35,426,725	25,394,451
Inventories	9	18,443,033	13,397,561
Current tax assets	10	4,945,778	3,121,598
Other non-financial assets, current	6	1,777,424	1,024,608
<b>Total Current Assets</b>		<b>81,827,219</b>	<b>74,400,113</b>
Non-current assets or disposal groups held for sale		58,080	58,080
<b>Total Current Assets</b>		<b>81,885,299</b>	<b>74,458,193</b>

<b>NON-CURRENT ASSETS</b>			
		140,095	
Investments accounted for using the equity method		7,324,054	284,913
Intangible assets other than goodwill	11	274,731,861	6,912,822
Property, plant and equipment	13	13,990,201	252,967,905
Goodwill	12	785,123	3,947,615
Deferred tax assets	10	2,806,044	537,654
Other non-financial assets, non-current	6	<b>299,777,378</b>	1,434,664
<b>Total Non-Current Assets</b>		<b>381,662,677</b>	<b>266,085,573</b>
<b>Total Assets</b>		<b>21,231,860</b>	<b>340,543,766</b>

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, 2016 and December 31, 2015**  
**(in 000's CLP)**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>06.30.2016 Th\$</b>	<b>12.31.2015 Th\$</b>
<b>CURRENT LIABILITIES</b>			
Other financial liabilities, current	14	15,162,966	3,264,491
Trade payables and other accounts payable, current	15	37,863,801	22,083,398
Accounts payable to related entities, current	8	8,800,000	-
Other provisions, current	16	160,039	567,285
Tax liabilities, current	10	1,495,459	4,341,133
Other non-financial liabilities, current	2.23	2,127,764	1,537,823
Provisions for employee benefits, current	17	1,493,583	2,013,419
<b>Total Current Liabilities</b>		<b>67,103,612</b>	<b>33,807,549</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current financial liabilities	14	119,283,415	115,367,104
Trade payable and other accounts payable, current	15	22,000	36,547
Deferred tax liabilities	10	26,662,062	25,816,403
Other non-current non-financial liabilities	18	33,481,231	31,671,120
Provisions for employee benefits, non-current	17	2,249,264	2,071,061
<b>Total Non-Current Liabilities</b>		<b>181,697,972</b>	<b>174,925,688</b>
<b>TOTAL LIABILITIES</b>		<b>248,801,584</b>	<b>208,733,237</b>
<b>EQUITY</b>			
Issued capital	19	129,242,454	129,242,454
Other reserves	19	(2,795,966)	(1,944,131)
Accumulated earnings (losses)	19	5,040,889	3,032,859
<b>Equity attributable to the owners of the controller</b>		<b>131,487,377</b>	<b>130,331,182</b>
Non-controlling interests	19	1,373,716	1,479,347
<b>Total Equity</b>		<b>132,861,093</b>	<b>131,810,529</b>
<b>Total Equity and Liabilities</b>		<b>381,662,677</b>	<b>340,543,766</b>

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

**CONSOLIDATED INTERIM INCOME STATEMENT BY FUNCTION**
**As of June 30, 2016 and June 30, 2015**
**(in 000's CLP)**

STATEMENT OF INCOME BY FUNCTION	Note	06.30.2016 Th\$	06.30.2015 Th\$	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015
Revenue	21	195,688,603	174,560,234	110,251,549	95,038,065
Cost of sales	22	(128,592,838)	(116,266,328)	(72,169,239)	(61,460,296)
<b>Gross Earnings</b>		<b>67,095,765</b>	<b>58,293,906</b>	<b>38,082,310</b>	<b>33,577,769</b>
Other income by function	21	363,032	528,155	311,573	273,810
Other expenses by function	22	(10,220,448)	(7,965,985)	(5,928,512)	(5,144,392)
Distribution costs	22	(15,490,492)	(13,034,205)	(8,650,496)	(6,745,159)
Administrative expenses	22	(12,996,351)	(11,474,776)	(6,645,265)	(5,581,161)
Financial costs	23	(4,218,761)	(5,222,490)	(2,482,615)	(2,983,312)
Financial income	23	388,745	453,759	66,582	394,393
Exchange differentials	23	224,944	(78,373)	24,591	205,140
Profit (loss) on indexation units	23	(1,843,821)	(1,050,535)	(1,047,804)	(1,049,136)
Other gains (losses)	23	636,228	(2,103,973)	653,422	(1,896,213)
<b>Earnings (loss) before taxes</b>		<b>23,938,841</b>	<b>18,345,483</b>	<b>14,383,786</b>	<b>11,051,739</b>
Income tax expense	10	(5,830,999)	(3,859,319)	(3,640,121)	(2,091,821)
<b>Profit (loss)</b>		<b>18,107,842</b>	<b>14,486,164</b>	<b>10,743,665</b>	<b>8,959,918</b>

**Earnings (loss) attributable to:**

Profit (loss) attributable to the owners of the controller		18,087,472	14,442,523	10,756,455	8,931,079
Profit (loss) attributable to non-controlling interests	19	20,370	43,641	(12,790)	28,839
<b>Profit (loss)</b>		<b>18,107,842</b>	<b>14,486,164</b>	<b>10,743,665</b>	<b>8,959,918</b>

**Earnings per basic share**

Earnings (loss) per basic share in continued operations	20	159.26	127.16	94.71	78.64
Earnings (loss) per basic share in discontinued operations		-	-	-	-
<b>Earnings (loss) per basic share</b>		<b>159.26</b>	<b>127.16</b>	<b>94.71</b>	<b>78.64</b>

**Earnings per diluted share**

Earnings (loss) per diluted share in continued operations	20	159.26	127.16	94.71	78.64
Earnings (loss) per diluted share in discontinued operations		-	-	-	-
<b>Earnings (loss) per diluted share</b>		<b>159.26</b>	<b>127.16</b>	<b>94.71</b>	<b>78.64</b>

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

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**As of June 30, 2016 and June 30, 2015**  
**(in 000's CLP)**

STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2016 through 06.30.2016  Th\$	01.01.2015 through 06.30.2015 06.30.2015  Th\$	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015
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Profit (loss)		18,107,842	14,486,164	10,743,665	8,959,918
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**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		(88,486)	4,399	1,202,783	893,376
Other comprehensive income, actuarial profit (loss) from defined benefit plans		(80,199)	16,033	(58,248)	107,433
Profit (loss) from cash flow hedges, before taxes		(909,423)	285,997	(724,387)	324,144
<b>Other comprehensive income, before taxes</b>		<b>(1,078,108)</b>	<b>306,429</b>	<b>420,148</b>	<b>1,324,953</b>

Income tax on components of other comprehensive income	10.4	226,274	(64,388)	178,714	(97,077)
<b>Total comprehensive income</b>		<b>17,256,008</b>	<b>14,728,205</b>	<b>11,342,527</b>	<b>10,187,794</b>

Comprehensive income attributable to owners of the controller		17,235,638	14,684,564	11,355,317	10,158,955
Comprehensive income attributable to non- controlling interests		20,370	43,641	(12,790)	28,839
<b>Total comprehensive income</b>		<b>17,256,008</b>	<b>14,728,205</b>	<b>11,342,527</b>	<b>10,187,794</b>

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



# **CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

**For the periods ended June 30, 2016 and 2015**

**(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 the owners of the controller  Th\$	Non-controlling interests  Th\$	Total equity  Th\$
Equity at January 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
<b>Changes in equity</b>									
<b>Comprehensive Income</b>									
Gain (loss) -	-	-	-	18,087,472	18,087,472	20,370	18,107,842	140,661	36,120,103
Other comprehensive income -	(88,486)	(704,803)	(58,546)	(851,835)	-	(851,834)	-	(851,834)	(2,136,274)
<b>Total comprehensive income</b>	-	(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)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	-	-
<b>Total increase (decrease) in equity</b>	-	(88,486)	(704,803)	(58,546)	(851,835)	2,008,030	1,156,196	(105,630)	1,050,566
<b>Equity at June 30, 2016</b>	<b>129,242,454</b>	<b>(2,212,502)</b>	<b>(492,690)</b>	<b>(90,774)</b>	<b>(2,795,966)</b>	<b>5,040,889</b>	<b>131,487,377</b>	<b>1,373,716</b>	<b>132,861,093</b>

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

# **CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

**For the periods ended June 30, 2016 and 2015**

**(in 000's CLP)**

**Year 2015**

Statement of changes in equity	Issued capital	Reserves for translation of exchange differences	Reserves for cash flow hedges	Reserves for gains and losses on defined benefit plans	Total other reserves	Accumulated gains (losses)	Equity		
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Equity attributable to the owners of the controller	Non-controlling interests	Total equity
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Equity at January 1, 2015	129,242,454	524,175	40,705	(372,737)	192,143	2,071,006	131,505,603	1,472,335	132,977,938
<b>Changes in equity</b>									
<b>Comprehensive Income</b>									
Gain (loss)	-	-	-	-	-	14,442,523	14,442,523	43,641	14,486,164
Other comprehensive income	-	4,399	225,938	11,704	242,041	-	242,041	-	242,041
<b>Total comprehensive income</b>	-	4,399	225,938	11,704	242,041	14,442,523	14,684,564	43,641	14,728,205
Dividends	-	-	-	-	-	(16,071,006)	(16,071,006)	-	(16,071,006)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	53,464	53,464	34,351	87,815
<b>Total increase (decrease) in equity</b>	-	4,399	225,938	11,704	242,041	(1,575,019)	(1,332,978)	77,992	(1,254,986)
Equity at June 30, 2015	129,242,454	528,574	266,643	(361,033)	434,184	495,987	130,172,625	1,550,327	131,722,952

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

**CONSOLIDATED INTERIM STATEMENT OF DIRECT CASH FLOWS**  
**As of June 30, 2016 and June 30, 2015**  
**(in 000's CLP)**

STATEMENT OF DIRECT CASH FLOW	Note	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$
<b>Cash flow from (used in) operating activities</b>			
<b>Type of collection by operating activity</b>			
Collection from the sale of goods and services rendered		190,822,162	159,422,768
Other collections (payments) from operating activities		1,596,716	(387,364)
<b>Type of payment</b>			
Payments to suppliers for goods and services		(104,770,027)	(90,534,203)
Payments to and on behalf of employees		(16,038,577)	(14,135,093)
Other payments for operating activities		(32,105,456)	(28,353,383)
Income taxes refunded (paid)		(9,705,617)	(4,072,497)
Other cash receipts (payments)		(2,159,082)	1,820,140
<b>Net cash flow from operating activities</b>		<b>27,640,119</b>	<b>23,760,368</b>
<b>Cash flow from (used in) investing activities</b>			
Cash flows used in obtaining control of subsidiaries or other businesses		(17,893,212)	-
Revenue from sales of property, plant and equipment		64,184	8,768
Purchases of intangible assets		(797,638)	(15,938)
Purchases of property, plant and equipment		(11,478,586)	(10,785,499)
Proceeds (payments) from other long-term assets		(245,914)	(1,900,331)
Cash and cash equivalent received through business combinations		1,102,234	-
<b>Net cash flow used in investing activities</b>		<b>(29,248,932)</b>	<b>(12,693,000)</b>
<b>Cash flows from (used in) financing activities</b>			
Proceeds from long-term loans		3,255,945	89,402,000
Proceeds from short-term loans		5,665,638	-
<b>Total loan proceeds</b>		<b>8,921,583</b>	<b>89,402,000</b>
Payment of loans		(3,898,811)	(74,878,034)
Payment of financial lease liabilities		(3,002,870)	(535,700)
Interest paid		(2,902,625)	(1,974,684)
Dividends paid		(7,405,442)	(7,071,000)
<b>Net cash flows from (used in) financing activities</b>		<b>(8,288,165)</b>	<b>4,942,582</b>
<b>Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate</b>		<b>(9,896,978)</b>	<b>16,009,950</b>
Effects of exchange rate variations on cash and cash equivalent		(86,080)	(68,990)
<b>Net increase (decrease) in cash and cash equivalent</b>		<b>(9,983,058)</b>	<b>15,940,960</b>
Cash and cash equivalent at the beginning of the period		31,214,918	9,671,802
<b>Cash and cash equivalent at the end of the period</b>		<b>21,231,860</b>	<b>25,612,762</b>

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 consolidated financial statements as of June 30, 2016**

#### **1. General information on the Company**

Empresas Lipigas S.A. (hereinafter the "Parent Company," or the "Company") and its subsidiaries comprise the Lipigas Group (hereinafter the "Lipigas" or the "Group"). Empresas Lipigas S.A. is a privately-held company, 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 issuance of these consolidated financial statements for the period ending June 30, 2016 was authorized by the Board of Directors on August 26, 2016.

#### **2. Summary of Main Accounting Policies**

The main accounting policies used in preparing the consolidated financial statements are described below. These policies have been designed on the basis of the International Financial Reporting Standards prevailing as of June 30, 2016 and they have been applied uniformly to the periods presented in these interim consolidated financial statements.

## **2.1 Bases for preparation of the consolidated interim financial statements**

These consolidated financial statements of the Lipigas Group correspond to the period ending June 30, 2016 and have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The aforesaid 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.

### **Retroactive application of International Financial Reporting Standards (IFRS).**

On October 17, 2014, Chile's Superintendence of Securities and Insurance issued Circular Letter N° 856, instructing regulated entities to record, in the 2014 fiscal year, deferred tax assets and liabilities resulting from the first category direct tax rate increase introduced by Law N° 20,780 against equity. Such accounting treatment differs from the provisions of the IAS 12 and, therefore, represented a change in the preparation and presentation framework of financial information that had been applied until that date.

Considering that the aforementioned represented a specific and temporary detour of the IFRS, beginning 2016 and pursuant to paragraph 4A of IFRS 1, the Company has decided to retroactively apply said standards (in accordance with IAS 8 "*Accounting policies, changes in accounting estimates and errors*") as if it had never ceased to apply them.

Since what has been indicated in the previous paragraph does not amend any accounts set out in the statements of financial position as of June 30, 2016 and 2015, neither those as of December 31, 2015 and 2014, pursuant to paragraph 40A of IAS 1 "*Presentation of Financial Statements*", it is not necessary to present the statement of financial position as of January 1, 2015 (third column).

## **2.2 Currency of presentation and functional currency**

These 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, 2016 and for the fiscal year ended December 31, 2015; 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 periods ended June 30, 2016 and 2015.

## 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 ended June 30, 2016, 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, 2016.

Standards and Interpretations	Mandatory for fiscal years beginning on or after
IFRS 14 "Regulatory Deferral Accounts" - Published in January 2014. It is a provisional standard on accounting for certain balances arising from regulated-rate activities ("regulatory deferral accounts"). This standard applies solely to entities implementing IFRS 1 as first-time IFRS adopters.	January 1, 2016
Amendment to IFRS 11 "Joint Arrangements," on the acquisition of an interest in a joint operation - Published in May 2014. This amendment adds guidelines to the standard on how to account for the acquisition of an interest in a joint operation that constitutes a business, specifying the appropriate way to record those acquisitions.	January 1, 2016
Amendment to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets," on depreciation and amortization - Published in May 2014. It clarifies that the use of revenue-based asset amortization methods is inappropriate since the revenue generated by the activity that includes the use of assets generally reflects factors other than the consumption of economic benefits incorporated to the assets. It also says that revenue is generally an inappropriate basis from which to measure the consumption of economic benefits incorporated to an intangible asset.	January 1, 2016
Amendment to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture," on bearer plants - Published in June 2014. This amendment modifies the financial information on "bearer plants" such as grapevines, rubber trees and oil palms. The amendment defines "bearer plant" and stipulates that bearer plants must be accounted for as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, they fall within the scope of IAS 16 instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. Early adoption is permitted.	January 1, 2016
Amendment to IAS 27 "Separate Financial Statements," on the equity method - Published in August 2014. This amendment allows entities to use the equity method to recognize investments in subsidiaries, joint ventures and associates in their separate financial statements. Early adoption is permitted.	January 1, 2016
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 in IFRS 10 and IAS 28 in the accounting of a sale or contribution of assets between an investor and his associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether or not it is in a subsidiary) and a partial gain or loss when the transaction involves assets not comprising a business, even if these assets are in a subsidiary.	January 1, 2016

<b>Standards and Interpretations</b>	<b>Mandatory for fiscal years beginning on or after</b>
Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures." Published in December 2014. The amendment clarifies how to apply the consolidation exemption for investment entities and their subsidiaries. The amendment to IFRS 10 explains the consolidation exemption that is available to entities in group structures that include investment entities. The amendment to IAS 28 allows an entity that is not an investment entity, but which holds an interest in an associate or joint venture that is an investment entity, to choose the accounting policy in the implementation of the equity method. The entity can opt to continue to measure at the fair value used by the associate or joint business that is an investment entity or instead consolidate at the level of the investment entity (associate or joint business). Early adoption is permitted.	January 1, 2016
Amendment to IAS 1 "Presentation of Financial Statements." Published in December 2014. The amendment clarifies the implementation guidance of IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of the financial statements and the disclosure of accounting policies. The amendments are part of IASB's Disclosure Initiative. Early adoption is permitted.	January 1, 2016
IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations." The amendment clarifies that when an asset (or group for disposal) is reclassified from "held for sale" to "held for distribution" or vice versa, this is not a change to a sale or distribution plan and must not be recorded as such. It means that the asset (or group for disposal) does not need to be reinstated in the financial statements as if it would never have been classified as "held for sale" or "held for distribution" simply because the conditions for disposal have changed. The amendment also corrects an omission in the standard to explain that the guidance on changes in a sale plan must be applied to an asset (or group for disposal) that will no longer be held for distribution but is not reclassified as "held for sale."	January 1, 2016
IFRS 7 "Financial Instruments: Disclosures." There are two amendments to IFRS 7: (1) Service contracts: If an entity transfers a financial asset to a third party in conditions where the transferor retains the asset, IFRS 7 requires the disclosure of any type of continued involvement that the entity may still have in the transferred assets. IFRS 7 provides guidance on what continued involvement means in this context. The amendment is prospective and can be applied retroactively. This also affects IFRS 1 in order to give first-time IFRS adopters the same option; (2) Interim financial statements: The amendment clarifies that the additional disclosure required by IFRS 7 amendments, "Offsetting Financial Assets and Financial Liabilities" is not specifically required for all fiscal years unless it is required by IAS 34. The amendment is retroactive.	January 1, 2016
IAS 19 "Employee Benefits" - The amendment clarifies that the important element in determining the discount rate on post-employment benefit obligations is the currency in which the liabilities are denominated and not the country where they are generated. The evaluation of whether there is a deep high quality corporate bond market is based on the corporate bonds in that currency, not on corporate bonds in a particular country. Similarly, if there is no deep high quality corporate bond market in that currency, government bonds in the corresponding currency must be used. The amendment is retroactive, but limited to the start of the first period presented.	January 1, 2016
IAS 34 "Interim Financial Reporting" - The amendment clarifies what the reference to "information" disclosed "elsewhere in the interim report" means in the standard. The new amendment modifies IAS 34 to require a cross-reference on the location of that information in the interim financial statements. The amendment is retroactive.	January 1, 2016

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

- b) Standards, interpretations and amendments issued but not in effect for the fiscal year starting January 1, 2016 that have not been adopted early.

<b>Standards and Interpretations</b>	<b>Mandatory for fiscal years beginning on or after</b>
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.	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	January 1, 2017

<b>Standards and Interpretations</b>	<b>Mandatory for fiscal years beginning on or after</b>
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.	
IFRS 16 "Leases" – Published in January 2016, establishes the principle for recognizing, measuring, presenting and disclosing leases. IFRS 16 replaces current IAS 17 and 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 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.	January 1, 2019
Amendment to IAS 7 "Statement of Cash flows". Published in February 2016. The amendment introduced additional disclosure allowing users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
Amendment to IAS 12 "Income tax". Published in February 2016. The amendment clarifies on the recognition of a deferred tax asset that is related to a debt instrument measured at fair value	January 1, 2017
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

Early adoption of any of these standards has not been made by the Company. Company management is assessing the impacts of the adoption of the above Standards, Amendments and Interpretations will have on the Company's consolidated financial statements at the time of its first application.

## **2.5 Bases 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 the currently exercisable or convertible potential voting rights. 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 (%)	
		06.30.2016	12.31.2015
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

(\*) Further detail of the creation of this company is explained in Note 2.6.3.

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

Summary Statement of Financial Position Norgas S.A	06.30.2016 Th\$	12.31.2015 Th\$
Current Assets	950,205	1,338,471
Non-current Assets	2,916,076	3,014,771
<b>Total Assets</b>	<b>3,866,281</b>	<b>4,353,242</b>
Current Liabilities	235,845	473,396
Non-current Liabilities	359,683	357,592
Equity	3,270,753	3,522,254
<b>Total Liabilities and Equity</b>	<b>3,866,281</b>	<b>4,353,242</b>

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

Summary Statement of Income Norgas S.A	06.30.2016 Th\$	06.30.2015 Th\$
Revenue	2,286,508	5,416,451
Cost of sales and expenses	(2,250,055)	(5,296,427)
Other income (expenses)	12,046	(16,117)
<b>Profit (loss)</b>	<b>48,499</b>	<b>103,907</b>

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

Summary Statement of Financial Position Trading de Gas SpA	06.30.2016 Th\$	12.31.2015 Th\$
Current Assets	25,400,423	14,374,564
Non-current Assets	36,995,699	37,521,396
<b>Total Assets</b>	<b>62,396,122</b>	<b>51,895,960</b>
Current Liabilities	13,266,533	2,686,756
Non-current Liabilities	36,267,599	35,893,579
Equity	12,861,990	13,315,625
<b>Total Liabilities and Equity</b>	<b>62,396,122</b>	<b>51,895,960</b>

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

Summary Statement of Income Trading de Gas SpA	06.30.2016 Th\$	06.30.2015 Th\$
Revenue	54,633,967	2,229,380
Cost of sales and expenses	(47,891,083)	(1,667,366)
Other income (expenses)	(2,392,588)	(73,005)
<b>Profit (loss)</b>	<b>4,350,296</b>	<b>489,009</b>

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 (%)	
		06.30.2016	12.31.2015
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
Peru	Lima Gas S.A.	100.00	100.00
Peru	Neogas Peru S.A.	100.00	-

Assets, liabilities and equity for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. and Chilco Metalmecánica S.A.S (total for Colombia) Lima Gas S.A. and Neogas Peru S.A. (total for Peru) as of 06.30.16 and 12.31.2015 are itemized below:

Summary Consolidated Statements of Financial Position - Subsidiaries	06.30.2016 Th\$ Colombia	12.31.2015 Th\$ Colombia	06.30.2016 Th\$ Peru	12.31.2015 Th\$ Peru
Current assets	4,922,650	4,732,082	13,584,861	9,398,452
Non-current assets	37,437,686	35,888,855	56,657,216	25,177,004
<b>Total assets</b>	<b>42,360,336</b>	<b>40,620,937</b>	<b>70,242,077</b>	<b>34,575,456</b>
Current liabilities	3,095,920	3,149,455	21,422,726	6,148,984
Non-current liabilities	22,652,597	21,632,398	10,129,440	6,973,732
Equity	16,611,819	15,839,084	38,689,911	21,452,740
<b>Total liabilities and equity</b>	<b>42,360,336</b>	<b>40,620,937</b>	<b>70,242,077</b>	<b>34,575,456</b>

Income and expenses for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. and Chilco Metalmecánica S.A.S. (total for Colombia) Lima Gas S.A. and Neogas Peru S.A. (total for Peru) as of 03.31.16 and 06.30.2015 are itemized below:

Summary Consolidated Statement of Income - Subsidiaries	06.30.2016 Th\$ Colombia	06.30.2015 Th\$ Colombia	06.30.2016 Th\$ Peru	06.30.2015 Th\$ Peru
Revenue	18,077,117	16,399,586	41,580,361	28,162,316
Cost of sales and expenses	(17,025,248)	(14,262,479)	(39,222,385)	(25,218,002)
Other income (expenses)	(1,017,897)	(4,390,403)	(791,811)	(871,858)
<b>Profit (loss)</b>	<b>33,972</b>	<b>(2,253,296)</b>	<b>1,566,165</b>	<b>2,072,456</b>

### **2.6.3 Changes in the perimeter of consolidation**

During the period ended June 30, 2016 and the fiscal year 2015, the following variations occurred in the perimeter of consolidation of the Lipigas Group:

#### **Chile**

In April 2015, the subsidiary Trading de Gas SpA was incorporated. Its main activity is the purchase, sale, intermediation, storage, transport and distribution of all forms of gas, both locally and internationally, imported by land or sea; as well as operating and administrative management of liquefied gas imports through the Quintero terminal, and rendering procurement and logistics services.

#### **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).

## **2.7 Foreign Currency Translation**

### **2.7.1 Functional and presentation currency**

The items included in the 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., Sociedad Trading de Gas SpA, Inversiones Lipigas Uno Limitada and Inversiones Lipigas Dos Limitada is the Chilean peso; for Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S., Plenatek S.A. and Inversiones en Gas S.A.S., it is the Colombian peso and for Lima Gas S.A. and Neogas Peru 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 for the periods ending June 30, 2016 and December 31, 2015 are itemized in Note 26.

### 2.7.3 Exchange rates

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
06.30.2016	661.37	26,052.07	0.23	201.24
12.31.2015	710.16	25,629.09	0.22	208.25

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 3 requirements:

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

The Company's reporting segments correspond to the geographic scope of the countries where the Company develops its activities: 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.

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
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 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.

Gains or losses on the sale or retirement of goods from property, plant and equipment are recognized in income for the fiscal year or period and are calculated as the difference between the sale price and the net accounting value of the asset.

## **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 Acquisition of commercial assets**

Commercial assets acquired to ensure customer loyalty are capitalized at the acquisition cost set down in the contracts made with sub-distributors and residential customers.

The amount is amortized based on the expected period over which the investment is intended to gain customer loyalty, with an estimated term of 4 to 6 years, pursuant to Note 11.2.

### **2.10.3 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 on a straight-line basis according to the useful life defined.

#### **2.10.4 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 the purchase of Progas, Giragas and Lidergas by Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. and of Lima Gas because of the incorporation of the Peruvian subsidiary of the same name. 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 on the basis of the Company's intention to use it, if an indefinite use of them is foreseen, they will not be amortized.

#### **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.

During 2016, the Peruvian subsidiary Lima Gas S.A. has acquired 100% of the operation of Neogas Peru S.A. As indicated in IFRS 3, the Company has one year from the date of acquisition to improve the estimation of the acquired goodwill and make adjustments as it deems necessary.



## **2.12 Impairment of non-current assets**

Assets that have an indefinite useful life, such as land, are not subject to depreciation or amortization and 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.

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 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 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 are 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.

**d) 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).

**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 on the basis of 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 damage for the Group, 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 Group 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 Parent 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 on the basis of 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 and fiscal year ending June 30, 2016 and December 31, 2015, were the variation of the UF (Unidad de Fomento) + an annual 2.75% and 3.10% 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 between 30 and 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 and fiscal year ending June 30, 2016 and December 31, 2015 respectively are: annual 5.32% and 5.63% for Chile; and annual 8.58% and 8.51% 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, NG and LNG 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 Group recognizes an operating lease when substantially all risks and advantages inherent to the ownership of the leased property have not 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 (in the case of interim dividends) 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 and final dividends are account 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 case of interim dividends, and the Regular Shareholders’ Meeting, in the case of final dividends.

## **2.26 Earnings per share**

Basic earnings per share are calculated as the quotient between the net earnings (loss) 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 as prepayments operating insurance payments and disbursements from the issuance of financial obligations which have an amortization period equal to the term of said obligations.

## **2.28 Current tax receivables**

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

## **2.29 Intercompany receivables and payables**

Trade accounts are recorded by the Company as intercompany receivables or payables while the sale of goods or services provided or received by the Company are accounted for as related entity 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 there is objective evidence that the Parent Company and its Subsidiaries will be unable to collect all sums owed to them 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 Parent Company and its subsidiaries determine 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 on the basis of defined benefits 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 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 to be 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
<b>2013</b>	0.9%	0.8%	0.1%	<b>0.7%</b>
<b>2014</b>	1.0%	0.9%	0.0%	<b>0.8%</b>
<b>2015</b>	0.6%	0.3%	0.4%	<b>0.5%</b>
<b>2016 (as of 06.30.2016)</b>	0.0%	0.0%	0.2%	<b>0.0%</b>

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 Group 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 on the basis of their values in use.

These evaluations have not revealed any impairment in the goodwill purchased.

#### **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 2.10.3 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 Group 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.

### 3. Cash and cash equivalent

Composition of cash and cash equivalent as of June 30, 2016 and December 31, 2015 is the following:

Types of Cash and Cash Equivalent	06.30.2016 Th\$	12.31.2015 ThC4
Cash on hand	161,652	126,478
Bank balances	5,042,892	8,957,479
Short-term investments	14,136,953	21,531,488
Other cash and cash equivalent	1,890,363	599,473
<b>Cash and cash equivalent</b>	<b>21,231,860</b>	<b>31,214,918</b>

The composition of the item by type of currency as of June 30, 2016 and December 31, 2015 is the following:

Currency	06.30.2016 Th\$	12.31.2015 Th\$
CLP	18,088,904	25,789,539
USD	916,600	81,781
COP	124,594	632,951
PEN	2,101,762	4,710,647
<b>Cash and Cash Equivalent</b>	<b>21,231,860</b>	<b>31,214,918</b>

### 4. Financial instruments

#### 4.1 Financial assets

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

Financial Assets	Note	06.30.2016		12.31.2015	
		Fair Value Th\$	Book Value Th\$	Fair Value Th\$	Book Value Th\$
Cash and cash equivalent	3	21,231,860	21,231,860	31,214,918	31,214,918
Trade receivables and other accounts receivable	7	35,426,725	35,426,725	25,394,451	25,394,451
Cash flow hedge forwards	4	2,399	2,399	246,977	246,977
<b>Total Financial Assets</b>		<b>56,856,346</b>	<b>56,660,984</b>	<b>56,660,984</b>	<b>56,856,346</b>

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 and other current financial assets 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, 2016 and December 31, 2015, the Company had receivables for Th\$18,458,603 and Th\$18,553,871, respectively, under agreements with Oxiquim S.A. for the construction of facilities. As of December 31, 2015, the account is presented net of 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, 2016 for Th\$17,799,138, offset in non-current other financial liabilities, and for Th\$755,733, in current other 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.

Other current financial assets correspond to forward cash flow hedges and other non-current financial assets correspond to restricted availability funds related to the purchase of Neogas Peru S.A.

## 4.2 Financial liabilities

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

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

Other Financial Liabilities	Note	06.30.2016		12.31.2015	
		Fair Value Th\$	Book Value Th\$	Fair Value Th\$	Book Value Th\$
Trade payables and other accounts payable, current	15	37,863,801	37,863,801	22,046,851	22,046,851
Other financial liabilities (loans and financial leases)	14	134,819,460	134,446,381	118,960,226	118,631,595
Other accounts payable to related companies	8	8,800,000	8,800,000	-	-
<b>Total other financial liabilities</b>		<b>181,483,261</b>	<b>181,110,182</b>	<b>141,007,077</b>	<b>140,678,446</b>

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 current other financial assets**

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.

In this case, the variations in the hedged item's exchange rate are allocated to income.

On the other hand, 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 exchange rate risk of certain advances committed for construction of long-term assets (Other financial assets – short and long term).

In this case, fluctuations in the fair value of the hedge instrument are recorded in Other comprehensive income and accumulated in Equity until the corresponding advance is paid. Thereafter, it is allocated to the asset cost.

- d) 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 between January 1 and June 30, 2016 and 2015:

Cash Flow and inventory price hedges	(Profit) Loss at 06.30.2016	(Profit) Loss at 06.30.2015
Other reserves	704,803	(225,938)
<b>Total</b>	<b>704,803</b>	<b>(225,938)</b>

#### 4.3.2 Effectiveness of the hedge

The Company has signed several contracts with banks to hedge against exchange rate variations that might occur in the future. The gains or losses realized during 2016 and 2015 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 believes that the cash flow hedges made have been 100% effective in regard to the payments on variations in inventory prices.

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

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

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

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

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 uncollectibility. Those advances are offset against the debt under the financial lease with Oxiquim S.A. given the maritime terminal began operation in March 2015.

The maximum exposure to credit risk is:

Financial Assets	Note	06.30.2016 Th\$	12.31.2015 Th\$
Cash and cash equivalent	3	21,231,860	31,214,918
Sales receivables and other accounts receivable	7	35,426,725	25,394,451
Other financial assets, current	4	2,399	246,977
<b>Total</b>		<b>56,660,984</b>	<b>56,856,346</b>

### 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:
  - o Balances more than 180 days due are provisioned
  - o 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 for 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. Also, 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 its functional currency and that of its subsidiaries. The Company covers the risk of purchase operations of liquefied gas and imports of goods or commitments of future payments in foreign currency through forwards.

As of June 30, 2016 and December 31, 2015, 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 06.30.2016 Th\$	Assets at 12.31.2015 Th\$
Cash and cash equivalent	916,600	81,781
Other financial assets, current	2,399	246,977
Trade accounts and other accounts receivable, current	164,356	-
Other non-financial assets, non-current	1,255,853	17,468

Current and non-current liabilities	Liabilities at 06.30.2016 Th\$	Liabilities at 12.21.2015 Th\$
Other financial liabilities, current	2,,727,209	-
Trade accounts and other accounts payable, current	6,155,048	2,651,490
Other financial liabilities, non-current	365,956	-
Trade accounts and other accounts payable, non-current	8,722	-

- Foreign investments: as of June 30, 2016, the Company holds net foreign investments in Colombian pesos for an amount equivalent to Th\$29,648,309 (Th\$28,393,404 as of December 31, 2015) and in Peruvian soles for an amount equivalent to Th\$41,330,991 (Th\$23,426,258 as of December 31, 2015).

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

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

- **Debt securities:** The Company's indebtedness corresponds to the placement of Series E bonds in the local market during the month of April 2015 (mnemonic code BLIPI-E), charged to the 30 year bond line registered in the Securities Register under number 801, for the amount of UF 3,500,000, proceeding to cancel most of the Company's bank liabilities in Chile. The placement rate was 3.40% for a face rate of 3.55%. Interest is payable semi-annually and 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 are correlated to the variation in the UF.
- **Financial lease risk:** The Company signed a lease agreement with Oxiquim S.A. for a period of 25 years for the use of reception, storage and office facilities to be built by Oxiquim S.A., in the amount of UF 1,520,773. The annual interest rate is 3.0%. The nomination currency of this liability is the Unidad de Fomento (UF), which is indexed to inflation in Chile, and differs from the Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins are correlated to the variation in the UF.
- Sensitivity analysis regarding exchange rate variations and adjustment units

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

Exchange rate variation	Increase Loss (Gain) Th\$	Decrease Loss (Gain) Th\$	Allocation
CLP/UF	1,107,994	(1,107,994)	Results: Adjustment units
CLP/USD	660,713	(660,713)	Results: Exchange rate differences
CLP/USD	(108,336)	108,336	Equity: Reserves for cash flow hedges
CLP/COP	(2,964,831)	2,964,831	Equity: Reserves for exchange rate translation differences
CLP/PEN	(4,133,099)	4,133,099	Equity: Reserves for exchange rate translation differences

### 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, 2016, 96% of the Group's financial debt is at fixed rates. As a result, the risk of fluctuations in market interest rates regarding the Company's cash flows is low. Regarding the portion in variable rates, Management permanently monitors the outlook in terms of the expected evolution of interest rates.





The breakdown of financial liabilities, separated between fixed and variable interest rates is presented below as of June 30, 2016 and December 31, 2015:

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	14,543,360	619,606	114,409,122	4,874,293	128,952,481	5,493,900
<b>Total as of 06.30.2016</b>		<b>14,543,360</b>	<b>619,606</b>	<b>114,409,122</b>	<b>4,874,293</b>	<b>128,952,481</b>	<b>5,493,900</b>

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	3,117,134	147,357	110,159,512	5,207,592	113,276,646	5,354,949
<b>Total as of 12.31.2015</b>		<b>3,117,134</b>	<b>147,357</b>	<b>110,159,512</b>	<b>5,207,592</b>	<b>113,276,646</b>	<b>5,354,949</b>

### 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 average moving market share of 36.4% as of May 2016 according to information of Chile's Superintendence 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 average moving market share of 14.1% as of May 2016 according to information of the Superintendence 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 May 2016, reached an average moving market share of 9.1% 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 and its subsidiaries 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 beginning March 2015.

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

For the Colombian market, the risk factor of commercializing LPG in terms of supply is minimized through the establishment of purchase quotas which 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 PetroPeru (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.

### **a.3) Prices**

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

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

## b) Natural gas

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

In Peru, the company Neogas Peru S.A. has signed supply contracts to meet the demand needs with natural gas distributors from the regions where the company operates.

## c) Liquefied natural gas

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

## 6. Other non-financial assets

The composition of this item as of June 30, 2016 and December 31, 2015 is as follows:

Item	Current		Non-Current	
	06.30.2016 Th\$	12.31.2015 Th\$	06.30.2016 Th\$	12.31.2015 Th\$
Prepaid expenses	1,777,424	1,024,608	-	-
Loans to employees	-	-	66,105	67,677
Restricted or pledged cash	-	-	1,890,363	599,473
Other assets	-	-	849,576	767,514
<b>Total</b>	<b>1,777,424</b>	<b>1,024,608</b>	<b>2,806,044</b>	<b>1,434,664</b>

## 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, 2016 and December 31, 2015 is as follows:

Trade receivables and other accounts receivable, net	06.30.2016 Th\$	12.31.2015 Th\$
Trade receivables	32,981,707	23,910,055
Other accounts receivables	2,445,018	1,484,396
<b>Total</b>	<b>35,426,725</b>	<b>25,394,451</b>

Trade receivables and other accounts receivable, gross	06.30.2016 Th\$	12.31.2015 Th\$
Trade receivables	35,225,926	25,867,391
Other accounts receivable	2,445,018	1,484,396
<b>Total</b>	<b>37,670,944</b>	<b>27,351,787</b>

#### 7.1.2 Impairment of trade receivables and other accounts receivables

The breakdown of trade receivables impairment as of June 30, 2016 and December 31, 2015 is as follows:

Book value of impaired trade receivables and other accounts receivable	06.30.2016 Th\$	12.31.2015 Th\$
Provisioned trade receivables	2,244,219	1,957,336
<b>Total</b>	<b>2,244,219</b>	<b>1,957,336</b>

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	06.30.2016 Th\$	12.31.2015 Th\$
Opening balance	1,957,336	2,271,037
Recoveries and write-off of uncollectible accounts	14,331	(1,145,124)
Provision for the fiscal year or period	275,022	820,033
Translation differential	2,470	11,390
<b>Total</b>	<b>2,244,219</b>	<b>1,957,336</b>

The expirations of trade receivables and other accounts receivable as of June 30, 2016 and December 31, 2015 is as follows:

Trade receivables and other accounts receivable, expired but not impaired	06.30.2016 Th\$	12.31.2015 Th\$
0-3 months past due	10,909,987	7,435,389
3-6 months past due	1,057,203	1,903,686
<b>Total</b>	<b>11,967,190</b>	<b>9,339,075</b>

Trade receivables and other accounts receivable, outstanding	06.30.2016 Th\$	12.31.2015 Th\$
Expiring in 0-3 months	22,747,737	15,880,408
Expiring in 3-6 months	148,739	20,530
Expiring in 6-12 months	563,059	154,438
<b>Total</b>	<b>23,459,535</b>	<b>16,055,376</b>

### 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, 2016 and December 31, 2015 is as follows:

Portfolio in Judicial Collection	06.30.2016	
	Receivables in Protested Portfolio Th\$	Receivables in Judicial Collection Th\$
Portfolio either protested or in judicial collection	15,873	256,045
<b>Total</b>	<b>15,873</b>	<b>256,045</b>

Portfolio in Judicial Collection	12.31.2015	
	Receivables in Protested Portfolio Th\$	Receivables in Judicial Collection Th\$
Portfolio either protested or in judicial collection	34,969	148,150
<b>Total</b>	<b>34,969</b>	<b>148,150</b>

## 8. Intercompany balances and transactions

Transactions with related entities 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 Current accounts payable to related entities

The composition of this item as of June 30, 2016 and December 31, 2015 is as follows:

Company	Transaction description	Term	Relationship	Currency	Current balance	
					06.30.2016	12.31.2015
					Th\$	Th\$
Empresas Lipigas S.A. Shareholders	Dividends payable	Less than 30 days	Direct	CLP	8,800,000	-
<b>Total</b>					<b>8,800,000</b>	<b>-</b>

Dividends payable were paid on July 20, 2016.

## 8.2 Intercompany transactions and their effects on results.

Operations with related entities (except dividends distributions) and their effects on results for the periods ended June 30, 2016 and December 31, 2015 are presented as follows:

Company	Type of relationship	Description of the transaction	01.01.2016 through 06.30.2016 Th\$	Effect on results (Debit)/Credit	01.01.2015 through 06.30.2015 Th\$	Effect on results (Debit)/Credit
Inmobiliaria Terracota Dos Ltda.	Indirect	Office lease	-	-	7,403	(7,403)
Larraín Vial S.A. Corredora de Bolsa	Indirect	Financial investments	57,273	57,273	-	-
Larraín Vial S.A. Corredora de Bolsa	Indirect	Financial services	-	-	208,108	-
Larraín Vial Servicios Profesionales Limitada	Indirect	Financial investments	-	-	62,320	62,320

Transactions with related entities 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 2016 period and 2015 fiscal year was:

Concept	06.30.2016 Th\$	12.31.2015 Th\$
Board Compensation	120,000	210,000
Directors' Committee Compensation	15,900	25,160
<b>Total Income</b>	<b>135,900</b>	<b>235,160</b>

Compensation to managers for the 2016 and 2015 periods was:

Type of income	06.30.2016 Th\$	12.31.2015 Th\$
Fixed	783,809	1,706,374
Variable	356,081	340,918
<b>Total Income</b>	<b>1,139,890</b>	<b>2,047,292</b>

## 9. Inventories

The composition of the item as of June 30, 2016 and December 31, 2015 is as follows:

Type of Inventory	06.30.2016 Th\$	12.31.2015 Th\$
LPG	16,755,171	12,202,213
Materials	1,687,862	1,195,348
<b>Total</b>	<b>18,443,033</b>	<b>13,397,561</b>

## 9.1 Materials obsolescence provision

The materials obsolescence provision as of June 30, 2016 and December 31, 2015 was comprised as follows:

Book Value of Obsolescence Provision	06.30.2016 Th\$	12.31.2015 Th\$
Materials obsolescence provision	135,910	170,183
<b>Total</b>	<b>135,910</b>	<b>170,183</b>

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

Movements in Obsolescence Provision	06.30.2016 Th\$	12.31.2015 Th\$
Opening Balance	170,183	208,497
Increases in the provision	-	-
Decreases in the provision	(34,273)	(38,314)
<b>Total</b>	<b>135,910</b>	<b>170,183</b>

The reduction in value was reversed because of the consumption of materials.

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

The cost of inventories recognized as a cost of sale for the periods ending June 30, 2016 and 2015 is as follows:

Inventory Cost	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$
Inventory cost recognized as a cost of sales	108,916,685	98,866,218

## 10. Income tax and deferred taxes

### 10.1 Current income tax recoverable (payable)

Itemization	06.30.2016 Th\$	12.31.2015 Th\$
Provisional monthly payments	512,889	2,857
Provisional monthly payments previous years	2,712,381	2,610,330
Recoverable taxes	1,720,508	508,411
<b>Total recoverable taxes, current</b>	<b>4,945,778</b>	<b>3,121,598</b>

Itemization	06.30.2016 Th\$	12.31.2015 Th\$
Income tax	(1,039,855)	(4,148,293)
Other taxes	(455,604)	(192,840)
<b>Total taxes payable, current</b>	<b>(1,495,459)</b>	<b>(4,341,133)</b>



## 10.2 Deferred taxes

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 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.

Pursuant to the General Shareholders' Meeting, as of December 31, 2015 the Company may choose two systems, the partially integrated income system or the attributed income system. Should the Company not choose any of these systems; the general rule will be applied corresponding to the first system.

Law 20,899 was published in February 2016, which requires open or closed stock corporations, limited partnership by shares and companies in which at least one of its owners, community members, partners or shareholders is a legal entity, to apply the partially integrated income system. Therefore, the partially integrated income system applies to the Chilean companies of the Group.

The subsidiary Lima Gas S.A. is subject to Peruvian tax regime. As of June 30, 2016 and 2015, the income tax rate on taxable profits was 28%.

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.
- 2017 and 2018 fiscal years: 27 percent.
- 2019 fiscal year onward: 26 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 and 2018, the rate will be 8% and from 2019 onwards it will be 9.3%.

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

Beginning 2015, pursuant to the tax reform enacted by Law 1607 on December 26, 2012, the applicable rates are:

- Income tax: 25% based on the fiscal profit or loss.
- Fairness income tax (CREE): 9%, based on the fiscal profit or loss. If there is a loss, tax must be calculated on the basis of presumptive income and it will be 3% on net equity.

For 2015, pursuant to the tax reform enacted by Law 1739 on December 23, 2014, a CREE surcharge was set as follows:

- 2015 fiscal year: 5% of the fiscal profit loss exceeding 800 million COP (equivalent to Th\$190,981)
- 2016 fiscal year: 6% of the surplus
- 2017 fiscal year: 8% of the surplus
- 2018 fiscal year: 9% of the surplus

Accumulated balances and movements in deferred tax assets and liabilities as of June 30, 2016 is the following:

Deferred tax asset	Balance at 01.01.2016	(Debit) credit to income	(Debit) credit to equity	Others(*)	Balance 06.30.2016
Taxable goodwill	9,034,037	(413,938)	-	-	8,620,099
Tax losses	1,838,256	725,607	-	1,190,920	3,754,783
Current provisions	1,068,873	(28,875)	174	(10,910)	1,029,262
Other assets	1,533,113	(65,177)	-	207,581	1,657,517
Assets under leasing	-	222,787	-	511,414	734,201
<b>Total</b>	<b>13,474,279</b>	<b>440,404</b>	<b>174</b>	<b>1,899,005</b>	<b>15,813,862</b>

Deferred tax liability	Balance at 01.01.2016	(Debit) credit to income	(Debit) credit to equity	Others(*)	Balance 06.30.2016
Property, plant and equipment	(30,357,220)	(500,834)	-	(2,304,424)	(33,162,478)
Trade receivables and other accounts receivables	(594,850)	54,618	-	2,584	(537,648)
Employee benefit provisions	(284,476)	(30,272)	21,480	-	(293,268)
Other non-financial liabilities	(6,237,781)	(171,591)	-	2,010	(6,407,362)
Intangible assets, other than goodwill	(203,949)	-	-	-	(203,949)
Other liabilities	(1,046,125)	(43,549)	-	32,205	(1,057,469)
Cash flow hedge	(28,627)	-	-	-	(28,627)
<b>Total</b>	<b>(38,753,028)</b>	<b>(691,628)</b>	<b>21,480</b>	<b>(2,267,625)</b>	<b>(41,690,801)</b>

<b>Net deferred tax as of 06.30.2016</b>	<b>(25,278,749)</b>	<b>(251,224)</b>	<b>21,654</b>	<b>(368,620)</b>	<b>(25,876,939)</b>
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(\*) Corresponds mainly to effects originated in the acquisition of the subsidiaries Neogas Perú S.A.

Accumulated balances and movements in deferred tax assets and liabilities as of December 31, 2015 is the following:

Deferred tax assets	Balance 01.01.2015	(Debit) credit to income	Others	Balance 12.31.2015
Taxable goodwill	9,861,207	(827,170)	-	9,034,037
Tax losses	2,350,317	(254,280)	(257,781)	1,838,256
Current provisions	710,394	356,929	1,550	1,068,873
Other assets	747,845	786,845	(1,577)	1,533,113
<b>Total</b>	<b>13,669,763</b>	<b>62,324</b>	<b>(257,808)</b>	<b>13,474,279</b>

Deferred tax liabilities	Balance 01.01.2015	(Debit) credit to income	Others	Balance 12.31.2015
Property, plant and equipment	(27,627,840)	(1,328,483)	(1,400,897)	(30,357,220)
Trade receivables and other accounts receivable	(659,439)	69,284	(4,695)	(594,850)
Provisions for employee benefits	(136,689)	(25,401)	(122,386)	(284,476)
Other non-financial liabilities	(6,139,367)	(76,409)	(22,005)	(6,237,781)
Intangible assets, other than goodwill	-	-	(203,949)	(203,949)
Other liabilities	(4,104,410)	1,097,596	1,960,689	(1,046,125)
Cash flow hedge	(28,627)	-	-	(28,627)
<b>Total</b>	<b>(38,696,372)</b>	<b>(263,413)</b>	<b>206,757</b>	<b>(38,753,028)</b>

<b>Net deferred tax 12.31.2015</b>	<b>(25,026,609)</b>	<b>(201,089)</b>	<b>(51,051)</b>	<b>(25,278,749)</b>
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### 10.3 Income tax recognized in fiscal year income

Item	06.30.2016 Th\$	06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
Current tax expense	5,480,554	4,213,028	3,663,526	2,806,180
Current tax adjustment previous fiscal year	99,221	(6,433)	99,221	(6,433)
Impact of temporary differences in deferred taxes and other items	251,224	(347,276)	(122,626)	(707,926)
<b>Total debit to income</b>	<b>5,830,999</b>	<b>3,859,319</b>	<b>3,640,121</b>	<b>2,091,821</b>

The reconciliation of the tax rate is as follows:

Itemization	06.30.2016 Th\$	06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
<b>Before-tax profit of continued operations</b>	<b>23,938,841</b>	<b>18,345,483</b>	<b>14,383,786</b>	<b>11,051,739</b>
Income tax (current rate of 24%/22.5%)	5,745,322	4,127,734	3,452,109	2,486,642
Tax impact of other jurisdictions' rates	87	(234,529)	13	(351,536)
Tax adjustment previous fiscal year	87,929	(6,433)	87,929	(6,433)
Other effects from permanent differences	(2,339)	(27,453)	100,070	(36,852)
<b>Income tax recognized in income</b>	<b>5,830,999</b>	<b>3,859,319</b>	<b>3,640,121</b>	<b>2,091,821</b>

#### 10.4 Deferred tax recognized directly in other comprehensive income

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

Description	Debit (credit) to equity 06.30.2016 Th\$	Debit (credit) to equity 06.30.2015 Th\$	Debit (credit) to equity 04.01.2016 through 06.30.2016 Th\$	Debit (credit) to equity 04.01.2015 through 06.30.2015 Th\$
Actuarial movements on employee benefits	(21,654)	4,329	(15,727)	29,007
Movements on cash flow hedges	(204,620)	60,059	(162,987)	68,070
<b>Deferred taxes recognized in equity</b>	<b>(226,274)</b>	<b>64,388</b>	<b>(178,714)</b>	<b>97,077</b>

#### 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	11,700,413	(10,962,088)	738,325
Liabilities from deferred taxes	(34,287,068)	10,962,088	(23,324,980)
<b>Balance as of 06.30.2016</b>	<b>(22,586,655)</b>	<b>-</b>	<b>(22,586,655)</b>

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	11,431,290	(10,913,622)	517,668
Liabilities from deferred taxes	(33,695,396)	10,913,622	(22,781,774)
<b>Balance as of 12.31.2016</b>	<b>(22,264,106)</b>	<b>-</b>	<b>(22,264,106)</b>

##### Subsidiaries - Colombia

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	2,316,418	(2,316,418)	-
Liabilities from deferred taxes	(2,523,184)	2,316,418	(206,766)
<b>Balance as of 06.30.2016</b>	<b>(206,766)</b>	<b>-</b>	<b>(206,766)</b>

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	1,837,678	(1,837,678)	-
Liabilities from deferred taxes	(1,943,091)	1,837,678	(105,413)
<b>Balance as of 12.31.2015</b>	<b>(105,413)</b>	<b>-</b>	<b>(105,413)</b>

## Subsidiary – Peru

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	1,797,031	(1,797,031)	-
Liabilities from deferred taxes	(4,880,549)	1,797,031	(3,083,518)
<b>Balance as of 06.30.2016</b>	<b>(3,083,518)</b>	<b>-</b>	<b>(3,083,518)</b>

Concept	Gross Assets/Liabilities Th\$	Netted amounts Th\$	Net closing balances Th\$
Assets from deferred taxes	205,311	(205,311)	-
Liabilities from deferred taxes	(3,114,541)	205,311	(2,909,230)
<b>Balance as of 12.31.2015</b>	<b>(2,909,230)</b>	<b>-</b>	<b>(2,909,230)</b>

## 11. Intangible assets other than goodwill

### 11.1 Account composition

The composition of this account as of June 30, 2016 and December 31, 2015 is as follows:

Type of Intangible Assets, net	06.30.2016 Th\$	12.31.2015 Th\$
Software	770,238	675,721
Building customer loyalty, Chile	147,943	-
Acquisitions of commercial assets	505,006	623,421
Customers (acquisition of Lima Gas S.A)	1,547,080	1,660,963
Customers (acquisition of Progas)	621,242	612,238
Customers (acquisition of Lidergas)	1,865,653	1,834,338
Trademark (acquisition of Lidergas)	86,184	91,349
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	109,705	109,190
Trademark (acquisition of Gases del Cauca)	-	27,648
Others	393,049	-
<b>Total intangibles, net</b>	<b>7,324,054</b>	<b>6,912,822</b>

Type of Intangible Assets, gross	06.30.2016 Th\$	12.31.2015 Th\$
Software	3,278,178	3,038,580
Building customer loyalty, Chile	150,075	-
Acquisitions of 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)	753,020	720,280
Customers (acquisition of Lidergas)	2,082,589	1,992,042
Trademark (acquisition of Progas)	31,922	30,534
Trademark (acquisition of Lidergas)	139,759	133,682
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	133,425	127,624
Trademark (acquisition of Gases del Cauca)	41,863	40,042
Others	393,049	-
<b>Total intangibles, gross</b>	<b>12,358,898</b>	<b>11,437,802</b>

Accumulated amortization of intangible assets	06.30.2016 Th\$	12.31.2015 Th\$
Software	(2,507,940)	(2,362,859)
Building customer loyalty, Chile	(2,132)	-
Acquisitions of commercial assets	(774,792)	(656,377)
Customers (acquisition of Lima Gas S.A)	(1,250,186)	(1,136,303)
Customers (acquisition of Progas)	(131,778)	(108,042)
Customers (acquisition of Lidergas)	(216,936)	(157,704)
Trademark (acquisition of Progas)	(53,575)	(42,333)
Trademark (acquisition of Lidergas)	(23,720)	(18,434)
Customers (acquisition of Gases del Cauca)	(41,863)	(12,394)
Trademark (acquisition of Gases del Cauca)	(2,507,940)	(2,362,859)
<b>Total amortization of intangibles</b>	<b>(5,034,844)</b>	<b>(4,524,980)</b>

## 11.2 Useful lives

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

Estimated Useful Life or Amortization Rates	Estimated Useful Life in years
Software	4
Acquisitions of commercial assets	4 to 6
Customers	1 to 20
Colombian subsidiary trademarks	5
Peruvian subsidiary trademark (Lima Gas)	Indefinite

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 ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively is as follows:

Movement in Intangible Assets	Net Software Th\$	Net Commercial Assets Th\$	Customers, net Th\$	Trademarks, net Th\$	Customer loyalty Th\$	Others Th\$	Total intangible assets, net Th\$
<b>Opening balance at 01.01.2016</b>	<b>675,721</b>	<b>623,421</b>	<b>4,216,729</b>	<b>1,396,951</b>	<b>-</b>	<b>-</b>	<b>6,912,822</b>
Additions	243,239	-	-	-	155,200	399,199	797,638
Translation adjustment movement	8,521	-	113,202	3,903	(4,263)	(6,150)	115,213
Amortization	(157,243)	(118,415)	(186,251)	(36,716)	(2,994)	-	(501,619)
<b>Total changes</b>	<b>94,517</b>	<b>(118,415)</b>	<b>(73,049)</b>	<b>(32,813)</b>	<b>147,943</b>	<b>393,049</b>	<b>411,232</b>
<b>Ending balance at 06.30.2016</b>	<b>770,238</b>	<b>505,006</b>	<b>4,143,680</b>	<b>1,364,138</b>	<b>147,943</b>	<b>393,049</b>	<b>7,324,054</b>

Movement in Intangible Assets	Net Software Th\$	Net Commercial Assets Th\$	Customers, net Th\$	Trademarks, net Th\$	Total Intangible Assets, net Th\$
<b>Opening balance 01.01.2015</b>	<b>596,663</b>	<b>860,251</b>	<b>4,947,195</b>	<b>1,462,603</b>	<b>7,866,712</b>
Additions	415,504	-	50,424	-	465,928
Business combination additions	2,868	1	(354,897)	(19,026)	(371,054)
Translation adjustment movement	(339,314)	(236,831)	(384,695)	(39,615)	(1,000,455)
Amortization	-	-	(41,298)	(7,011)	(48,309)
<b>Total changes</b>	<b>79,058</b>	<b>(236,830)</b>	<b>(730,466)</b>	<b>(65,652)</b>	<b>(953,890)</b>
<b>Ending balance 12.31.2015</b>	<b>675,721</b>	<b>623,421</b>	<b>4,216,729</b>	<b>1,396,951</b>	<b>6,912,822</b>

## Goodwill

### 12.1 Account composition

As of June 30, 2016 and December 31, 2015, this account is composed as follows:

Goodwill	06.30.2016 Th\$	12.31.2015 Th\$
Lima Gas S.A	2,767,469	2,767,469
Neogas Peru S.A. Operation	9,988,943	-
Progas Operation	382,645	366,008
Lidergas Operation	851,144	814,138
<b>Total goodwill</b>	<b>13,990,201</b>	<b>3,947,615</b>

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 and fiscal year ended June 30, 2016 and December 31, 2015, respectively is as follows:

Goodwill movements	06.30.2016 Th\$	12.31.2015 Th\$
Beginning balance	3,947,615	4,124,635
Neogas Peru S.A. additions (Note 12.3)	9,988,943	-
Movement for translation differences and other adjustments	53,643	(177,020)
<b>Ending goodwill balance</b>	<b>13,990,201</b>	<b>3,947,615</b>

Regarding the acquisition of Neogas Peru S.A., as allowed by IFRS 3, the Company has considered the application of a one-year term from the date of acquisition to improve estimates of the acquired goodwill and perform any adjustments deemed necessary resulting from the identification of this type of intangible.

### 12.3 Breakdown of acquired goodwill

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

<b>Goodwill Neogas Perú S.A.</b>	
	Th\$
<b>Value paid at acquisition as of 02.01.2016 (a)</b>	<b>17,893,212</b>
Balances of acquired assets and recognized identifiable liabilities assumed:	
Current Assets	5,362,844
Non-Current Assets	18,982,990
<b>Total Assets (b)</b>	<b>24,345,834</b>
Current Liabilities	12,698,278
Non-Current Liabilities	3,743,287
<b>Total Liabilities (c)</b>	<b>16,441,565</b>
Equity at Fair Value (d= b-c)	7,904,269
Ownership interest % (e)	100%
Equity value (f=d x e)	7,904,269
<b>Acquired Goodwill as of 06.30.2016 (g= a-f)</b>	<b>9,988,943</b>



### 13. Property, plant and equipment

#### 13.1 Account composition

The composition of this account as of June 30, 2016 and December 31, 2015 is the following:

Types of Property, Plant and Equipment, net	06.30.2016 Th\$	12.31.2015 Th\$
Construction in progress	19,277,390	16,656,598
Land	23,928,737	23,748,154
Buildings	11,741,780	11,583,686
Storage Tanks	4,574,826	2,166,527
PP&E in third-party facilities	86,769,392	81,413,732
Plant and equipment	73,595,832	73,372,207
IT equipment	728,284	757,391
PP&E in financial lease	47,171,430	38,118,879
Motor vehicles	2,991,916	2,870,104
Other property, plant and equipment	3,952,274	2,280,627
<b>Total property, plant and equipment, net</b>	<b>274,731,861</b>	<b>252,967,905</b>

Types of Property, Plant and Equipment, gross	06.30.2016 Th\$	12.31.2015 Th\$
Construction in progress	19,277,389	16,656,598
Land	23,928,737	23,748,154
Buildings	15,153,746	14,668,498
Storage Tanks	7,176,412	4,226,920
PP&E in third-party facilities	124,136,575	113,961,080
Plant and equipment	108,140,261	104,706,273
IT equipment	3,221,018	3,060,500
PP&E in financial lease	52,578,103	40,204,048
Motor vehicles	4,524,514	4,139,424
Other property, plant and equipment	7,415,633	5,371,310
<b>Total property, plant and equipment, gross</b>	<b>365,552,388</b>	<b>330,742,805</b>

Accumulated depreciation and impairment of property, plant and equipment	06.30.2016 Th\$	12.31.2015 Th\$
Construction in progress	-	-
Land	-	-
Buildings	3,411,966	3,084,812
Storage Tanks	2,601,586	2,060,393
PP&E in third-party facilities	37,367,183	32,547,348
Plant and equipment	34,544,429	31,334,067
IT equipment	2,492,734	2,303,108
PP&E in financial lease	5,406,673	2,085,169
Motor vehicles	1,532,598	1,269,320
Other property, plant and equipment	3,463,358	3,090,683
<b>Accumulated depreciation of property, plant and equipment</b>	<b>90,820,527</b>	<b>77,774,900</b>

### **13.1 Account composition (continued)**

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 Colpatria S.A. This mortgage was constituted as collateral for issuing the compliance policy with Seguros Colpatria 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\$568,174

As mentioned in note 14, the subsidiary Neogas Peru S.A. signed several contracts 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 leasing contracts and of certain obligations of the operation. In that sense, the subsidiary transferred as legal title subject to trust, the machinery and equipment of the plant located in Lurín. As of June 30, 2016, the net present value of depreciation of the machinery and equipment of the plant located in Lurín relinquished to the trust fund amounts to Th\$1,013,757.

### 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, 2016 and December 31, 2015:

#### 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	16,656,598	23,748,154	11,583,686	2,166,527	81,413,732	73,372,207	757,391	38,118,879	2,870,104	2,280,627	252,967,905
Additions	7,182,720	276,423	305,615	2,150	1,717,305	1,432,081	110,889	36,514	265,350	149,539	11,478,586
Business combination additions	167,709	-	-	-	5,424,955	1,137,187	3,650	10,183,732	57,866	1,792,139	18,767,238
Transfers	(4,169,735)	-	207,012	2,947,342	(1,166,069)	2,178,135	-	-	-	3,315	-
Expropriation	(512,351)	-	-	-	(21,495)	(31,580)	(5,219)	-	(2,520)	(14,170)	(587,335)
Translation differential	(47,551)	(95,840)	(10,988)	(395,051)	2,742,795	(1,491,034)	22,861	37,578	(18,052)	17,643	762,361
Depreciation	-	-	(343,545)	(146,142)	(3,341,831)	(2,721,607)	(161,288)	(1,205,273)	(180,832)	(276,819)	(8,377,337)
Other increases (decreases)	-	-	-	-	-	(279,557)	-	-	-	-	(279,557)
<b>Total Changes</b>	<b>2,620,792</b>	<b>180,583</b>	<b>158,094</b>	<b>2,408,299</b>	<b>5,355,660</b>	<b>223,625</b>	<b>(29,107)</b>	<b>9,052,551</b>	<b>121,812</b>	<b>1,671,647</b>	<b>21,763,956</b>
Ending balance as of June 30, 2016	19,277,390	23,928,737	11,741,780	4,574,826	86,769,392	73,595,832	728,284	47,171,430	2,991,916	3,952,274	274,731,861

#### 2015

Movements in 2015	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, 2015	13,365,003	23,875,152	11,993,722	2,375,096	78,043,549	77,048,358	737,754	2,574,993	3,345,404	2,499,705	215,858,736
Additions	9,460,009	-	318,699	2,162	6,487,825	4,319,018	386,533	37,372,032	484,105	201,961	59,032,344
Transfers	(4,973,395)	-	-	-	3,203,891	2,315,920	376	(244,690)	(302,102)	-	-
Expropriations(*)	(1,208,375)	-	(2,566)	-	(2,165,145)	(260,603)	(27,392)	(5,759)	(194,694)	(1,912)	(3,866,446)
Translation differential	13,356	(126,998)	(101,250)	-	1,701,990	(4,297,082)	(8,228)	(158,248)	(284,713)	2,023	(3,259,150)
Depreciation	-	-	(617,020)	(210,732)	(5,857,965)	(5,528,770)	(335,259)	(1,419,449)	(174,901)	(421,296)	(14,565,392)
Other increases (decreases)	-	-	(7,899)	1	(413)	(224,634)	3,607	-	(2,995)	146	(232,187)
<b>Total Changes</b>	<b>3,291,595</b>	<b>(126,998)</b>	<b>(410,036)</b>	<b>(208,569)</b>	<b>3,370,183</b>	<b>(3,676,151)</b>	<b>19,637</b>	<b>35,543,886</b>	<b>(475,300)</b>	<b>(219,078)</b>	<b>37,109,169</b>
Ending balance as of December 31, 2015	16,656,598	23,748,154	11,583,686	2,166,527	81,413,732	73,372,207	757,391	38,118,879	2,870,104	2,280,627	252,967,905

(\*) Given that the Company is currently undergoing a technical audit, it has made a provision for the retirement of tanks because it is estimated that these items will not continue generating revenue in the future nor is any recovery value expected. The provision amounts to Th\$2,256,320.

### 13.3 Accumulated depreciation movement

The following table provides accumulated depreciation movement as of June 30, 2016 and December 31, 2015:

#### 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\$
<b>Accumulated depreciation as of January 1, 2016</b>	3,084,812	2,060,393	32,547,348	31,334,067	2,303,108	2,085,169	1,269,320	3,090,683	77,774,900
Depreciation in the fiscal year	343,545	146,142	3,341,831	2,721,607	161,288	1,205,273	180,832	276,819	8,377,337
Depreciation acquired in business combination	-	-	2,028,458	567,414	41,464	2,109,135	11,201	144,073	4,901,745
Retirement, expropriations and transfers	-	-	805,445	(825,169)	(1,948)	-	-	-	(21,672)
Translation differences	(16,391)	395,051	(1,355,899)	746,510	(11,178)	7,096	71,245	(48,217)	(211,783)
<b>Ending balance as of June 30, 2016</b>	<b>3,411,966</b>	<b>2,601,586</b>	<b>37,367,183</b>	<b>34,544,429</b>	<b>2,492,734</b>	<b>5,406,673</b>	<b>1,532,598</b>	<b>3,463,358</b>	<b>90,820,527</b>

#### 2015

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\$
<b>Accumulated depreciation as of January 1, 2015</b>	<b>2,459,432</b>	<b>1,849,662</b>	<b>26,652,512</b>	<b>26,183,210</b>	<b>1,977,520</b>	<b>816,992</b>	<b>1,425,541</b>	<b>2,656,659</b>	<b>64,021,528</b>
Depreciation in the fiscal year	617,020	210,732	5,857,965	5,528,770	335,259	1,419,449	174,901	421,296	14,565,392
Retirement, expropriations and transfers	-	-	799,009	(949,942)	-	-	-	-	(150,933)
Translation differences	676	(1)	(762,551)	560,282	(9,671)	(151,271)	(334,116)	12,728	(683,924)
Other increases (decreases)	7,684	-	413	11,747	-	(1)	2,994	-	22,837
<b>Ending balance as of December 31, 2015</b>	<b>3,084,812</b>	<b>2,060,393</b>	<b>32,547,348</b>	<b>31,334,067</b>	<b>2,303,108</b>	<b>2,085,169</b>	<b>1,269,320</b>	<b>3,090,683</b>	<b>77,774,900</b>

### 13.4 Assets in financial leases

Itemization of these accounts as of June 30, 2016 and December 31, 2015 is the following:

Property, plant and equipment in financial lease, net	06.30.2016 Th\$			12.31.2015 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	49,406,566	4,234,820	45,171,746	37,372,032	1,120,889	36,251,143
Motor vehicles in financial lease	2,573,187	1,027,450	1,545,737	2,511,995	836,837	1,675,158
Other property, plant and equipment in financial lease	598,350	144,403	453,947	320,021	127,443	192,578
<b>Total</b>	<b>52,578,103</b>	<b>5,406,673</b>	<b>47,171,430</b>	<b>40,204,048</b>	<b>2,085,169</b>	<b>38,118,879</b>

Minimum lease payments, financial lease liability	06.30.2016 Th\$			12.31.2015 Th\$		
	Gross	Interest	Present Value	Gross	Interest	Present Value
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Within one year	4,808,437	784,648	4,023,789	1,826,350	655,014	1,171,336
More than one year and less than 5 years	10,897,762	3,266,904	7,630,858	6,192,248	2,587,052	3,605,196
More than 5 years	27,795,638	12,551,505	15,244,133	28,415,333	12,788,535	15,626,798
<b>Total</b>	<b>43,501,837</b>	<b>16,603,057</b>	<b>26,898,780</b>	<b>36,433,931</b>	<b>16,030,601</b>	<b>20,403,330</b>

### 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 interim 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	06.30.2016 Th\$	12.31.2015 Th\$
Carrying value of fully depreciated property, plant and equipment still in use	16,091,330	13,355,985
Carrying value of property, plant and equipment temporarily out of service	87,488	87,488
Carrying value of property, plant and equipment retired and not held for sale	9,117	9,117

There were no material differences at the close of these interim consolidated financial statements between the fair value and carrying value of property, plant and equipment.

### 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, 2016 and December 31, 2015 are the following:

Other financial liabilities	06.30.2016		12.31.2015	
	Current	Non-Current	Current	Non-Current
	Th\$	Th\$	Th\$	Th\$
Bank loans	7,036,127	5,392,184	667,847	4,429,810
Loan interests	49,027	-	39,294	-
Bonds interests	1,295,822	-	1,299,266	-
Bond surcharge	88,181	1,978,576	86,749	2,003,484
Financial leases	6,168,370	20,730,410	1,171,335	19,231,995
Bond debt (BLIPI-E)	-	91,182,245	-	89,701,815
Forwards and swaps	525,439	-	-	-
<b>Total Other Financial Liabilities</b>	<b>15,162,966</b>	<b>119,283,415</b>	<b>3,264,491</b>	<b>115,367,104</b>

Bank loans and financial leases as of June 30, 2016 and December 31, 2015 are itemized below:

#### 14.1 Other financial liabilities – Breakdown by currency and maturity

The Company's indebtedness exposure by currency and maturity is the following:

##### Bank loans at June 30, 2016:

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-Current		
							Maturity			Total Current as of 06.30.2016 Th\$	Maturity		Total Non-Current as of 06.30.2016 Th\$
							Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 years or more	
							Th\$	Th\$	Th\$		Th\$	Th\$	
Colombia	Corpbanca	COP	Quarterly	10.85%	10.85%	Unsecured	-	104,827	314,482	419,309	3,564,128	-	3,564,128
Peru	Banco de Crédito del Peru	PEN	Quarterly	7.10%	7.10%	Unsecured	-	19,189	59,693	78,882	224,114	-	224,114
Peru	Banco de Crédito del Peru	PEN	Quarterly	6.90%	6.90%	Unsecured	-	22,413	69,514	91,927	172,634	-	172,634
Peru	Banco Interbank	PEN	Monthly	7.10%	7.10%	Unsecured	5,973	12,045	55,877	73,895	276,951	-	276,951
Peru	Scotiabank	PEN	Monthly	5.89%	5.89%	Unsecured	266,112	540,168	-	806,280	-	-	-
Peru	Scotiabank	PEN	Monthly	5.65%	5.65%	Unsecured	-	-	-	-	860,704	-	860,704
Peru	Continental	PEN	Monthly	7.50%	7.50%	Unsecured	24,967	50,240	76,410	151,617	-	-	-
Peru	Banco de Crédito del Peru	PEN	Monthly	5.75%	5.75%	Unsecured	-	-	-	-	166,295	-	166,295
Peru	Scotiabank	PEN	Monthly	8.26%	8.26%	Unsecured	-	-	-	-	166,295	-	166,295
Peru	Continental	PEN	Monthly	10.85%	10.85%	Unsecured	-	-	-	-	166,295	-	166,295
Peru	Banco Crédito del Peru	PEN	Monthly	7.60%	7.60%	Unsecured	-	201,240	-	201,240	-	-	-
Peru	Banco Crédito del Peru	PEN	Monthly	7.00%	7.00%	Unsecured	87,500	175,557	-	263,057	-	-	-
Peru	BANBIF	PEN	Monthly	7.75%	7.75%	Unsecured	-	166,023	-	166,023	-	-	-
Peru	BANBIF	PEN	Monthly	7.75%	7.75%	Unsecured	-	166,023	-	166,023	-	-	-
Peru	BANBIF	PEN	Monthly	7.75%	7.75%	Unsecured	-	166,023	-	166,023	-	-	-
Peru	BANBIF	PEN	Monthly	7.75%	7.75%	Unsecured	-	166,023	-	166,023	-	-	-
Peru	Banco Santander	PEN	Monthly	8.15%	8.15%	Unsecured	12,633	25,547	119,738	157,918	249,039	-	249,039
Peru	GNB	USD	Monthly	7.15%	7.15%	Unsecured	119,503	-	-	119,503	-	-	-
Peru	Banco Crédito del Peru	USD	Monthly	2.85%	2.85%	Unsecured	77,251	-	-	77,251	-	-	-
Peru	Banco Crédito del Peru	PEN	Monthly	7.69%	7.69%	Unsecured	-	271,079	-	271,079	-	-	-
Peru	BANBIF	PEN	Monthly	7.00%	7.00%	Unsecured	-	384,464	-	384,464	-	-	-
Peru	BBVA	PEN	Monthly	7.00%	7.00%	Unsecured	-	292,086	-	-	-	-	-
Peru	Banco Crédito del Peru	PEN	Monthly	7.15%	7.15%	Unsecured	-	-	308,858	-	-	-	-
<b>Total</b>							<b>320,592</b>	<b>5,608,689</b>	<b>1,106,846</b>	<b>7,036,127</b>	<b>5,392,184</b>	<b>-</b>	<b>5,392,184</b>

**Bank loans as of December 31, 2015:**

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-Current		
							Maturity			Total Current Th\$	Maturity		Total Non-Current Th\$
							Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	More than 5 years	
							Th\$	Th\$	Th\$		Th\$	Th\$	
Colombia	Corpbanca	COP	Quarterly	8.65%	8.65%	Unsecured	-	104,827	314,482	<b>419,309</b>	3,668,955	-	<b>3,668,955</b>
Peru	Banco de Crédito del Peru	PEN	Quarterly	7.10%	7.10%	Unsecured	-	19,564	60,473	<b>80,037</b>	252,470	-	<b>252,470</b>
Peru	Banco de Crédito del Peru	PEN	Quarterly	6.90%	6.90%	Unsecured	-	22,776	70,635	<b>93,411</b>	202,694	-	<b>202,694</b>
Peru	Banco de Crédito del Peru	PEN	Quarterly	6.85%	6.85%	Unsecured	6,069	18,410	50,611	<b>75,090</b>	305,691	-	<b>305,691</b>
<b>Total</b>							<b>6,069</b>	<b>165,577</b>	<b>496,201</b>	<b>667,847</b>	<b>4,429,810</b>	<b>-</b>	<b>4,429,810</b>



**Financial leases as of June 30, 2016:**

Financial leases as of June 30, 2016	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 06.30.2016 Th\$	Within 1 month Th\$	1 to 3 months Th\$	3 to 12 months Th\$	Current as of 06.30.2016 Th\$	1 to 5 years Th\$	More than 5 years Th\$	Non-current as of 06.30.2016 Th\$
Oxiquire S.A.	Chile	CLP	Monthly in arrears	UF + 3%	UF + 3%	<b>38,171,045</b>	135,520	271,040	1,219,681	<b>1,626,241</b>	6,504,966	30,039,838	<b>36,544,804</b>
Compensation advance prepayment Oxiquire S.A.	Chile	CLP	Monthly in arrears			(18,553,871)	(62,894)	(125,789)	(566,050)	<b>(754,733)</b>	(3,003,434)	(14,795,704)	<b>(17,799,138)</b>
Leasing De Occidente	Colombia	COP	Monthly in arrears	10.72%	10.72%	<b>87,035</b>	10,509	32,107	44,419	<b>87,035</b>	-	-	-
Leasing Helm Bank	Colombia	COP	Monthly in arrears	14.12%	14.12%	<b>24,845</b>	1,402	4,408	19,035	<b>24,845</b>	-	-	-
Banco de Crédito del Perú	Peru	PEN	Monthly	5.00%	5.00%	<b>135,995</b>	4,129	8,274	38,190	<b>50,593</b>	85,402	-	<b>85,402</b>
Scotiabank Perú SA	Peru	PEN	Monthly	5.70%	5.70%	<b>101,177</b>	3,152	6,347	29,298	<b>38,797</b>	62,380	-	<b>62,380</b>
Scotiabank Perú SA	Peru	PEN	Monthly	5.70%	5.70%	<b>38,201</b>	4,697	9,460	24,044	<b>38,201</b>	-	-	-
Banco de Crédito del Perú	Peru	PEN	Quarterly	6.85%	6.85%	<b>9,100</b>	-	1,432	4,438	<b>5,870</b>	3,230	-	<b>3,230</b>
Banco Interbank	Peru	PEN	Monthly	6.60%	6.60%	<b>44,910</b>	786	1,585	7,343	<b>9,714</b>	35,196	-	<b>35,196</b>
Banco Interbank	Peru	PEN	Monthly	7.50%	7.50%	<b>1,234,262</b>	17,127	34,565	160,804	<b>212,496</b>	1,021,766	-	<b>1,021,766</b>
Banco Interbank	Peru	PEN	Monthly	7.50%	7.50%	<b>48,011</b>	680	1,372	6,382	<b>8,434</b>	39,577	-	<b>39,577</b>
Banco Interbank	Peru	PEN	Monthly	7.50%	7.50%	<b>411,949</b>	5,716	11,536	53,671	<b>70,923</b>	341,026	-	<b>341,026</b>
Banco Interbank	Peru	PEN	Monthly	10.22%	10.22%	<b>47,065</b>	47,065	-	-	<b>47,065</b>	-	-	-
Banco Interbank	Peru	PEN	Monthly	10.22%	10.22%	<b>44,813</b>	44,813	-	-	<b>44,813</b>	-	-	-
Banco Interbank	Peru	PEN	Monthly	10.22%	10.22%	<b>27,157</b>	27,157	-	-	<b>27,157</b>	-	-	-
Banco Interbank	Peru	PEN	Monthly	10.22%	10.22%	<b>23,544</b>	23,544	-	-	<b>23,544</b>	-	-	-
Banco Interbank	Peru	PEN	Monthly	10.22%	10.22%	<b>28,081</b>	28,081	-	-	<b>28,081</b>	-	-	-
Banco de Crédito del Perú	Peru	USD	Monthly	7.00%	7.00%	<b>31,857</b>	3,732	7,529	20,596	<b>31,857</b>	-	-	-
Banco de Crédito del Perú	Peru	USD	Monthly	7.00%	7.00%	<b>27,481</b>	6,813	13,740	6,928	<b>27,481</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>167,391</b>	27,410	55,403	84,578	<b>167,391</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>14,508</b>	2,376	4,802	7,330	<b>14,508</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>22,936</b>	3,756	7,591	11,589	<b>22,936</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>13,058</b>	2,138	4,322	6,598	<b>13,058</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>12,832</b>	2,101	4,247	6,484	<b>12,832</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>6,759</b>	1,107	2,237	3,415	<b>6,759</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>1,085</b>	359	726	-	<b>1,085</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.80%	8.80%	<b>4,342</b>	1,437	2,905	-	<b>4,342</b>	-	-	-
Banco GNB	Peru	USD	Monthly	8.00%	8.00%	<b>66,680</b>	4,934	9,964	46,453	<b>61,351</b>	5,329	-	<b>5,329</b>
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	<b>62,725</b>	11,641	23,520	27,564	<b>62,725</b>	-	-	-
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	<b>6,302</b>	1,446	2,923	1,933	<b>6,302</b>	-	-	-
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	<b>116,225</b>	18,065	36,501	61,659	<b>116,225</b>	-	-	-
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	<b>12,142</b>	1,426	2,882	7,834	<b>12,142</b>	-	-	-

Financial leases as of June 30, 2016	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 06.30.2016 Th\$	Within 1 month Th\$	1 to 3 months Th\$	3 to 12 months Th\$	Current as of 06.30.2016 Th\$	1 to 5 years Th\$	More than 5 years Th\$	Non-current as of 06.30.2016 Th\$
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	3,232	969	1,959	304	3,232	-	-	-
Amerika Leasing	Peru	USD	Monthly	8.50%	8.50%	14,687	2,732	5,520	6,435	14,687	-	-	-
Amerika Leasing	Peru	USD	Monthly	9.75%	9.75%	14,260	881	1,783	8,375	11,039	3,221	-	3,221
Banco Financiero	Peru	USD	Monthly	9.75%	9.75%	278,750	278,750	-	-	278,750	-	-	-
Banco Financiero	Peru	USD	Monthly	9.75%	9.75%	68,651	68,651	-	-	68,651	-	-	-
Banco Financiero	Peru	USD	Monthly	9.75%	9.75%	43,502	43,502	-	-	43,502	-	-	-
Banco Financiero	Peru	USD	Monthly	7.80%	7.80%	225,188	225,188	-	-	225,188	-	-	-
Banco Financiero	Peru	USD	Monthly	8.10%	8.10%	62,768	62,768	-	-	62,768	-	-	-
Banco Financiero	Peru	USD	Monthly	8.10%	8.10%	558,303	558,303	-	-	558,303	-	-	-
Banco Financiero	Peru	USD	Monthly	7.80%	7.80%	52,301	52,301	-	-	52,301	-	-	-
Banco Financiero	Peru	PEN	Monthly	7.95%	7.95%	6,114	6,114	-	-	6,114	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.00%	8.00%	5,037	5,037	-	-	5,037	-	-	-
Banco Financiero	Peru	USD	Monthly	8.00%	8.00%	87,057	87,057	-	-	87,057	-	-	-
Banco Financiero	Peru	USD	Monthly	8.00%	8.00%	103,353	103,353	-	-	103,353	-	-	-
Banco Santander	Peru	USD	Monthly	8.95%	8.95%	258,199	10,877	21,989	102,930	135,796	122,403	-	-
Banco Santander	Peru	USD	Monthly	8.70%	8.70%	348,824	9,127	18,444	86,248	113,819	235,005	-	-
Banco Banbif	Peru	PEN	Monthly	8.35%	8.35%	1,148,480	1,148,480	-	-	1,148,480	-	-	-
Banco Banbif	Peru	PEN	Monthly	8.50%	8.50%	319,741	319,741	-	-	319,741	-	-	-
Banco Banbif	Peru	PEN	Monthly	8.50%	8.50%	207,061	207,061	-	-	207,061	-	-	-
Banco Banbif	Peru	PEN	Monthly	8.35%	8.35%	355,652	355,652	-	-	355,652	-	-	-
Banco Santander	Peru	PEN	Monthly	8.00%	8.00%	36,965	-	-	6,754	6,754	30,211	-	-
Preleasing - Santander	Peru	USD	Monthly	8.15%	8.15%	211,013	-	-	211,013	211,013	-	-	-
<b>Total</b>						<b>26,898,780</b>	<b>3,926,770</b>	<b>485,325</b>	<b>1,756,276</b>	<b>6,168,370</b>	<b>5,486,276</b>	<b>15,244,133</b>	<b>20,730,410</b>

**Financial leases at December 31, 2015:**

	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2015 Th\$	Within 1 month Th\$	1 to 3 months Th\$	3 to 12 months Th\$	Current as of 12.31.2015 Th\$	1 to 5 years Th\$	More than 5 years Th\$	Non-current as of 12.31.2015 Th\$
Oxiquim S.A. (*)	Chile	CLP	Monthly	3%	3%	<b>38,092,253</b>	131,353	262,705	1,182,173	<b>1,576,231</b>	6,304,925	30,211,097	<b>36,516,022</b>
Netting of advances to Oxiquim S.A. (**)	Chile	CLP	Monthly	3%	3%	<b>(18,307,949)</b>	(62,061)	(124,122)	(558,548)	<b>(744,731)</b>	(2,978,921)	(14,584,298)	<b>(17,563,219)</b>
Leasing de Occidente	Colombia	COP	Monthly	9.67%	9.67%	<b>165,793</b>	17,592	43,430	83,352	<b>144,374</b>	21,419	-	<b>21,419</b>
Helm Bank	Colombia	COP	Monthly	12.02%	12.02%	<b>31,533</b>	1,266	3,873	26,394	<b>31,533</b>	-	-	-
Banco de Crédito del Peru	Peru	PEN	Monthly	5.00%	5.00%	<b>165,944</b>	4,080	8,457	38,521	<b>51,058</b>	114,886	-	<b>114,886</b>
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	<b>123,955</b>	3,172	6,388	29,490	<b>39,050</b>	84,905	-	<b>84,905</b>
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	<b>68,222</b>	4,726	9,518	43,955	<b>58,199</b>	10,023	-	<b>10,023</b>
Banco de Crédito del Peru	Peru	PEN	Quarterly	6.85%	6.85%	<b>12,313</b>	-	1,436	4,448	<b>5,884</b>	6,429	-	<b>6,429</b>
Banco Interbank	Peru	PEN	Monthly	6.60%	6.60%	<b>51,266</b>	788	1,589	7,361	<b>9,736</b>	41,530	-	<b>41,530</b>
<b>Total</b>						<b>20,403,330</b>	<b>100,916</b>	<b>213,274</b>	<b>857,146</b>	<b>1,171,335</b>	<b>3,605,196</b>	<b>15,626,799</b>	<b>19,231,995</b>

(\*) 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 Empresas Lipigas S.A. to Oxiquim S.A. as of June 30, 2016, under the aforesaid contract are shown discounting the lease debt pursuant to paragraph 42 of IAS 32.

The subsidiary Neogas Peru S.A. has signed various contracts 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. As of June 30, 2016, the funds allocated to the assets in trust amounted to Th\$196,790. The net present value of depreciation of the machinery and equipment of the plant located in Lurín relinquished to the trust fund amounts to Th\$1,013,757 as of June 30, 2016.

### 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, 2016 and December 31, 2015 are as follows:

#### As of June 30, 2016

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current				Non-Current		
					Maturity			Total Current at 06.30.2016 Th\$	Maturity		Total Non-Current at 06.30.2016 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%	-	-	-	-	91,182,245	91,182,245	
Bond surcharge					-	-	88,181	88,181	-	1,978,576	1,978,576
					-	-	88,181	88,181	-	93,160,821	93,160,821

#### As of December 31, 2015

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current				Non-Current		
					Maturity			Total Current at 12.31.2015 Th\$	Maturity		Total Non-Current at 12.31.2015 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%	-	-	-	-	-	89,701,815	89,701,815
Bond surcharge					-	-	86,749	86,749	-	2,003,484	2,003,484
					-	-	86,749	86,749	-	91,705,299	91,705,299

### **Risk Rating**

As of June 30, 2016, 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 as of June 30, 2016, with the covenants is shown below:

Covenants	Amount	Compliance
Minimum equity (Th\$)	132,861,093	Yes
Indebtedness	0.85	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.

## **15. Trade payables and other accounts payable, current**

Type of Supplier	06.30.2016	12.31.2015
	Th\$	Th\$
LPG	15,859,630	4,499,326
Other suppliers	16,559,302	13,294,536
Withholdings and other taxes	5,444,869	4,252,989
<b>Total trade payables and other accounts payable</b>	<b>37,863,801</b>	<b>22,046,851</b>

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 supplier accounts payable as of June 30, 2016 and December 31, 2015, was 21 days and 23 days, respectively.

### 15.1 Trade payables and other accounts payable, non-current

Type of Supplier	06.30.2016 Th\$	12.31.2015 Th\$
Other suppliers	22,000	36,547
<b>Total non-current trade payables and other accounts payable</b>	<b>22,000</b>	<b>36,547</b>

### 16. Other provisions, current

As of June 30, 2016 and December 31, 2015, this account is itemized as follows:

Type of Provision	06.30.2016 Th\$	12.31.2015 Th\$
Lawsuits (*)	160,039	230,123
Administrative proceedings		337,162
<b>Total other provisions</b>	<b>160,039</b>	<b>567,285</b>

(\*) As of June 30, 2016, the subsidiary Lima Gas S.A. has ongoing penalty proceedings.

### 17. Provisions for employee benefits, current and non-current

#### 17.1 Current provisions

As of March 31 2016 and December 31, 2015, this account is itemized as follows:

Type of Provision	06.30.2016 Th\$	12.31.2015 Th\$
Personnel liabilities (bonuses, profit-share and others)	1,493,583	2,013,419
<b>Total accumulated liabilities</b>	<b>1,493,583</b>	<b>2,013,419</b>

#### 17.2 Non-current provisions

Balances and movement of this account as of June 30, 2016 and December 31, 2015 are as follows:

Post-employment benefits	06.30.2016 Th\$	12.31.2015 Th\$
Opening Balance	2,071,061	2,908,396
Actuarial variables	80,199	(466,451)
Payments	(7,272)	(631,087)
Accrual	105,276	260,203
<b>Total</b>	<b>2,249,264</b>	<b>2,071,061</b>

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

Balances and movement of this account as for the 2016 period and the 2015 fiscal year are as follows:

Other non-current liabilities	06.30.2016 Th\$	12.31.2015 Th\$
Opening Balance	31,671,120	25,541,956
Deposits	455,454	1,570,206
Translation differences movement	32,819	(431,140)
Returns	(16,187)	(301,314)
Adjustment to present value	1,338,025	5,291,412
<b>Ending balance</b>	<b>33,481,231</b>	<b>31,671,120</b>

The liability for customer guarantees for cylinders and tanks as of June 30, 2016 totaled Th\$63,351,437 (Th\$61,140,411 at December 31, 2015), 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, 2016 and December 31, 2015, the subscribed and paid-in capital totaled Th\$129,242,454.

Additionally, by decision of the Special Shareholders' Meeting held July 29, 2015, a capital increase was established in the amount of Th\$192,339,407, which has only been issued as of this date.

The Company aims to manage capital so as 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, 2016 and December 31, 2015, the Company's capital is represented by 113,574,515 shares without par value.

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.

### 19.3 Dividends

During the period ended June 30, 2016, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th\$16,079,442 as follows:

#### Interim

Date	Th\$
03.30.2016	4,300,000
06.29.2013	8,800,000
<b>Sub total</b>	<b>13,100,000</b>

#### Final

Date	Th\$
03.30.2016	2,979,442
<b>Sub total</b>	<b>2,979,442</b>

<b>Total</b>	<b>16,079,442</b>
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During the fiscal year ended December 31, 2015, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th\$35,071,006 as follows:

#### Interim

Date	Th\$
03-25-2015	5,000,000
06-24-2015	9,000,000
09-30-2015	13,000,000
12-16-2015	6,000,000
<b>Sub total</b>	<b>33,000,000</b>

#### Final

Date	Th\$
04-29-2015	2,071,006
<b>Sub total</b>	<b>2,071,006</b>

<b>Total</b>	<b>35,071,006</b>
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#### 19.4 Non-controlling interests

As of June 30, 2016 and December 31, 2015, this account is itemized as follows:

Subsidiary	Country of Origin	Non-controlling percentage interest in subsidiary		06.30.2016		12.31.2015	
				Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests	Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests
		2016	2015	Th\$	Th\$	Th\$	Th\$
Norgas S.A.	Chile	42.00%	42.00%	1,373,707	20,370	1,479,338	140,661
Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	Chile	0.00%	0.00%	9	-	9	-
<b>Total</b>				<b>1.373.716</b>	<b>20.370</b>	<b>1,479,347</b>	<b>140,661</b>

#### 19.5 Reconciliation of the movement in other comprehensive income reserves

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\$
<b>After-tax gain (loss)</b>	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)
<b>Total movement in the fiscal period</b>	<b>(1,078,108)</b>	<b>-</b>	<b>(1,078,108)</b>
<b>Income tax on the components of other comprehensive income</b>	<b>226,274</b>	<b>-</b>	<b>226,274</b>
<b>Total comprehensive income</b>	<b>17,235,638</b>	<b>20,370</b>	<b>17,256,008</b>

Movements as of June 30, 2015:

Movement in other comprehensive income as of 06.30.2015	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th\$	Net Amount Th\$	Net Amount Th\$
<b>After-tax gain (loss)</b>	14,442,523	43,641	14,486,164
Gains (losses) from translation differentials, before taxes	4,399	-	4,399
Other comprehensive income, actuarial gains (losses) from defined benefits plans	16,033	-	16,033
Gains (losses) on cash flow hedges, before taxes	285,997	-	285,997
<b>Total movement in the fiscal period</b>	<b>306,429</b>	<b>-</b>	<b>306,429</b>
<b>Income tax on the components of other comprehensive income</b>	<b>(64,388)</b>	<b>-</b>	<b>(64,388)</b>
<b>Total comprehensive income</b>	<b>14,684,564</b>	<b>43,641</b>	<b>14,728,205</b>

## 20. Earnings per share

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

Earnings per share used to calculate the basic share and diluted share as of June 30, 2016 and 2015 is the following:

Per-share profit	01.01.2016 through 06.30.2016	01.01.2015 through 06.30.2015	04.01.2016 through 06.30.2016	04.01.2015 Through 06.30.2015
Profit attributable to shareholders (Th\$)	18,087,472	14,442,523	10,756,455	8,931,079
Weighted average number of shares	113,574,515	113,574,515	113,574,515	113,574,515
<b>Earnings per basic and diluted share (in pesos)</b>	<b>159.26</b>	<b>127.16</b>	<b>94.71</b>	<b>78.64</b>

## 21. Revenue and other income by function

For the periods ended June 30, 2016 and 2015, the itemization of revenue is as follows:

Revenue	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
Revenue from gas sales (LPG - natural gas - LNG)	191,865,384	170,514,144	108,326,917	92,904,189
Revenue from the sale of other fuels	1,254,365	1,526,543	725,304	755,349
Revenue from the sale of facilities	825,046	648,838	312,973	314,533
Revenue from meter leases	1,179,127	1,104,848	586,246	545,283
Revenue from other sales and services	564,681	765,861	300,109	518,711
<b>Total revenue</b>	<b>195,688,603</b>	<b>174,560,234</b>	<b>110,251,549</b>	<b>95,038,065</b>

The Company has not accounted for income by product line since revenue comes primarily from LPG, which represents more than 95% of total revenue.

### 21.1 Other income by function

As of June 30, 2016 and 2015, the itemization of other income is as follows:

Other income by function	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
Commercial interest	363,032	528,155	311,573	273,810
<b>Total other income by function</b>	<b>363,032</b>	<b>528,155</b>	<b>311,573</b>	<b>273,810</b>

## 22. Costs and expenses by function broken down by nature

As of June 30, 2016 and 2015, 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 06.30.2016 Th\$
Gas purchases(*)	108,916,685	-	-	-	108,916,685
Depreciation	8,377,337	-	-	-	8,377,337
Amortization	501,619	-	-	-	501,619
Wages and salaries	1,652,577	3,032,520	3,697,295	1,653,689	10,036,081
Benefits	264,261	1,339,195	480,049	184,167	2,267,672
Mandatory expenses	112,474	353,083	417,900	123,125	1,006,582
Cylinder and tank maintenance	7,290,286	1,353,284	620,393	112,342	9,376,305
Other expenses	1,238,074	6,878,873	2,900,039	311,076	11,328,062
Advertising	-	112	936,042	-	936,154
Freight	239,525	24,470	-	13,106,093	13,370,088
Promotional campaigns	-	14,814	1,168,730	-	1,183,544
<b>Balances as of 06.30.2016</b>	<b>128,592,838</b>	<b>12,996,351</b>	<b>10,220,450</b>	<b>15,490,492</b>	<b>167,300,129</b>

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total as of 06.30.2015 Th\$
Gas purchases (*)	98,866,218	-	-	-	98,866,218
Depreciation	7,206,417	-	-	-	7,206,417
Amortization	503,322	-	-	-	503,322
Wages and salaries	1,673,487	2,805,467	3,209,977	1,288,285	8,977,216
Benefits	293,923	1,094,721	399,197	185,257	1,973,098
Mandatory expenses	137,599	310,168	441,469	114,567	1,003,803
Cylinder and tank maintenance	6,155,125	885,429	533,863	50,904	7,625,321
Other expenses	1,399,239	6,374,489	1,963,884	745,834	10,483,446
Advertising	-	-	566,414	-	566,414
Freight	31,113	4,133	31	10,649,358	10,684,635
Promotional campaigns	(115)	369	851,150	-	851,404
<b>Balances as of 06.30.2015</b>	<b>116,266,328</b>	<b>11,474,776</b>	<b>7,965,985</b>	<b>13,034,205</b>	<b>148,741,294</b>

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

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total 04.01.2016 through 06.30.2016 Th\$
Gas purchases (*)	61,711,952	-	-	-	61,711,952
Depreciation	4,284,573	-	-	-	4,284,573
Amortization	265,841	-	-	-	265,841
Wages and salaries	754,506	1,405,898	1,978,761	920,353	5,059,518
Benefits	162,653	596,070	315,625	153,504	1,227,852
Mandatory expenses	60,211	191,874	224,100	56,306	532,491
Cylinder and tank maintenance	4,078,962	715,912	337,209	66,670	5,198,753
Other expenses	698,068	3,707,852	1,518,136	206,770	6,130,826
Advertising	-	70	690,547	-	690,617
Freight	152,473	22,146	-	7,246,893	7,421,512
Promotional campaigns	-	5,443	864,135	-	869,578
<b>Balances 04.01.2016 through 06.30.2016</b>	<b>72,169,239</b>	<b>6,645,265</b>	<b>5,928,513</b>	<b>8,650,496</b>	<b>93,393,513</b>

Description	Cost of Sales Th\$	Administrative Expenses Th\$	Other Expenses, by Function Th\$	Distribution Costs Th\$	Total 04.01.2015 through 06.30.2015 Th\$
Gas purchases (*)	52,593,159	-	-	-	52,593,129
Depreciation	3,749,301	-	-	-	3,749,302
Amortization	313,148	-	-	-	313,148
Wages and salaries	957,974	1,437,652	1,580,812	526,328	4,502,766
Benefits	200,312	484,218	322,223	142,145	1,148,898
Mandatory expenses	70,627	154,248	220,785	60,701	506,361
Cylinder and tank maintenance	2,917,744	441,411	264,700	28,915	3,652,770
Other expenses	650,982	3,066,931	1,901,530	74,497	5,693,940
Advertising	-	-	383,941	-	383,941
Freight	7,164	(1,052)	-	5,912,573	5,918,685
Promotional campaigns	(115)	(2,247)	470,401	-	468,039
<b>Balances 04.01.2015 through 06.30.2015</b>	<b>61,460,296</b>	<b>5,581,161</b>	<b>5,144,392</b>	<b>6,745,159</b>	<b>78,931,008</b>

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

## 23. Financial income

For the periods ended June 30, 2016 and 2015, the itemization of financial income is as follows:

Financial Income	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
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### Financial income

Interest on financial instruments	336,802	194,715	161,327	135,349
Other financial income	51,943	259,044	(94,745)	87,541
<b>Total financial income</b>	<b>388,745</b>	<b>453,759</b>	<b>66,582</b>	<b>222,890</b>

### Financial costs

Expenses of bank loans	(423,896)	(2,152,173)	(240,954)	(888,975)
Financial lease expenses	(824,143)	(402,766)	(453,965)	(295,612)
Bond interest	(1,522,695)	(552,322)	(777,320)	(552,322)
Other financial expenses	(28,284)	(6,348)	(13,742)	14,648
Adjustment of other non-current liabilities	(1,419,743)	(2,108,881)	(996,634)	(1,261,051)
<b>Total financial costs</b>	<b>(4,218,761)</b>	<b>(5,222,490)</b>	<b>(2,482,615)</b>	<b>(2,983,312)</b>

### Exchange differences

Positive	224,944	490,298	221,765	489,316
Negative	-	(568,671)	(197,174)	(284,176)
<b>Total exchange differences</b>	<b>224,944</b>	<b>(78,373)</b>	<b>24,591</b>	<b>205,140</b>

### Profit (loss) on adjustment units

Bond debt	(1,521,920)	(932,397)	(865,944)	(932,397)
Financial leases	(321,901)	(118,138)	(181,860)	(116,739)
<b>Total profit (loss) on adjustment units</b>	<b>(1,843,821)</b>	<b>(1,050,535)</b>	<b>(1,047,804)</b>	<b>(1,049,136)</b>

<b>Total Financial Income</b>	<b>(5,448,893)</b>	<b>(5,897,639)</b>	<b>(3,439,246)</b>	<b>(3,604,418)</b>
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## 23.1 Other gains (losses)

Other Gains (Losses)	01.01.2016 through 06.30.2016 Th\$	01.01.2015 through 06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
Retirement of property, plant and equipment	(14,770)	(2,198,306)	(7,875)	(2,176,151)
Profit (loss) on the sale of property, plant & equipment	(15,382)	997	(15,623)	(12,851)
Other gains (losses)	666,380	93,336	676,920	292,789
<b>Total other gains (losses)</b>	<b>636,228</b>	<b>(2,103,973)</b>	<b>653,422</b>	<b>(1,896,213)</b>

## 24. Number of employees and payroll cost

The average number of employees for the 2016 period and 2015 fiscal year was 1,624 and 1,524, respectively

As of June 30, 2016 and December 31, 2015, the Company employed 1,620 and 1,519 employees respectively, distributed according to the following table:

Employees	06.30.2016	12.31.2015
Executives	25	19
Professionals and technicians	857	758
Others	738	742
<b>Total Employees</b>	<b>1,620</b>	<b>1,519</b>

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

Item	06.30.2016 Th\$	06.30.2015 Th\$	04.01.2016 through 06.30.2016 Th\$	04.01.2015 through 06.30.2015 Th\$
Wages and salaries	10,036,080	8,977,216	5,059,517	4,502,766
Benefits	2,267,672	1,973,098	1,227,852	1,148,898
Mandatory expenses	1,006,581	1,003,803	532,490	506,361
<b>Total payroll cost</b>	<b>13,310,333</b>	<b>11,954,117</b>	<b>6,819,859</b>	<b>6,158,025</b>

## 25. Financial information by segment

The Company discloses financial items by operating segment based on the geographic area of the countries where the Company does business: 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,

More than 95% of revenue is generated by LPG and 100% corresponds to external clients, and no inter-segment revenue was generated.

At the close of these interim 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, 2016 and December 31, 2015 for the statement of financial position, the statements of income and statement of direct cash flow (figures in Th\$):

## 25.1 Statement of financial position by segment

As of June 30, 2016	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
<b>Total operating assets</b>	242,631,663	41,967,569	75,831,584	360,430,816
<b>Total operating liabilities</b>	90,656,353	8,230,781	15,468,068	114,355,202
<b>Total investment by segment</b>	151,975,310	33,736,788	60,363,516	246,075,614
<b>Financing</b>				113,214,521
<b>Total Investment</b>				132,861,093
<b>Equity:</b>				
Issued capital				129,242,454
Other reserves				(2,795,966)
Gains (accumulated losses)				5,040,889
<b>Non-controlling interests</b>				1,373,716
<b>Total equity</b>				132,861,093

As of December 31, 2015	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
<b>Total operating assets</b>	228,601,007	39,982,992	40,744,849	309,328,848
<b>Total operating liabilities</b>	68,226,564	7,892,782	13,982,296	90,101,642
<b>Total investment by segment</b>	160,374,443	32,090,210	26,762,553	219,227,206
<b>Financing</b>				87,416,677
<b>Total Investment, net</b>				131,810,529
<b>Equity:</b>				
Issued capital				129,242,454
Other reserves				(1,944,131)
Gains (accumulated losses)				3,032,859
<b>Non-controlling interests</b>				1,479,347
<b>Total equity</b>				131,810,529

## 25.2 Statement of income by segment

(figures in Th\$)

Statement of Income by Function	Chile		Colombia		Peru		Total Lipigas Group	
	01.01.2016 through 06.30.2016	01.01.2015 through 06.30.2015	01.01.2016 through 06.30.2016	01.01.2015 through 06.30.2015	01.01.2016 through 06.30.2016	01.01.2015 through 06.30.2015	01.01.2016 through 06.30.2016	01.01.2015 through 06.30.2015
Revenue	136,031,125	130,117,712	18,077,117	16,399,586	41,580,361	28,042,936	195,688,603	174,560,234
Purchases allocated to cost of sales	(70,812,460)	(73,364,261)	(10,457,227)	(7,124,688)	(27,646,995)	(18,377,266)	(108,916,682)	(98,866,215)
Cost of sales (excluding depreciation and amortization)	(7,882,352)	(7,303,331)	(637,059)	(737,724)	(2,277,789)	(1,649,319)	(10,797,200)	(9,690,374)
Other income by function	363,032	528,155	-	-	-	-	363,032	528,155
Other operating expenses	(25,693,886)	(22,663,413)	(5,036,030)	(5,424,680)	(7,977,375)	(4,386,873)	(38,707,291)	(32,474,966)
Depreciation and amortization	(6,520,004)	(5,914,681)	(894,933)	(975,387)	(1,464,019)	(819,671)	(8,878,956)	(7,709,739)
<b>Operating profit (loss)</b>	<b>25,485,455</b>	<b>21,400,181</b>	<b>1,051,868</b>	<b>2,137,107</b>	<b>2,214,183</b>	<b>2,809,807</b>	<b>28,751,506</b>	<b>26,347,095</b>
Non-operating profit (loss)							(4,812,665)	(8,001,612)
<b>Profit (loss) before taxes</b>							<b>23,938,841</b>	<b>18,345,483</b>
<b>Income tax</b>							<b>(5,830,999)</b>	<b>(3,859,319)</b>
<b>Profit (loss)</b>							<b>18,107,842</b>	<b>14,486,164</b>

Statement of Income by Function	Chile		Colombia		Peru		Total Lipigas Group	
	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015	04.01.2016 through 06.30.2016	04.01.2015 through 06.30.2015
Revenue	79,066,469	72,540,047	9,222,835	8,196,767	21,962,245	14,301,251	110,251,549	95,038,065
Purchases allocated to cost of sales	(41,758,843)	(39,820,045)	(5,345,148)	(3,500,780)	(14,607,958)	(9,272,301)	(61,711,949)	(52,593,126)
Cost of sales (excluding depreciation and amortization)	(4,204,874)	(3,799,998)	(279,757)	(372,780)	(1,422,246)	(631,942)	(5,906,877)	(4,804,720)
Other income by function	311,573	273,810	-	-	-	-	311,573	273,810
Other operating expenses	(14,273,553)	(12,343,469)	(2,608,659)	(2,635,928)	(4,342,061)	(2,491,315)	(21,224,273)	(17,470,712)
Depreciation and amortization	(3,285,596)	(3,156,423)	(468,299)	(493,288)	(796,518)	(412,739)	(4,550,413)	(4,062,450)
<b>Operating profit (loss)</b>	<b>15,855,176</b>	<b>13,693,922</b>	<b>520,972</b>	<b>1,193,991</b>	<b>793,462</b>	<b>1,492,953</b>	<b>17,169,610</b>	<b>16,380,867</b>
Non-operating profit (loss)							(2,785,824)	(5,329,130)
<b>Profit (loss) before taxes</b>							<b>14,383,786</b>	<b>11,051,739</b>
<b>Income tax</b>							<b>(3,640,121)</b>	<b>(2,091,821)</b>
<b>Profit (loss)</b>							<b>10,743,665</b>	<b>8,959,918</b>



### 25.3 Statement of direct cash flow by segment

(Figures in Th\$)

<u>Statement of direct cash flow by segment as of June 2016</u>	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 period or fiscal year				31,214,918
Cash and cash equivalent at the end of the period or fiscal year				21,231,860

<u>Statement of direct cash flow by segment as of June 2015</u>	Segments			Total for Lipigas Group
	Chile	Colombia	Peru	
Net cash flow from (used in) operating activities	18,506,346	2,498,543	2,755,479	23,760,368
Net cash flow from (used in) investing activities	(10,317,339)	(1,157,160)	(1,218,501)	(12,693,000)
Net cash flow from (used in) financing activities				4,942,582
Effects of the variation of the exchange rate on cash and cash equivalent				(68,990)
Net increase (decrease) in cash and cash equivalent				15,940,960
Cash and cash equivalent at the beginning of the period or fiscal year				9,671,802
Cash and cash equivalent at the end of the period or fiscal year				25,612,762

## 26. Foreign currency balances

Foreign currency balances are shown below for the period ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively:

Foreign Currency Summary	Currency of origin	Total assets 06.30.2016 Th\$	Total assets 12.31.2015 Th\$	Foreign Currency Summary	Currency of origin	Total liabilities 06.30.2016 Th\$	Total liabilities 12.31.2015 Th\$
Current assets	USD	1,083,355	328,758	Current liabilities	USD	8,882,257	2,651,490
Current assets	COP	4,701,278	4,647,580	Current liabilities	COP	2,874,548	2,980,321
Current assets	PEN	12,254,760	9,386,198	Current liabilities	PEN	18,706,229	4,163,213
Non-current assets	COP	37,390,886	35,888,854	Non-current liabilities	COP	9,569,307	9,162,709
Non-current assets	PEN	55,401,363	25,177,005	Non-current liabilities	PEN	7,618,903	6,973,732
Non-current assets	USD	1,255,853	-	Non-current liabilities	USD	374,678	-
<b>Total assets</b>		<b>112,087,495</b>	<b>75,428,395</b>	<b>Total liabilities</b>		<b>48,025,922</b>	<b>25,931,465</b>

Balances for current and non-current assets in a foreign currency are shown below for the period ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively:

Current assets in a foreign currency	Currency of origin	Total current assets 06.30.2016 Th\$	Total current assets 12.31.2015 Th\$
Cash and cash equivalent	USD	916,600	81,781
Cash and cash equivalent	COP	124,595	632,951
Cash and cash equivalent	PEN	2,101,762	4,710,647
Other financial assets	USD	2,399	246,977
Assets classified as held for sale	COP	58,080	58,080
Trade receivables and other accounts receivable	USD	164,356	-
Trade receivables and other accounts receivable	COP	3,572,729	2,708,989
Trade receivables and other accounts receivable	PEN	8,001,421	3,863,382
Inventories	COP	616,048	653,457
Inventories	PEN	1,159,515	787,398
Tax assets	COP	120,079	242,286
Tax assets	PEN	729,583	-
Other non-financial assets	COP	209,747	351,817
Other non-financial assets	PEN	262,479	24,771
<b>Total current assets</b>		<b>18,039,393</b>	<b>14,362,536</b>

## 26. Foreign currency balances (continued)

Non-current assets in a foreign currency	Currency of origin	Total non-current assets 06.30.2016 Th\$	Total non-current assets 12.31.2015 Th\$
Investments accounted for using the equity method	COP	140,095	283,153
Intangible assets other than goodwill	COP	3,009,239	2,903,635
Intangible assets other than goodwill	PEN	465,482	47,629
Property, plant and equipment	COP	32,450,896	30,978,115
Property, plant and equipment	PEN	44,946,937	25,111,908
Goodwill	COP	1,233,789	1,180,146
Goodwill	PEN	9,988,944	-
Other non-financial assets	COP	556,867	523,819
Other non-financial assets	USD	1,255,853	17,468
Deferred tax assets	COP	-	19,986
<b>Total non-current assets</b>		<b>94,048,102</b>	<b>61,065,859</b>
<b>Total assets</b>		<b>112,087,495</b>	<b>75,428,395</b>

Current and non-current liabilities in a foreign currency are shown below for the period ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively:

Current liabilities in a foreign currency	Currency of origin	Total current liabilities 06.30.2016 Th\$	Total current liabilities 12.31.2015 Th\$
Other financial liabilities	USD	2,727,209	-
Other financial liabilities	COP	596,531	637,623
Other financial liabilities	PEN	11,198,988	412,465
Trade payables and other accounts payable	USD	6,155,048	2,651,490
Trade payables and other accounts payable	COP	2,147,419	2,266,701
Trade payables and other accounts payable	PEN	6,699,875	2,349,111
Accounts payable to related entities	COP	84,800	-
Other provisions	COP	11,101	75,997
Other provisions	PEN	148,938	154,126
Tax liabilities	PEN	-	406,903
Other non-financial liabilities	PEN	136,730	191,429
Employee benefit provisions, current	COP	34,697	-
Employee benefit provisions, current	PEN	521,698	649,179
<b>Total current liabilities</b>		<b>30,463,034</b>	<b>9,795,024</b>

## 26. Foreign currency balances (continued)

Non-Current Liabilities in a Foreign Currency	Currency of origin	Total non-current liabilities 06.30.2016 Th\$	Total non-current liabilities 12.31.2015 Th\$
Other financial liabilities	USD	365,956	-
Other financial liabilities	COP	3,616,542	3,690,374
Other financial liabilities	PEN	1,249,850	1,018,627
Trade payables and other accounts payable	COP	21,994	-
Trade payables and other accounts payable	USD	8,722	-
Deferred tax liabilities	COP	206,766	125,399
Deferred tax liabilities	PEN	3,083,518	2,909,229
Other non-financial liabilities	COP	5,724,005	5,346,936
Other non-financial liabilities	PEN	3,285,535	3,045,876
<b>Total non-current liabilities</b>		<b>17,562,888</b>	<b>16,136,441</b>
<b>Total liabilities</b>		<b>48,025,922</b>	<b>25,931,465</b>

## 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 Transportes Transviña Ltda. and from the Company as a jointly and severally liable party,

Amount: Th\$700,000

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\$78,156.

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\$6,953,133

Status : In process

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 have 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\$991,021). They claim was answered and the reply and counter-suit were filed. 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 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.

## **27.2 Lima Gas S.A.**

### **JUDICIAL**

Lawsuit : "Osinermin vs. Lima Gas S.A."

Court: Lima

Matter: Price differential

Amount provisioned: Th\$52,700

Status: In process

### **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 Company's 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.

### **27.3 Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.**

#### **JUDICIAL**

Lawsuit: "Industry and Commerce Superintendence vs. Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.,"

Subject: Administrative penalty

Amount: Th\$69,480

Status : In process

#### **LABOR**

Lawsuit: "Department of Labor vs. Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.,"

Subject: Legal breaches

Amount: Th\$65,016

Status : Under appeal

### **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 ending June 30, 2016 and the fiscal year ending December 31, 2015, except for the sanctioning procedure started by Chile's Superintendence of Electricity and Fuels (SEC), which was appealed by the Company and in which, on May 5, 2016, Chile's Honorable Supreme Court reduced the administrative fine imposed by the SEC on the Company from UTM 15,000 (Th\$ 684,495) to UTM 10,000 (Th\$ 456,330), amount that was paid during May 2016.

### **29. Guarantees committed to third parties**

The Company held guaranty receipts issued by different banks to third parties at the close of the period ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively, itemized below:

**2016**

Beneficiary	Currency	Country	Amount Th\$	Date
Dirección de Obras y Contratación Pública	CLP	Chile	3,000	02-28-2017
Hospital Puerto Montt servicio de Salud del Reloncaví	CLP	Chile	8,897	08-31-2016
Empresa Nacional de Minería	CLP	Chile	1,796	08-31-2016
Ilustre Municipalidad de Pedro Aguirre Cerda	CLP	Chile	489	12-12-2016
Ministerio de Educación Subsecretaria	CLP	Chile	780	11-15-2016
Minera Meridian Ltda.	UF	Chile	48,509	04-02-2018
Hospital San José Casablanca	CLP	Chile	412	07-12-2018
Ilustre Municipalidad de Lumaco – Depto. de Educación Comunal	CLP	Chile	100	08-31-2017
Servicio de Salud de Reloncaví	CLP	Chile	1,500	08-02-2016
Hospital San José - Casablanca	CLP	Chile	412	07-12-2018
Hospital Regional de Talca	CLP	Chile	51,384	02-06-2020
Servicio de Salud Metropolitano Sur	CLP	Chile	13,627	12-12-2016
Municipalidad de San Carlos	CLP	Chile	1,000	01-02-2017
Ilustre Municipalidad de Curacaví	CLP	Chile	250	10-31-2017
Ilustre Municipalidad de Purranque	CLP	Chile	2,212	01-02-2018
Ilustre Municipalidad de Coronel	CLP	Chile	3,100	12-01-2016
Hospital de Niños Roberto del Río	CLP	Chile	341	03-01-2018
Dirección de Compras y Contratación Pública	CLP	Chile	3,000	01-13-2020
Policía de Investigaciones de Chile	CLP	Chile	400	01-02-2019
Jefatura de Bienestar de la PDI	CLP	Chile	5,587	02-28-2017
Serviu Región Metropolitana	UF	Chile	602	03-29-2019
Caja de Revisión de la Defensa Nacional	CLP	Chile	1,000	08-05-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Agencia Chilena de Eficiencia Energética	CLP	Chile	1,000	08-08-2016
Hospital de Puerto Aysen	CLP	Chile	500	07-05-2016
Empresa Nacional de Minería	CLP	Chile	1,000	07-18-2016
Caja de Revisión de la Defensa Nacional	CLP	Chile	8,000	08-30-2018
Dirección de Contabilidad de la Armada	CLP	Chile	452	04-10-2017
Serviu Región Metropolitana	UF	Chile	602	06-28-2019
Inmobiliaria Mall Viña del Mar S.A.	UF	Chile	13,884	08-01-2016
Subsecretaria del Medio Ambiente	CLP	Chile	8,700	06-30-2017
I. Municipalidad de los Lagos	CLP	Chile	290	10-30-2017
Ilustre Municipalidad de Curicó	CLP	Chile	200	08-30-2016
I. Municipalidad de Peumo	CLP	Chile	50	02-28-2017
Subsecretaria del Medio Ambiente	CLP	Chile	8,700	08-31-2017
Servicio de Salud Hospital de San Fernando	CLP	Chile	2,209	02-26-2017
Fisco de Chile – Directora Regional de Aduana de Valparaíso.	CLP	Chile	66,137	01-05-2017
Dirección Regional de Aduanas Antofagasta	CLP	Chile	132,274	10-08-2016
Seguros Colpatria (Ecopetrol)	COP	Colombia	460,000	01-01-2017
Seguros Colpatria (Cenit)	COP	Colombia	90,390	09-30-2016

**2016 (continued)**

Beneficiary	Currency	Country	Amount Th\$	Date
Seguros Colpatría (Reficar)	COP	Colombia	299,000	01-01-2017
Petrocorp S.A.	PEN	Peru	53,224	09-19-2016
Petrocorp S.A.	PEN	Peru	638,687	09-19-2016
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	420,374	04-02-2017
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	271,785	09-19-2016
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	82,018	10-06-2016
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	492,887	01-04-2017
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	278,281	09-25-2016
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	100,181	01-04-2017
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	547,255	01-04-2017
Gas Natural de Lima y Callao S.A - Calidda	PEN	Peru	73,981	10-04-2016
Gazel Peru Sac - Eds el Condor	PEN	Peru	36,731	05-07-2017
Gazel Peru Sac - Eds el Ovado	PEN	Peru	36,731	05-07-2017
Gazel Peru Sac - Eds Rimac	PEN	Peru	35,612	01-22-2017
Gazel Peru S.A. - Eds Luisagas	PEN	Peru	37,472	05-14-2017
Gazel Peru S.A. - Eds Villasol	PEN	Peru	39,491	04-30-2017
Gazel Peru S.A. - Eds Gohan	PEN	Peru	38,067	04-30-2017
Peruana de Combustibles S.A. - Peruana de Estaciones de Servicios Sac	PEN	Peru	44,542	07-07-2016
Textiles Camones	PEN	Peru	106,037	02-09-2017
Neogas Peru S.A.: Inkabor Sac	PEN	Peru	129,068	04-16-2017
Neogas Peru S.A.: Cerámicos Peruanos S.A.	PEN	Peru	232,855	10-10-2016
Neogas Peru S.A.: Fabrica Peruana Eternit S.A. - Eternit	PEN	Peru	76,485	09-07-2016
Neogas Peru S.A.: Cogorno S.A.	PEN	Peru	32,865	01-31-2017
Neogas Peru S.A.: Aceros Chilca Sac	PEN	Peru	141,004	03-29-2017
PetroPeru	PEN	Peru	1,274,332	02-03-2017
Pluspetrol	PEN	Peru	845,208	02-04-2017
Marina de Guerra	PEN	Peru	7,194	11-27-2016
Marina de Guerra	PEN	Peru	17,298	07-14-2016
Marina de Guerra	PEN	Peru	5,085	07-30-2017
Marina de Guerra	PEN	Peru	4,658	05-17-2017
Inabif	PEN	Peru	20,450	07-16-2016
Inversiones San Borja S.A.	PEN	Peru	13,757	01-04-2017
Administradora Jockey Plaza Shopping Center S.A.	PEN	Peru	11,269	04-23-2017
YPFB Yacimientos Petrolíferos- Stand By	PEN	Peru	490,221	09-09-2016
Minera las bambas	PEN	Peru	56,347	04-02-2017
Universidad Nacional Mayor de San Marcos	PEN	Peru	2,012	06-11-2017



**2015**

Beneficiary	Currency	Country	Amount	Date
Constructora San Francisco	UF	Chile	1,167	01-07-2016
Inmobiliaria Mall de Viña del Mar	UF	Chile	13,190	05-05-2016
Minera Meridian Ltda,	UF	Chile	46,256	04-02-2018
Dirección de Obras y Contratación Pública	CLP	Chile	3,000	02-28-2017
Hospital Puerto Montt Servicio de Salud del Reloncaví	CLP	Chile	8,897	08-31-2016
Empresa Nacional de Minería	CLP	Chile	1,796	08-31-2016
Ilustre Municipalidad de Pedro Aguirre Cerda	CLP	Chile	489,000	12-12-2016
Director de Vialidad	CLP	Chile	1,093	02-12-2016
Ilustre Municipalidad de Los Muermos	CLP	Chile	500,000	03-31-2017
Subsecretaría de Educación	CLP	Chile	780,000	11-15-2016
Hospital San José Casablanca	CLP	Chile	412,000	07-12-2018
Ilustre Municipalidad de Lumaco- Depto. de Educación Comunal	CLP	Chile	100,000	08-31-2017
Tesorería del Estado Mayor General de Ejército	CLP	Chile	10,700	03-31-2016
Servicio de Salud de Chiloé	CLP	Chile	6,000	02-01-2016
Tesorería del Estado Mayor General de Ejército	CLP	Chile	10,700	03-31-2016
Servicio de Salud de Reloncaví	CLP	Chile	1,500	08-02-2016
Ilustre Municipalidad de San Joaquín	CLP	Chile	3,000	01-04-2016
Consejo Nacional de la Cultura y las Artes	CLP	Chile	2,150	03-31-2016
Hospital San José Casablanca	CLP	Chile	412,000	07-12-2018
Carabineros de Chile IX Zona Araucanía	CLP	Chile	150,000	01-25-2016
Ilustre Municipalidad de Rancagua	CLP	Chile	1,281	03-18-2016
Servicio de Salud Metropolitano Norte	CLP	Chile	3,567	02-01-2016
Hospital Regional de Talca	CLP	Chile	51,384	02-06-2020
Ilustre Municipalidad de Osorno	CLP	Chile	300,000	03-01-2016
Servicio de Salud Metropolitano Sur	CLP	Chile	13,627	10-12-2016
Servicio de Salud Metropolitano Sur	CLP	Chile	13,627	12-12-2016
Sub secretaria para las Fuerzas Armadas	CLP	Chile	3,000	05-30-2016
Ilustre Municipalidad de San Carlos	CLP	Chile	1,000	01-02-2017
Ilustre Municipalidad de Curacaví	CLP	Chile	250,000	10-31-2017
Subsecretaria Para Las Fuerzas Armadas	CLP	Chile	300,000	05-30-2016
Ilustre Municipalidad de Purranque	CLP	Chile	2,212	01-02-2018
Servicio de Salud Hospital de San Fernando	CLP	Chile	2,209	02-26-2017
Ilustre Municipalidad de El Bosque	CLP	Chile	300,000	01-28-2016
Ilustre Municipalidad de Coronel	CLP	Chile	3,100	12-01-2016
Hospital de Niños Roberto del Río	CLP	Chile	341,000	01-02-2018
Hospital de Niños Roberto del Río	CLP	Chile	341,000	01-02-2018
Dirección de Obras y Contratación Pública	CLP	Chile	3,000	01-13-2020
Tesorería del Estado Mayor General de Ejército	CLP	Chile	10,654	03-31-2016
Policía de Investigaciones de Chile	CLP	Chile	400,000	01-02-2019
Jefatura de Bienestar de la PDI	CLP	Chile	5,587	02-28-2017
Servicio de Salud Hospital San Fernando	CLP	Chile	2,209	02-26-2017
Dirección Regional de Aduanas Antofagasta	CLP	Chile	135,718	10-08-2016
PetroPeru	PEN	Peru	1,318,722	02-08-2016
Pluspetrol	PEN	Peru	874,650	02-09-2016
Banco Central de Reserva del Peru	PEN	Peru	1,331	04-06-2016
Seguros Colpatria (Ecopetrol)	COP	Colombia	594,000	08-01-2016
Seguros Colpatria (Cenit)	COP	Colombia	86,460	09-30-2016
Seguros Colpatria (Reficar)	COP	Colombia	28,198	08-01-2016

### 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 mitigating measures are planned for implementation shortly.

The tables below include the disbursements made and that will be made in the future regarding environmental standards for the period ending June 30, 2016 and the fiscal year ending December 31, 2015, respectively:

June 2016						
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 control system Coquimbo	Liquid industrial waste control system	Expense	Operating expenses	595	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Coquimbo	Liquid industrial waste sampling	Expense	Operating expenses	298	06-30-2016
Empresas Lipigas S.A.	Domestic residue disposal Coquimbo	Domestic residue disposal	Expense	Operating expenses	480	06-30-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Coquimbo	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	825	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste control system Antofagasta	Liquid industrial waste control system	Expense	Operating expenses	2,162	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Antofagasta	Liquid industrial waste sampling	Expense	Operating expenses	720	06-30-2016
Empresas Lipigas S.A.	Hazardous residue and mud disposal Antofagasta	Hazardous residue and mud disposal	Expense	Operating expenses	1,210	06-30-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Antofagasta	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	1,350	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste control system Concón	Liquid industrial waste control system	Expense	Operating expenses	6,800	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	4,392	06-30-2016
Empresas Lipigas S.A.	Residue disposal Concón	Residue disposal	Expense	Operating expenses	3,000	06-30-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Concón	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	16,875	06-30-2016
Empresas Lipigas S.A.	Residue disposal Rancagua	Residue disposal	Expense	Operating expenses	750	06-30-2016
Empresas Lipigas S.A.	Isokinetic sampling Maipú	Isokinetic sampling	Expense	Operating expenses	2,000	06-30-2016

June 2016						
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 sampling Maipú	Liquid industrial waste sampling	Expense	Operating expenses	2,400	06-30-2016
Empresas Lipigas S.A.	Liquid industrial waste control system Coquimbo	Liquid industrial waste control system	Expense	Operating expenses	595	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Coquimbo	Liquid industrial waste sampling	Expense	Operating expenses	298	12-31-2016
Empresas Lipigas S.A.	Domestic residue disposal Coquimbo	Domestic residue disposal	Expense	Operating expenses	480	12-31-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Coquimbo	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	825	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste control system Antofagasta	Liquid industrial waste control system	Expense	Operating expenses	2,162	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Antofagasta	Liquid industrial waste sampling	Expense	Operating expenses	720	12-31-2016
Empresas Lipigas S.A.	Hazardous residue and mud disposal Antofagasta	Hazardous residue and mud disposal	Expense	Operating expenses	1,210	12-31-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Antofagasta	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	1,350	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste control system Concón	Liquid industrial waste control system	Expense	Operating expenses	6,800	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Concón	Liquid industrial waste sampling	Expense	Operating expenses	4,392	12-31-2016
Empresas Lipigas S.A.	Residue disposal Concón	Residue disposal	Expense	Operating expenses	3,000	12-31-2016
Empresas Lipigas S.A.	ISO 14,001 maintenance Concón	ISO 14,001 maintenance	Expense	Legal compliance and environmental goals	16,875	12-31-2016
Empresas Lipigas S.A.	Residue disposal Rancagua	Residue disposal	Expense	Operating expenses	750	12-31-2016
Empresas Lipigas S.A.	Isokinetic sampling Maipú	Isokinetic sampling	Expense	Operating expenses	2,000	12-31-2016
Empresas Lipigas S.A.	Liquid industrial waste sampling Maipú	Liquid industrial waste sampling	Expense	Operating expenses	2,400	12-31-2016
<b>Total</b>					<b>87,714</b>	

December 2015						
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 analysis	Liquid industrial waste analysis Central zone Metropolitan Region	Expense	Liquid industrial waste analysis Maipú	3,956	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste analysis	Liquid industrial waste analysis North zone 2	Expense	Liquid industrial waste analysis Concón	6,330	12-31-2015
Empresas Lipigas S.A.	Disposal of hazardous residue	Hazardous residue disposal North zone 2	Expense	Hazardous residue disposal Concón	1,000	12-31-2015
Empresas Lipigas S.A.	Maintenance materials	Maintenance materials North zone 1	Expense	Maintenance materials Antofagasta and Arica	1,300	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste plant maintenance	Maintenance Liquid industrial waste plant North zone 2	Expense	Maintenance Liquid industrial waste plant Concón	6,600	12-31-2015
Empresas Lipigas S.A.	TAS plant maintenance	Maintenance TAS Plant North zone 1	Expense	Maintenance TAS plant Antofagasta	825	12-31-2015
Empresas Lipigas S.A.	Isokinetic sampling	Isokinetic sampling Central zone Metropolitan Region	Expense	Isokinetic sampling Maipú	3,823	12-31-2015
Empresas Lipigas S.A.	Recycling	Recycling Central zone Metropolitan Region	Expense	Recycling Rancagua	60	12-31-2015
Empresas Lipigas S.A.	Waste water disposal	Waste water disposal North zone 1	Expense	Wastewater disposal Iquique and Calama	4,200	12-31-2015
Empresas Lipigas S.A.	Domestic residue disposal	Domestic residue disposal North zone 2	Expense	Domestic residue disposal Norte 2 Concón - Coquimbo	2,460	12-31-2015
Empresas Lipigas S.A.	Domestic residue disposal	Domestic residue disposal South zone	Expense	Domestic residue disposal Sur	1,750	12-31-2015
Empresas Lipigas S.A.	Industrial residue disposal	Industrial residue disposal Central zone Metropolitan Region	Expense	Industrial residue disposal Central zone Metropolitan Region	3,231	12-31-2015
Empresas Lipigas S.A.	Industrial residue disposal	Industrial residue disposal North zone 1	Expense	Industrial residue disposal North zone 1	3,050	12-31-2015
Empresas Lipigas S.A.	Hazardous residue disposal	Hazardous residue disposal Central zone	Expense	Hazardous residue disposal Rancagua	84	12-31-2015
Empresas Lipigas S.A.	Hazardous residue disposal	Hazardous residue disposal North zone 1	Expense	Hazardous residue disposal North zone 1	900	12-31-2015

December 2015						
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.	Hazardous residue disposal	Hazardous residue disposal North zone 2	Expense	Hazardous residue disposal North zone 2 Concón - Coquimbo	700	12-31-2015
Empresas Lipigas S.A.	Hazardous residue disposal	Hazardous residue disposal South zone	Expense	Hazardous residue disposal South zone	900	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste disposal (mud)	Liquid industrial waste disposal (mud) North zone 1	Expense	Liquid industrial waste disposal Antofagasta and Arica	4,170	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste disposal (mud)	Liquid industrial waste disposal (mud) South zone	Expense	Liquid industrial waste disposal Lenga	250	12-31-2015
Empresas Lipigas S.A.	Petroleum tanks at plants	Petroleum tanks Central Zone plants	Expense	Petroleum tanks Rancagua plants	150	06-30-2015
Empresas Lipigas S.A.	Hazardous residue disposal	Hazardous residue disposal North zone 1	Expense	Hazardous residue disposal Antofagasta	1,000	12-31-2015
Empresas Lipigas S.A.	ISO 50001 Audit	ISO 50001 Audit Central zone	Expense	ISO 50001 Audit	1,760	09-30-2015
Empresas Lipigas S.A.	ISO 14001 Follow-up Audit	ISO 14001 Follow-up Audit Nacional	Expense	ISO 14001 Follow-up Audit	1,200	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste disposal (mud)	Liquid industrial waste analysis North zone 2	Expense	Liquid industrial waste analysis	1,190	12-31-2015
Empresas Lipigas S.A.	ISO 14,001 Maintenance (legal compliance and environmental goals)	ISO 14,001 Maintenance (legal compliance and environmental goals)	Expense	ISO 14,001 Maintenance North 1 Antofagasta	2,700	12-31-2015
Empresas Lipigas S.A.	ISO 14,001 Maintenance (legal compliance and environmental goals)	ISO 14,001 Maintenance (legal compliance and environmental goals)	Expense	ISO 14,001 Maintenance North 2 Coquimbo	1,650	12-31-2015
Empresas Lipigas S.A.	ISO 14,001 Maintenance (legal compliance and environmental goals)	ISO 14,001 Maintenance (legal compliance and environmental goals)	Expense	ISO 14,001 Maintenance North 2 Concón	30,000	12-31-2015
Empresas Lipigas S.A.	Liquid industrial waste analysis	Liquid industrial waste analysis North zone 2	Expense	Liquid industrial waste analysis Coquimbo	596	12-31-2015
Lima Gas S.A.	Plant monitoring	Plant environmental monitoring	Expense	Plant monitoring	894	03-24-2015
Lima Gas S.A.	Plant monitoring	Plant environmental monitoring	Expense	Plant monitoring	3,337	05-06-2015
Lima Gas S.A.	Plant monitoring	Plant environmental monitoring	Expense	Plant monitoring	2,647	08-31-2015

December 2015						
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.	Plant monitoring	Plant environmental monitoring	Expense	Plant monitoring	818	09-30-2015
<b>Total</b>					<b>93,531</b>	

### 31. Events occurring after the date of the consolidated intermediate financial statements

The following material events occurred in the Company's business between June 30, 2016, closing date of the interim consolidated financial statements, and the date when their publication was authorized:

#### 31.1 Dividend distribution

Pursuant to the Company's Board of Director session held June 29, 2016, dividends were paid in the amount of Th\$8,800,000 on July 20, 2016.

#### 31.2 Administrative Claim Procedure relating Empresas Lipigas S.A.

On August 10, 2016, the Company was notified of a new lawsuit filed against it by Abastecedora de Combustibles S.A. (Abastible), unjustifiably claiming the repayment of guarantees for cylinders returned in compliance with Chile's Superintendence of Electricity and Fuels Circular Letter N° 13,228. The plaintiff claims the return of clients' guarantee payments to the Company in the amount of Th\$ 7,427,595 as well as alleged expenses for storage/custody of such cylinders in the amount of UF 23,444 (Th\$ 610,765). The lawsuit has not yet been answered. According to the Company's lawyers, it has no legal grounds. Based on the history available and the procedural process, Management estimates that contingent liabilities cannot be determined as of this date.

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