EMPRESAS LIPIGAS S.A.
CONSOLIDATED FINANCIAL STATEMENTS

(in 000's of Chilean pesos – Th$)

For the fiscal years ended
December 31, 2016 and 2015

Consolidated Financial Statements

Empresas Lipigas S.A.
as of December 31, 2016 and 2015

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EMPRESAS LIPIGAS

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

ASSETS	Note	12.31.2016 Th$	12.31.2015 Th$
Cash and cash equivalent	3	18,121,977	31,214,918
Other financial assets, current	4	-	246,977
Trade receivables and other receivables, current	7	31,580,348	25,394,451
Inventories	9	16,538,407	13,397,561
Current tax assets	10	2,912,618	3,121,598
Other non-financial assets, current	6	799,084	401,985
Total Current Assets		**69,252,434**	**73,777,490**
Non-current assets or disposal groups held for sale		44,294	58,080
Total Current Assets		**69,996,728**	**73,835,570**
NON-CURRENT ASSETS			
Other financial assets, non-current	4	1,866,935	523,819
Investments accounted for using the equity method		1,100	284,913
Intangible assets other than goodwill	11	8,544,594	6,912,822
Property, plant and equipment	13	278,294,088	252,967,905
Goodwill	12	14,054,987	3,947,615
Deferred tax assets	10	912,278	537,654
Other non-financial assets, non-current	6	971,922	910,845
Total Non-Current Assets		**304,645,904**	**266,085,573**
Total Assets		**374,642,632**	**339,921,143**

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

EMPRESAS LIPIGAS

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

EQUITY AND LIABILITIES	Note	12.31.2016 Th$	12.31.2015 Th$
CURRENT LIABILITIES			
Other financial liabilities, current	14	12,219,045	3,246,995
Trade payables and other accounts payable, current	15	34,902,813	22,046,851
Other provisions, current	16	1,213,083	567,285
Tax liabilities, current	10	689,787	4,341,133
Other non-financial liabilities, current	2.23	1,680,194	1,537,823
Provisions for employee benefits, current	17	1,624,135	2,013,419
Total Current Liabilities		**52,329,057**	**33,753,506**
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	14	118,399,094	114,761,977
Trade payable and other accounts payable, current	15	862,691	36,547
Deferred tax liabilities	10	29,416,081	26,774,212
Other non-current non-financial liabilities	18	34,294,591	31,671,120
Provisions for employee benefits, non-current	17	2,132,882	2,071,061
Total Non-Current Liabilities		**185,105,339**	**175,314,917**
TOTAL LIABILITIES		**237,434,396**	**209,068,423**
EQUITY			
Issued capital	19	129,242,454	129,242,454
Other reserves	19	(4,169,881)	(1,944,131)
Accumulated earnings (losses)	19	10,907,197	2,075,050
Equity attributable to the owners of the controller		**135,979,770**	**129,373,373**
Non-controlling interests	19	1,228,466	1,479,347
Total Equity		**137,208,236**	**130,852,720**
Total Equity and Liabilities		**374,642,632**	**339,921,143**

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

EMPRESAS LIPIGAS

CONSOLIDATED INCOME STATEMENT BY FUNCTION
As of December 31, 2016 and 2015
(in 000's CLP)

STATEMENT OF INCOME BY FUNCTION	Note	12.31.2016 Th$	12.31.2015 Th$
Revenue	21	406,208,455	378,613,062
Cost of sales	22	(266,484,046)	(245,698,853)
Gross Earnings		**139,724,409**	**132,914,209**
Other income by function	21	275,849	187,570
Other expenses by function	22	(20,500,395)	(19,103,946)
Distribution costs	22	(33,452,060)	(27,035,216)
Administrative expenses	22	(25,960,501)	(23,482,907)
Financial costs	23	(7,896,870)	(10,655,003)
Financial income	23	1,384,780	1,560,788
Exchange differentials	23	386,238	(171,145)
Profit (loss) on indexation units	23	(3,150,166)	(4,269,593)
Other gains (losses)	23	616,372	(1,792,918)
Earnings (loss) before taxes		**51,427,656**	**48,151,839**
Income tax expense	10	(12,689,243)	(12,031,736)
Profit (loss)		**38,738,413**	**36,120,103**

Earnings (loss) attributable to:

Profit (loss) attributable to the owners of the controller		38,695,294	35,979,442
Profit (loss) attributable to non-controlling interests	19	43,119	140,661
Profit (loss)		**38,738,413**	**36,120,103**

Earnings per basic share

Earnings (loss) per basic share in continued operations	20	340.70	316.79
Earnings (loss) per basic share in discontinued operations		-	-
Earnings (loss) per basic share		**340.70**	**316.79**

Earnings per diluted share

Earnings (loss) per diluted share in continued operations	20	340.70	316.79
Earnings (loss) per diluted share in discontinued operations		-	-
Earnings (loss) per diluted share		**340.70**	**316.79**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As of December 31, 2016 and 2015
(in 000's CLP)

STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Profit (loss)		**38,783,413**	**36,120,103**
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		(1,420,216)	(2,648,191)
Other comprehensive income, actuarial profit (loss) from defined benefit plans		83,068	466,451
Profit (loss) from cash flow hedges, before taxes		(1,117,645)	216,972
Other comprehensive income, before taxes		**(2,454,793)**	**(1,964,768)**
Income tax on components of other comprehensive income	10.4	**229,042**	**(171,506)**
Total comprehensive income		**36,512,662**	**33,983,829**
Comprehensive income attributable to owners of the controller		36,469,543	33,843,168
Comprehensive income attributable to non-controlling interests		43,119	140,661
Total comprehensive income		**36,512,662**	**33,983,829**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the fiscal years ended December 31, 2016 and 2015
(in 000's CLP)
Year 2016

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		
							Equity attributable to the owners of the controller	Non-controlling interests	Total equity
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Restated equity as of January 1, 2016	**129,242,454**	**(2,124,016)**	**212,113**	**-32,228**	**(1,944,131)**	**2,075,050**	**129,373,373**	**1.479.347**	**130.852.720**
Changes in equity									
Comprehensive Income									
Gain (loss)	-	-	-	-	-	38,695,294	38.695.294	43.119	38.738.413
Other comprehensive income	-	(1,420,216)	-866,175	60,64	(2,225,751)	-	(2.225.751)	-	(2.225.751)
Total comprehensive income	**-**	**(1,420,216)**	**-866,175**	**60,64**	**(2,225,751)**	**38,695,294**	**36.469.543**	**43.119**	**36.512.662**
Dividends	-	-	-	-	-	(29,863,146)	(29,863,146)	-294	(30.157.146)
Total increase (decrease) in equity	**-**	**(1,420,216)**	**-866,175**	**60,64**	**(2,225,751)**	**8,832,148**	**6,606,397**	**-250.881**	**6.355.516**
Equity at December 31, 2016	**129,242,454**	**(3,544,232)**	**-654,062**	**28,412**	**(4,169,881)**	**10,907,197**	**135,979,770**	**1.228.466**	**137.208.236**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the fiscal years ended December 31, 2016 and 2015
(in 000's CLP)
Year 2015

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$	Other reserves Th$	Total other reserves Th$	Accumulated gains (losses) Th$	Equity: Equity attributable to the owners of the controller Th$	Equity: Non-controlling interests Th$	Equity: Total equity Th$
Equity at January 1, 2015	**129,242,454**	**524,175**	**40,705**	**(372,737)**	**-**	**192,143**	**2,071,006**	**131,505,603**	**1,472,335**	**132,977,938**
Increase (decrease) for mistake correction and change in accounting policies	**-**	**-**	**-**	**-**	**-**	**-**	**(957,809)**	**(957,809)**	**-**	**(957,809)**
Restated initial balance	**129,242,454**	**524,175**	**40,705**	**(372,737)**	**-**	**192,143**	**1,113,197**	**130,547,794**	**1,472,335**	**132,020,129**
Changes in equity										
Comprehensive income										
Gains (losses)	-	-	-	-	-	-	35,979,442	35,979,442	140,661	36.120.103
Other comprehensive income	-	(2,648,191)	171,408	340,509	-	**(2,136,274)**		(2,136,274)	-	(2.136.274)
Total comprehensive income	**-**	**(2,648,191)**	**171,408**	**340,509**	**-**	**(2,136,274)**	**35,979,442**	**33,843,168**	**140,661**	**33.983.829**
Dividends	-	-	-	-	-	-	(35,071,006)	(35,071,006)	**(257,380)**	(35,328,386)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	53,417	53,417	123,731	177,148
Total increase (decrease) in equity	**-**	**(2,648,191)**	**171,408**	**340,509**	**-**	**(2,136,274)**	**961,853**	**(1,174,421)**	**7,012**	**(1,167,409)**
Equity at December 31, 2015	**129,242,454**	**(2,124,016)**	**212,113**	**(32,228)**	**-**	**(1,944,131)**	**2,075,050**	**129,373,373**	**1,479,347**	**130,852,720**

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

CONSOLIDATED STATEMENT OF DIRECT CASH FLOWS
For the fiscal years ended December 31, 2016 and 2015
(in 000's CLP)

STATEMENT OF DIRECT CASH FLOW	Note	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Cash flow from (used in) operating activities			
Type of collection by operating activity			
Collection from the sale of goods and services rendered		402,873,906	370,869,740
Other collections (payments) from operating activities		2,154,194	5,618,465
Type of payment			
Payments to suppliers for goods and services		(222,802,083)	(206,359,128)
Payments to and on behalf of employees		(32,100,700)	(29,169,672)
Other payments for operating activities		(67,408,462)	(61,121,577)
Income taxes refunded (paid)		(14,352,854)	(8,551,141)
Other cash receipts (payments)		499,918	1,440,796
Net cash flow from operating activities		68,863,919	72,727,483
Cash flow from (used in) investing activities			
Cash flows used in obtaining control of subsidiaries or other businesses		(17,601,013)	-
Revenue from sales of property, plant and equipment		75,060	188,484
Purchases of intangible assets		(1,917,060)	(465,928)
Purchases of property, plant and equipment		(26,261,598)	(21,714,687)
Proceeds (payments) from other long-term assets		(695,380)	(2,273,332)
Cash and cash equivalent received through business combinations		393,908	-
Net cash flow used in investing activities		(46,006,083)	(24,265,463)
Cash flows from (used in) financing activities			
Proceeds from issuance of shares		-	-
Proceeds from long-term loans		2,856,033	90,107,860
Proceeds from short-term loans		9,158,325	-
Total loan proceeds		**12,014,358**	**90,107,860**
Payment of loans		(6,267,963)	(76,177,638)
Payment of financial lease liabilities		(6,925,063)	(1,078,478)
Interest paid		(4,372,360)	(4,216,570)
Dividends paid		(30,157,146)	(35,328,386)
Net cash flows from (used in) financing activities		(35,708,174)	(26,693,212)
Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate		(12,850,339)	21,768,808
Effects of exchange rate variations on cash and cash equivalent		(242,602)	(225,692)
Net increase (decrease) in cash and cash equivalent		(13,092,941)	21,543,116
Cash and cash equivalent at the beginning of the period		31,214,918	9,671,802
Cash and cash equivalent at the end of the period		**18,121,977**	**31,214,918**

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 December 31, 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 "Company" or the "Group"). Empresas Lipigas S.A. is an open stock corporation, and its registered office is located at Apoquindo 5400, 15th floor, in the municipality of Las Condes, Santiago, Chile

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

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

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

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

The issuance of these consolidated financial statements for the fiscal year ended December 31, 2016 was authorized by the Board of Directors on March 8, 2017.

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 December 31, 2016 and they have been applied uniformly to the periods presented in these consolidated financial statements.

2.1 Bases for preparation of the consolidated financial statements

These consolidated financial statements of the Company correspond to the fiscal ending December 31, 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 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 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 December 31, 2016 and 2015, 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 consolidated financial statements include the classified consolidated statement of financial position; 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 fiscal years ended December 31, 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 fiscal year ended December 31, 2016, have been published as of the date of issuance of these 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	January 1, 2016

Standards and Interpretations	Mandatory for fiscal years beginning on or after
is generally an inappropriate basis from which to measure the consumption of economic benefits incorporated to an intangible asset.	
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
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 retires 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) 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 report" means in the standard. The new amendment modifies IAS 34 to require a cross-reference on the location of that information in the 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.

Standards and Interpretations	**Mandatory for fiscal years beginning on or after**
IFRS 9 "Financial Instruments." Published in July 2014. The IASB has published the full version of IFRS 9, which supersedes IAS 39 implementation guidance. This final version includes requirements on the classification and measurement of financial assets and liabilities and an expected credit loss model that replaces the actual model on incurred loss impairment. The part on hedge accounting contained in this final version of IFRS 9 had already been published in November 2013. Early adoption is permitted.	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers." Published in May 2014. It sets down the principles to be followed by an entity in presenting useful information to the users of financial statements on the nature, amount, timing and uncertainty of income and cash flows from contracts with customers. The basic principle is that an entity will recognize income from the transfer of goods or services promised to customers that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It supersedes IAS 11 Construction Contracts; IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue - Barter Transactions involving Advertising Services. Early adoption is permitted.	January 1, 2017
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
IFRIC 22 "Foreign Currency Transactions and Advance Consideration". Published in December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or a non-financial liability arising from the payment or collection of an advance consideration before the recognition of the related asset, expense or income (or the corresponding part). The interpretation provides guidance regarding the date of a transaction (payment/collection), and also for multiple transactions. The purpose of this interpretation is that of reducing diversity in practice.	January 1, 2018
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
Amendment to IFRS 15 "Revenue from Contracts with Customers". Published in April 2016. The amendment clarifies guidance on identifying performance obligations in contracts with customers, intellectual property licensing and assessing principal versus agent considerations (gross versus net presentation of income). It includes new and amended illustrative examples as guidance, as well as practical examples regarding the transition to the new standard on income.	January 1, 2018
Amendment to IFRS 4 "Insurance Contracts", when applying IFRS 9 "Financial Instruments". Published in September 2016. The amendment provides two options for entities that issue insurance contracts within the scope of IFRS 4: (1) the overlay approach, giving all entities that issue insurance contracts the option to reclassify, from profit or loss to other comprehensive income, the volatility that could arise from applying IFRS 9 before the new insurance contract standard, and (2) An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is insurance related, to optionally apply a temporary exemption to IFRS 9 until the year 2021, continuing until then with the application of IAS 39.	January 1, 2018

Standards and Interpretations	Mandatory for fiscal years beginning on or after
Amendment to IAS 40 "Investment Property", regarding the transfer of investment properties. Published in December 2016. The amendment clarifies that a change of use must exist for the transfer to or from investment properties. There must be an assessment (sustained on evidence) that the property complies with the definition, in order to conclude that a property has changed its use.	January 1, 2018
Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards", related to the deletion of short-term exemptions for first-time adopters in regards to IFRS 7, IAS 19 and IFRS 10. Published in December 2016.	January 1, 2018
Amendment to IFRS 12 "Disclosure of Interests in Other Entities". Published in December 2016. The amendment clarifies the scope of the standard. These amendments must be retroactively applied for annual periods beginning on January 1, 2017.	January 1, 2017
Amendment to IAS 28 "Investments in Associates and Joint Ventures", regarding the measurement at fair value of the associate or joint venture. Published in December 2016.	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, particularly IFRS 9, 15 and 16.

2.5 Bases for consolidation

2.5.1 Subsidiaries

Subsidiaries are all entities in which the Parent Company has the power to direct the financial and operating policies, which is generally accompanied by an interest representing more than one-half of the voting rights. The evaluation of whether the Company controls another entity considers the existence and effect of potential voting rights that are currently possible to be exercised or converted. Subsidiaries are consolidated as of the date when control is obtained and they are excluded from the consolidation on the date when control ceases.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of the assets delivered, of the equity instruments issued and of the liabilities incurred or assumed on the date of transfer. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially valued at the fair value on the date of acquisition, regardless of the scope of minority interests. Excess cost of the fair value of the Company's interest in identifiable net assets acquired is recognized as goodwill. If the acquisition cost if 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 Parent 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 (%)	
		12.31.2016	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	12.31.2016 Th$	12.31.2015 Th$
Current Assets	547,415	1,338,471
Non-current Assets	2,830,934	3,014,771
Total Assets	**3,378,349**	**4,353,242**
Current Liabilities	90,875	473,396
Non-current Liabilities	362,556	357,592
Equity	2,924,918	3,522,254
Total Liabilities and Equity	**3,378,349**	**4,353,242**

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

Summary Statement of Income Norgas S.A	12.31.2016 Th$	12.31.2015 Th$
Revenue	3,045,887	10,735,781
Cost of sales and expenses	(2,996,211)	(10,331,731)
Other income (expenses)	52,988	(69,142)
Profit (loss)	**102,664**	**334,908**

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

Summary Statement of Financial Position Trading de Gas SpA	12.31.2016 Th$	12.31.2015 Th$
Current Assets	20,458,374	14,374,564
Non-current Assets	36,392,324	37,521,396
Total Assets	**56,850,698**	**51,895,960**
Current Liabilities	8,785,196	2,686,756

Non-current Liabilities	36,195,354	35,893,579
Equity	11,870,148	13,315,625
Total Liabilities and Equity	**56,850,698**	**51,895,960**

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

Summary Statement of Income Trading de Gas SpA	12.31.2016 Th$	12.31.2015 Th$
Revenue	108,560,886	52,367,826
Cost of sales and expenses	(95,757,330)	(45,501,598)
Other income (expenses)	(4,489,466)	(1,373,932)
Profit (loss)	**8,314,090**	**5,492,296**

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

2.6.2 Indirectly consolidated entities

Indirect subsidiaries included in the consolidation are itemized below:

Country	Company	Ownership Interest (%)	
		12.31.2016	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	Limagas Natural Perú 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 Limagas Natural Perú S.A. (total for Peru) as of 12.31.2016 and 12.31.2015 are itemized below:

Summary Consolidated Statements of Financial Position - Subsidiaries	12.31.2016 Th$ Colombia	12.31.2015 Th$ Colombia	12.31.2016 Th$ Peru	12.31.2015 Th$ Peru
Current assets	5,897,744	4,732,082	14,987,995	9,398,452
Non-current assets	36,654,889	35,888,855	57,319,772	25,177,004
Total assets	**42,552,633**	**40,620,937**	**72,307,767**	**34,575,456**
Current liabilities	3,590,532	3,149,455	20,669,167	6,148,984
Non-current liabilities	22,706,839	20,674,589	12,709,287	6,973,732
Equity	16,255,262	16,796,893	38,929,313	21,452,740
Total liabilities and equity	**42,552,633**	**40,620,937**	**72,307,767**	**34,575,456**

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 Limagas Natural Perú S.A. (total for Peru) as of 12.31.2016 and 12.31.2015 are itemized below:

Summary Consolidated Statement of Income - Subsidiaries	12.31.2016 Th$ Colombia	12.31.2015 Th$ Colombia	12.31.2016 Th$ Peru	12.31.2015 Th$ Peru
Revenue	35,688,178	25,698,946	87,724,983	63,413,161
Cost of sales and expenses	(32,187,503)	(22,240,087)	(83,734,761)	(57,396,928)
Other income (expenses)	(2,130,629)	(4,822,579)	(1,220,775)	(1,815,406)
Profit (loss)	**1,370,046**	**(1,363,720)**	**2,769,447**	**4,200,827**

2.6.3 Changes in the perimeter of consolidation

During the fiscal years ended December 31, 2016 and 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). Beginning November 2016, the company Neogas Perú S.A. changes its name to Limagas Natural Perú S.A. in accordance to the decision of the Special Shareholders' Meeting held November 14, 2016.

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 Limagas Natural Perú S.A. it is the Peruvian sol. For consolidation effects, the Company's subsidiaries translated their financial statements to Chilean pesos, which is their presentation currency.

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

- Assets and liabilities in each statement of financial position are translated using the closing exchange rate of each fiscal year or period.

- Income and expenses of each income account are translated using the accumulated average monthly exchange rates for the fiscal year or period (unless this average is not a fair approximation of the exchange rates on the transaction dates, in which case income and expenses are translated at the exchange rate prevailing on the transaction date).

- All translation differentials are recognized as a separate component of equity through Other Comprehensive Income.

2.7.2 Transactions and balances

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

Foreign currency balances for the fiscal years ended December 31, 2016 and 2015, respectively, are itemized in Note 26.

2.7.3 Exchange rates and indexation units

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

Date	CLP / USD	CLP / UF	CLP / COP	CLP / PEN
12.31.2016	669.47	26,347.98	0.22	199.69
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.

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

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

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

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

2.9.2 Depreciation method

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

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

Type of Property, Plant and Equipment	Useful Life (Years)
Other property, plant and equipment - Transportation fleet - Furniture and office equipment	10/20

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

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

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

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

Land is not depreciated because its useful life is indefinite.

2.10 Intangible assets other than goodwill

2.10.1 Computer software

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

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

2.10.2 Customer-related intangible assets

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

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

2.10.3 Trademarks

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

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

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

2.10.4 Other intangible assets identified in business combinations

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

2.11 Goodwill

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

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

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

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

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

2.12 Impairment of non-current assets

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

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

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

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

d) Fair value hierarchies

As of December 31, 2016 and 2015 the Company maintains assets related to derivative contracts, which were classified under other current assets and other current financial liabilities, respectively, and are recorded at fair value in the statement of financial position. The Company uses the following hierarchy to determine and disclose the fair value of financial instruments:

Level 1: the quoted prices in a market for identical assets and liabilities.
Level 2: assumptions other than quoted prices included in level 1 and that are observable for assets or liabilities, either directly or indirectly.
Level 3: assumptions for assets or liabilities that are not based on observable information directly in the market.

During the fiscal year ended December 31, 2016, derivative instruments were measured using hierarchy level 2 and mutual funds were measured using level 1.

e) Impairment of financial assets

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

2.13.2 Financial liabilities

a) Other current and non-current financial liabilities

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

b) Trade payables and other accounts payable

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

2.14 Non-current assets classified as held for sale

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

2.15 Inventories

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

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

2.16 Issued capital

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

2.17 Income tax and deferred taxes

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

Current income tax debit is calculated 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 decreases 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 fiscals years ended December 31, 2016 and 2015, are established rates above the variation of the UF (Unidad de Fomento) for the term of the obligation, resulting in annual rates of 3.78% and 3.10% for the mentioned closing dates, respectively.

2.21 Cylinder and tank guarantees

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

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

a) the Company has a present obligation (legal or implicit) resulting from a past event;

b) it is probable (that is, it is more likely than not) that the Company will have to dispose of revenue-generating resources in order to pay the obligation; and

c) also, the amount of the corresponding debt can be reliably estimated. The standard emphasizes that a debt will not be reliably estimable in extremely rare cases only.

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

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

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

Discount rates for the fiscal years ended December 31, 2016 and 2015 respectively are: annual 5.36% and 5.63% for Chile; and annual 6.68% 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 and NG and a smaller percentage comes from other income related to the principal activity. Revenue is shown net of sales tax, reimbursements, refunds and discounts.

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

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

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

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

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

2.24 Leases

Financial leases

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

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

Operating leases

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

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 operating insurance payments as prepayments.

2.28 Current tax receivables

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

2.29 Intercompany receivables and payables

Trade accounts are recorded by the Company as intercompany receivables or payables and the sale of goods or services provided or received by the Company and dividends payable to its shareholders are accounted for as 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 it is estimated that there is evidence that the 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 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 Provision for cylinder and tank guarantees

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

a) Deposits in guarantee are an obligation falling within the purview of IAS 37. Under this approach, there is an obligation to refund the guarantee to customers, but that obligation is subject to a degree of uncertainty as to the time and period of payment because it depends on the customer seeking a refund. Therefore, a record is made of the best estimation of the disbursement that would be required to settle the actual obligation.

b) Deposits in guarantee are a financial liability in the terms of IAS 32 - Financial Instruments: Presentation; and IAS 39 - Financial Instruments: Classification and Measurement. Under this approach, the obligation is considered 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
2014	1.0%	0.9%	0.0%	**0.8%**
2015	0.6%	0.3%	0.4%	**0.5%**
2016	0.4%	0.0%	0.3%	**0.3%**

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

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

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

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

2.30.5 Estimation of the impairment in goodwill purchased

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

2.30.6 Estimation of intangible assets identified in a business combination

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

2.31 Statement of cash flows

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

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

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

2.32 Correction of mistakes

The Colombian subsidiary Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. performed a review during 2016 based on the fiscal depreciation that was being used to calculate deferred taxes, concluding that mistakes had been made regarding the determination of deferred tax liabilities.

The aforementioned implied an adjustment to deferred tax liabilities (greater liability) and accumulated income (negative) prior to January 1, 2015 in the amount of Th$957,809. The presentation of the third column as of January 1, 2015 in the classified consolidated statement of financial position and respective explanatory notes required by IAS 8, was not considered to be relevant given materiality issues.

2.33 Reclassifications

For the fiscal year ended December 31, 2015 certain reclassifications between items were performed in the consolidated statement of financial position and the consolidated statement of income by function in order to standardize classification criterion used for the fiscal year 2016. The following is a breakdown of the reclassifications performed:

Item	12.31.2015 Th$ Before reclassifications	Reclassifications Th$	12.31.2015 Th$ After reclassifications
Other financial assets, current	1,024,608	(622,623)	401,985
Other financial assets, non-current	-	523,819	523,819
Other non-financial assets, non-current	1,434,664	(523,819)	910,845
Other financial liabilities, current	3,264,491	(17,496)	3,246,995
Trade accounts and other accounts payable, current	22,083,398	(36,547)	22,046,851
Other financial liabilities, non-current	115,367,104	(605,127)	114,761,977
Trade accounts and other accounts payable, non-current	-	36,547	36,547
Cost of sales	(243,754,699)	(1,944,154)	(245,698,853)
Other income by function	187,570	-	187,570
Other expenses by function	(21,998,753)	2,894,807	(19,103,946)
Distribution costs	(24,224,656)	(2,810,560)	(27,035,216)
Management expenses	(25,342,814)	1,859,907	(23,482,907)

3. Cash and cash equivalent

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

Types of Cash and Cash Equivalent	12.31.2016 Th$	12.31.2015 ThC4
Cash on hand	58,089	126,478
Bank balances	4,984,287	8,957,479
Short-term investments (mutual funds and trusts)	12,534,203	21,531,488
Other cash and cash equivalent	545,398	599,473
Cash and cash equivalent	**18,121,977**	**31,214,918**

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

Currency	12.31.2016 Th$	12.31.2015 Th$
CLP	14,699,583	25,789,539
USD	676,219	81,781
COP	1,671,647	632,951
PEN	1,074,528	4,710,647
Cash and Cash Equivalent	**18,121,977**	**31,214,918**

4. Financial instruments

4.1 Financial assets

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

Financial Assets	Note	12.31.2016		12.31.2015	
		Fair Value Th$	Book Value Th$	Fair Value Th$	Book Value Th$
Cash and cash equivalent	3	18.121.977	18.121.977	31.214.918	31.214.918
Trade receivables and other accounts receivable	7	31.580.348	31.580.348	25.394.451	25.394.451
Other financial assets, current	4	-	-	246.977	246.977
Other financial assets, non-current	4	1.866.935	1.866.935	523.819	523.819
Total Financial Assets		**60,377,626**	**51.569.260**	**51.569.260**	**57.380.165**

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 December 31, 2016 and 2015, the Company had receivables for Th$19,003,329 and Th$18,307,949, 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 December 31, 2016 for Th$18,194,677, offset in non-current other financial liabilities, and for Th$808,652, 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 beginning March 2015.

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

4.2 Financial liabilities

The Company's financial liabilities currently correspond to instruments with contractual payment flows, 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:

Financial Liabilities	Note	12.31.2016		12.31.2015	
		Fair Value Th$	Book Value Th$	Fair Value Th$	Book Value Th$
Trade payables and other accounts payable, current	15	35,765,504	35,765,504	22,083,398	22.083.398
Other financial liabilities	14	131,091,484	130,618,139	118,337,603	118.008.972
Total Financial Liabilities		**175,444,580**	**166,856,988**	**166,383,643**	**140,421,001**

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.

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 fiscal years ended December 31, 2016 and 2015:

Cash Flow and inventory price hedges	(Profit) Loss at 12.31.2016	(Profit) Loss at 12.31.2015
Other reserves	654,062	(212,113)
Total	**654,062**	**(212,113)**

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

4.3.2 Effectiveness of the hedge

The Company has signed several contracts to hedge against exchange rate variations in the price of inventory realization. The gains or losses realized during 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 estimates that hedges for cash flow and exchange rate variation in the price of inventory realization have been 100% effective.

5. Risk management

The risk factors inherent to the Company's business are inherent to the markets in which it does business and the activity conducted by the Company 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 and other accounts receivable and other current and non-current financial assets.

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

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

As described in Note 4.1 above, the Company signed an agreement under which it committed to making advances to Oxiquim S.A. with which it has signed contracts for the provision of receiving, storage and dispatching of liquefied gas in facilities built at its maritime terminal. The Company has performed a solvency analysis of Oxiquim S.A. and concluded that there is no material risk of uncollectability. Those advances are offset against the debt under the financial lease with Oxiquim S.A. given the maritime terminal began operation in March 2015.

The maximum exposure to credit risk is:

Financial Assets	Note	12.31.2016 Th$	12.31.2015 Th$
Cash and cash equivalent	3	18,121,977	31,214,918
Trade and other accounts receivable	7	31,580,348	25,394,451
Other financial assets, current	4	-	246,977
Other financial assets, non-current	4	1,866,935	523,819
Total		**51,569,260**	**57,380,165**

5.1.1 Uncollectible policy

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

This policy sets out the following criteria for provisions:

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

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

5.2 Liquidity risk

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

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

The Company maintains relationships with major financial institutions in the markets in which it operates, allowing 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 December 31, 2016 and 2015, the balances of accounts in currencies other than the functional currency of the Parent Company and its subsidiaries were as follows:

  Originating transaction currency: US dollar

Current and non-current assets	Assets at 12.31.2016 Th$	Assets at 12.31.2015 Th$
Cash and cash equivalent	676,219	81,781
Other financial assets, current	-	246,977
Trade accounts and other accounts receivable, current	157,351	-
Other non-financial assets, non-current	425,214	17,468

Current and non-current liabilities	Liabilities at 12.31.2016 Th$	Liabilities at 12.21.2015 Th$
Other financial liabilities, current	283,354	-
Trade accounts and other accounts payable, current	10,322,451	2,651,490
Other financial liabilities, non-current	175,645	-

- Foreign investments: as of December 31, 2016, the Company holds net foreign investments in Colombian pesos for an amount equivalent to Th$28,172,175 (Th$28,393,404 as of December 31, 2015) and in Peruvian soles for an amount equivalent to Th$42,283,046 (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 Parent Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins are correlated to the variation in the UF.

- Financial lease liabilities: The Parent 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 Parent 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 variation in the exchange rates and indexation units would generate the following effects:

Exchange rate Variation(*)	Increase Loss (Gain) Th$	Decrease Loss (Gain) Th$	Allocation
CLP/UF +/- 3%	4,158,780	(4,158,780)	Results: Adjustment units
CLP/USD +/- 5%	26,515	(26,515)	Results: Exchange rate differences
CLP/USD +/- 5%	(41,679)	41,679	Results: Reserves for cash flow hedges
CLP/COP +/- 6%	1,690,331	(1,690,331)	Equity: Reserves for exchange rate translation differences
CLP/PEN +/- 1%	413,798	(413,798)	Equity: Reserves for exchange rate translation differences

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

5.3.2 Interest rate risk

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

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

As of December 31, 2016, 96% of the Group's financial debt is at fixed rates. As a result, the risk of fluctuations in market interest rates regarding cash flows is low. Regarding the portion in variable rates, Management permanently monitors the outlook in terms of the expected evolution of interest rates.

The breakdown of financial liabilities, separated between fixed and variable interest rates is presented below as of December 31, 2016 and 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	11,767,514	451,531	114,023,884	4,375,210	125,791,397	4,826,742
Total as of 12.31.2016		**11,767,514**	**451,531**	**114,023,884**	**4,375,210**	**125,791,397**	**4,826,742**

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	3,100,556	146,439	109,586,211	5,175,766	112,686,767	5,322,206
Total as of 12.31.2015		**3,100,556**	**146,439**	**109,586,211**	**5,175,766**	**112,686,767**	**5,322,206**

5.3.3 Risks relating to commercialized products

a) LPG

The Company participates in the distribution of liquefied gas business in Chile, with coverage that extends between the Region of Arica and Parinacota and the Region of Aysén, reaching an annual average moving market share of 36.7% as of December 2016 according to information of Chile's 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 annual average moving market share of 14.2% as of December 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 December 2016, reached an annual average moving market share of 8.8% according to information of by Peru's State Energy and Mines Investment Regulator. (*Organismo Supervisor de la Inversión en Energía y Minería del Peru.)*

a.1) Demand

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

Given that it participates in a highly competitive market, the sales volume of the Company 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 PetroPerú (which has two supply plants: Callao and Piura) and Pluspetrol. In addition to these agreements, the Company also has purchase agreements with other local market actors.

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 significant risks of not being able to transfer the variations of LPG costs to the sales price.

The Company maintains LPG inventories. The realization value of these inventories is affected by the variation of international prices of fuels that are the basis for establishing selling prices to customers. Variation in LPG international prices would produce a variation in the same direction and of similar magnitude in the realization price of inventories. Generally, 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 Limagas Natural Perú 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 December 31, 2016 and 2015 is as follows:

	Current		Non-Current	
Item	**12.31.2016 Th$**	**12.31.2015 Th$**	**12.31.2016 Th$**	**12.31.2015 Th$**
Prepaid expenses	799,084	401,985	-	-
Employee accounts receivable	-	-	66,950	67,677
Guaranties delivered	-	-	93,776	75,654
Other assets	-	-	811,196	767,514
Total	**799,084**	**401,985**	**971,922**	**910,845**

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 December 31, 2016 and 2015 is as follows:

Trade receivables and other accounts receivable, net	12.31.2016 Th$	12.31.2015 Th$
Trade receivables	28,337,722	23,910,055
Other accounts receivables	3,242,626	1,484,396
Total	**31,580,348**	**25,394,451**

Trade receivables and other accounts receivable, gross	12.31.2016 Th$	12.31.2015 Th$
Trade receivables	30,144,058	25,867,391
Other accounts receivable	3,242,626	1,484,396
Total	**33,386,684**	**27,351,787**

7.1.2 Impairment of trade receivables and other accounts receivables

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

Book value of impaired trade receivables and other accounts receivable	12.31.2016 Th$	12.31.2015 Th$
Provisioned trade receivables	1,801,336	1,957,336
Total	**1,801,336**	**1,957,336**

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

Provision for trade receivables and other accounts receivable	12.31.2016 Th$	12.31.2015 Th$
Opening balance	1,957,336	2,271,037
Collection fees and write-off of uncollectible accounts	(722,655)	(1,145,124)
Provision for the fiscal year or period	565,008	820,033
Translation differential	6,647	11,390
Total	**1,806,336**	**1,957,336**

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

Trade receivables and other accounts receivable, expired but not impaired	12.31.2016 Th$	12.31.2015 Th$
0-3 months past due	7,932,967	7,435,389
3-6 months past due	473,642	1,903,686
Total	**8,406,609**	**9,339,075**

Trade receivables and other accounts receivable, outstanding	12.31.2016 Th$	12.31.2015 Th$
Expiring in 0-3 months	21,965,678	15,880,408
Expiring in 3-6 months	29,762	20,530
Expiring in 6-12 months	1,178,299	154,438
Total	**23,173,739**	**16,055,376**

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 December 31, 2016 and 2015 is as follows:

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

	12.31.2015	
Portfolio in Judicial Collection	Receivables in Protested Portfolio Th$	Receivables in Judicial Collection Th$
Portfolio either protested or in judicial collection	34,969	148,150
Total	**34,969**	**148,150**

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 Related entities current accounts payable and receivable

As of December 31, 2016 and 2015 there are no balances for this item

8.2 Intercompany transactions and their effects on results.

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

Company	Type of relationship	Description of the transaction	01.01.2016 through 12.31.2016 Th$	Effect on results (Debit)/Credit	01.01.2015 through 12.31.2015 Th$	Effect on results (Debit)/Credit
Inmobiliaria Terracota Dos Ltda.	Indirect (Shareholder in common)	Office lease	-	-	7,403	(7,403)
Larraín Vial S.A. Corredora de Bolsa	Indirect (Director in common)	Financial services	-	-	159,391	(159,391)
Larraín Vial S.A. Corredora de Bolsa	Indirect (Director in common)	Financial investments	148,122	148,122	11,420	11,420
Larraín Vial Servicios Profesionales Limitada	Indirect (Director in common)	Financial services	-	-	62,320	(62,320)
Larraín Vial Servicios Profesionales Limitada	Indirect (Director in common)	Financial services	-	-	82,707	(82,707)

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 and 2015 fiscal years was:

Concept	12.31.2016 Th$	12.31.2015 Th$
Board Compensation	255,000	210,000
Directors' Committee Compensation	33,900	25,160
Total Income	**288,900**	**235,160**

Compensation paid to managers for the 2016 and 2015 fiscal years was:

Type of income	12.31.2016 Th$	12.31.2015 Th$
Fixed	1,423,837	1,706,374
Variable	662,260	340,918
Total Income	**2,086,097**	**2,047,292**

9. Inventories

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

Type of Inventory	12.31.2016 Th$	12.31.2015 Th$
LPG	15,321,989	12,202,213
Materials	1,216,418	1,195,348
Total	**16,538,407**	**13,397,561**

9.1 Materials obsolescence provision

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

Book Value of Obsolescence Provision	12.31.2016 Th$	12.31.2015 Th$
Materials obsolescence provision	137,815	170,183
Total	**137,815**	**170,183**

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

Movements in Obsolescence Provision	12.31.2016 Th$	12.31.2015 Th$
Opening Balance	170,183	208,497
Increases in the provision	-	-
Decreases in the provision	(32,368)	(38,314)
Total	**137,815**	**170,183**

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

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

The cost of inventories recognized as a cost of sale for the fiscal years ended December 31, 2016 and 2015 is as follows:

Inventory Cost	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Inventory cost recognized as a cost of sales	266,484,046	245,698,853

10. Income tax and deferred taxes

10.1 Current tax recoverable (payable)

Itemization	12.31.2016 Th$	12.31.2015 Th$
Provisional monthly payments	391.705	2,857
Provisional monthly payments previous years	401.242	2,610,330
Recoverable taxes	2.119.671	508,411
Total current tax assets	**2.912.618**	**3,121,598**

Itemization	12.31.2016 Th$	12.31.2015 Th$
Income tax	(333,270)	(4,148,293)
Other taxes	(356,517)	(192,840)
Total current tax liabilities	**(689,787)**	**(4,341,133)**

10.2 Deferred taxes

<u>Chile</u>

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.
Deferred tax reversals for the most part materialize subsequent to 2017 onward, therefore, the rate used is 27%.

Peru

The affiliated company Lima Gas S.A. and its subsidiary Limagas Natural Perú S.A. are subject to Peruvian tax regime. As of December 31, 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.
- Legislative Decree N ° 1261 published December 10, 2016 indicates the change in the applicable income tax rate on taxable earnings, after deducting employee interests, which shall be in force from January 1, 2017, and will be the following:

  2017 fiscal year onward: 29.5 percent.

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

Colombia

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.

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

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

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

Deferred tax asset	Balance at 01.01.2016	(Debit) credit to income	(Debit) credit to equity	Others(*)	Balance 12.31.2016
Taxable goodwill	9,034,037	(1,324,582)	-	7,709,455	9,034,037
Tax losses	1,838,256	(3,284)	478,699	2,313,671	1,838,256
Current provisions	1,068,873	(164,144)	(4,128)	900,600	1,068,873
Other assets	1,533,113	124	(296,468)	1,236,769	1,533,113
Assets under leasing	-	388,941	-	388,941	-
Total	**13,474,279**	**(1,102,945)**	**178,103**	**12,549,436**	**13,474,279**

Deferred tax liability	Balance at 01,01,2016	(Debit) credit to income	(Debit) credit to equity	Others(*)	Balance 12,31,2016
Property, plant and equipment	(30,567,379)	175,614	(2,253,221)	(32,851,894)	(30,567,379)
Trade receivables and other accounts receivables	(594,850)	75,712	(88)	(519,226)	(594,850)
Employee benefit provisions	(284,476)	(28,674)	(19,676)	(332,826)	(284,476)
Other non-financial liabilities	(6,237,781)	(197,127)	1,690	(6,433,218)	(6,237,781)
Intangible assets, other than goodwill	(203,949)	-	-	(203,949)	(203,949)
Other liabilities	(1,074,752)	51,816	310,810	(712,126)	(1,074,752)
Cash flow hedge	**(38,963,187)**	**77,341**	**(1,960,486)**	**(41,053,239)**	**(38,963,187)**
Total	(30,567,379)	175,614	(2,253,221)	(32,851,894)	(30,567,379)

Net deferred tax as of 12.31.2016	**(25,488,908)**	**(1,025,604)**	**(1,782,383)**	**(28,503,803)**	**(25,488,908)**

(*) Corresponds mainly to effects originated in the acquisition of the subsidiary Limagas Natural 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	3,883,251	(254,280)	(257,781)	3,371,190
Current provisions	710,394	356,929	1,550	1,068,873
Other assets	545,226	786,845	(1,577)	1,330,494
Total	**15,000,078**	**62,324**	**(257,808)**	**14,804,594**

Deferred tax liabilities	Balance 01.01.2015	(Debit) credit to income	Others	Balance 12.31.2015
Property, plant and equipment	(29,915,964)	(1,328,483)	(1,400,897)	(32,645,344)
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)
Total	**(40,984,496)**	**(263,413)**	**206,757**	**(41,041,152)**
Net deferred tax 12.31.2015	**(25,984,418)**	**(201,089)**	**(51,051)**	**(26,236,558)**

10.3 Income tax recognized in income

Item	12.31.2016 Th$	12.31.2015 Th$
Current tax expense	11,357,510	11,836,971
Current tax adjustment previous fiscal year	99,221	(6,324)
Impact of temporary differences in deferred taxes and other items	1,232,512	201,089
Total debit to income	**12,689,243**	**12,031,736**

The reconciliation of the tax rate is as follows:

Itemization	12.31.2016 Th$	12.31.2015 Th$
Before-tax profit of continued operations	**51,427,656**	**48,151,839**
Income tax (current rate of 24%/22.5%)	12,342,637	10,834,164
Tax impact of other jurisdictions' rates	296	86,341
Tax adjustment previous fiscal year	99,221	(6,324)
Other effects from permanent differences	247,089	1,117,555
Income tax recognized in income	**12,689,243**	**12,031,736**

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 12.31.2016 Th$	Debit (credit) to equity 12.31.2015 Th$
Actuarial movements on employee benefits	22,428	125,942
Movements on cash flow hedges	(251,470)	45,564
Deferred taxes recognized in equity	**(229,042)**	**171,506**

10.5 Netting

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

The deferred tax set-off is:

Parent Company and subsidiaries - Chile

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

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	11,431,290	(10,893,636)	537,654
Liabilities from deferred taxes	(33,695,396)	10,893,636	(22,801,760)
Balance as of 12.31.2015	**(22,264,106)**	-	**(22,264,106)**

Subsidiaries - Colombia

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

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	(2,900,900)	1,837,678	(1,063,222)
Balance as of 12.31.2015	**(1,063,222)**	**-**	**(1,063,222)**

Subsidiaries – Peru

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

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)
Balance as of 12.31.2015	**(2,909,230)**	**-**	**(2,909,230)**

11. Intangible assets other than goodwill

11.1 Account composition

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

Type of Intangible Assets, net	12.31.2016	12.31.2015
	Th$	Th$
Software	1,312,655	675,721
Connection rights (Limagas Natural Perú S.A.)	710,492	-
Commercial assets	807,848	623,421
Customers (acquisition of Lima Gas S.A)	1,433,197	1,660,963
Customers (acquisition of Progas)	576,224	612,238
Customers (acquisition of Lidergas)	1,734,736	1,834,338
Trademark (acquisition of Lidergas)	87,541	91,349
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	99,873	109,19
Trademark (acquisition of Gases del Cauca)	-	27,648
Other contracts (Limagas Natural Perú S.A.)	503,419	-
Total intangibles, net	**8,544,594**	**6,912,822**

Type of Intangible Assets, gross	12.31.2016	12.31.2015
	Th$	Th$
Software	3,994,812	3,038,580
Connection rights (Limagas Natural Perú S.A.)	852,855	-
Acquisitions of commercial assets	2,210,357	1,279,798
Customers (acquisition of Lima Gas S.A)	2,797,266	2,797,266
Customers (acquisition of Progas)	720,28	720,28
Customers (acquisition of Lidergas)	1,992,042	1,992,042
Trademark (acquisition of Progas)	35,638	30,534
Trademark (acquisition of Lidergas)	133,682	133,682
Trademark (acquisition of Lima Gas)	1,277,954	1,277,954
Customers (acquisition of Gases del Cauca)	127,624	127,624
Trademark (acquisition of Gases del Cauca)	40,042	40,042
Other contracts (Limagas Natural Perú S.A.)	587,322	-
Total intangibles, gross	**14,769,874**	**11,437,802**

Accumulated amortization of intangible assets	12.31.2016	12.31.2015
	Th$	Th$
Software	(2,682,157),,	(2,362,859),,
Commercial assets	(1,544,872),,	(656,377),
Customers (acquisition of Lima Gas S.A)	(1,364,069),,	(1,136,303),,
Customers (acquisition of Progas)	(144,056),	(108,042),
Customers (acquisition of Lidergas)	(257,306),	(157,704),
Trademark (acquisition of Progas)	(30,534),	(30,534),
Trademark (acquisition of Lidergas)	(51,245),	(42,333),
Customers (acquisition of Gases del Cauca)	(27,751),	(18,434),
Trademark (acquisition of Gases del Cauca)	(40,042),	(12,394),
Other contracts (Limagas Natural Perú S.A.)	(83,248),	-
Total amortization of intangibles	**(6,225,280),,**	**(4,524,980),,**

Impairment of Intangible Assets	12.31.2016	12.31.2015
	Th$	Th$
Connection rights (Limagas Natural Perú S.A.)	142,363	-

11.2 Useful lives

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

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

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 fiscal years ending December 31, 2016 and 2015, respectively is as follows:

Movement in Intangible Assets	Net Software Th$	Net Commercial Assets Th$	Customers, net Th$	Trademarks , net Th$	License and connection rights Th$	Others Th$	Total intangible assets, net Th$
Opening balance at 01.01.2016	675,721	623,421	4,216,729	1,396,951	-	-	6,912,822
Additions	986,501	442,886	-	-	487,673	-	1,917,060
Business combination additions	-	-	-	-	364,151	587,322	951,473
Translation adjustment movement	(1,203)	2	1,072	233	1,031	1,044	2,179
Amortization	(348,364)	(258,461)	(373,771)	(31,689)	-	(84,292)	(1,096,577)
Impairment provision	-	-	-	-	(142,363)	-	(142,363)
Total changes	**636,934**	**184,427**	**(372,699)**	**(31,456)**	**710,492**	**504,073**	1,631,771
Ending balance at 12.31.2016	**1,312,655**	**807,848**	**3,844,030**	**1,365,495**	**710,492**	**504,073**	**8,544,593**

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

12. Goodwill

12.1 Account composition

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

Goodwill	12.31.2016 Th$	12.31.2015 Th$
Lima Gas S.A	2,767,469	2,767,469
Limagas Natural Peru S.A.	10,107,372	-
Progas Operation	366,008	366,008
Lidergas Operation	814,138	814,138
Total goodwill	**14,054,987**	**3,947,615**

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 fiscal years ended December 31, 2016 and 2015, respectively is as follows:

Goodwill movements	12.31.2016 Th$	12.31.2015 Th$
Beginning balance	3,947,615	4,124,635
Limagas Natural Peru S.A. additions (Note 12.3)	10,107,372	-
Movement for translation differences and other adjustments	-	(177,020)
Ending goodwill balance	**14,054,987**	**3,947,615**

The movement in goodwill recorded during the 2016 fiscal year corresponds to the business combination of the acquired subsidiary, Limagas Natural Perú S.A.

12.3 Breakdown of acquired goodwill

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

Goodwill Limagas Natural Perú S.A.	
	Th$
Value paid at acquisition as of 02.01.2016 (a)	**17,601,013**
Balances of acquired assets and recognized identifiable liabilities assumed:	
Current Assets	5,32,538
Non-Current Assets	18,073,487
Total Assets (b)	**23,395,025**
Current Liabilities	12,600,472
Non-Current Liabilities	3,625,765
Total Liabilities (c)	**16,226,237**
Equity at Fair Value (d= b-c)	7,168,788
Ownership interest % (e)	100%
Equity value (f=d x e)	7,168,788
Acquired Goodwill as of 12.31.2016 (g= a-f)	**10,432,225**

Reclassification of assets identified pursuant IFRS 3

Amounts assignable to property, plant & equipment	**(234,189)**
Identified deferred tax	**69,086**
Total Reclassification 2016 fiscal year (=h)	**(165,103)**

Amounts assignable to connection licenses	**364,151**
Identified deferred tax	**(94,679)**
Total Reclassification 2016 fiscal year (=i)	**269,472**

Amounts assignable to other contracts	**587,322**
Identified deferred tax	**(173,260)**
Total Reclassification 2016 fiscal year (=j)	**414,062**

Amounts assignable to Accounts receivable Neogas Brazil	**784,777**
Identified deferred tax	**(204,042)**
Total Reclassification 2016 fiscal year (=k)	**580,735**

Amounts assignable to contingencies	**(1,046,369)**
Identified deferred tax	**272,056**
Total Reclassification 2016 fiscal year (=l)	**(774,313)**

Final Goodwill as of 12.3.1.2016 (m=g-h-i-j-k-l)	**10,107,372**

12.3 Impairment tests

Goodwill balances undergo impairment tests on a yearly basis.

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

As of December 31, 2016 the discount rates used are 10.97% for the Colombian operations and 9.44% for the operations in Peru.

As of December 31, 2016, there is no impairment of accounted goodwill.

13. Property, plant and equipment

13.1 Account composition

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

Types of Property, Plant and Equipment, net	12.31.2016 Th$	12.31.2015 Th$
Construction in progress	15,974,939	16,656,598
Land	23,797,370	23,748,154
Buildings	14,173,300	11,583,686
Storage Tanks	4,305,159	2,166,527
PP&E in third-party facilities	85,148,371	81,413,732
Plant and equipment	78,559,713	73,372,207
IT equipment	819,577	757,391
PP&E in financial lease	37,582,519	38,118,879
Motor vehicles	15,372,546	2,870,104
Other property, plant and equipment	2,560,594	2,280,627
Total property, plant and equipment, net	**278,294,088**	**252,967,905**

Types of Property, Plant and Equipment, gross	12.31.2016 Th$	12.31.2015 Th$
Construction in progress	15,974,939	16,656,598
Land	23,797,370	23,748,154
Buildings	17,863,047	14,668,498
Storage Tanks	7,017,580	4,226,920
PP&E in third-party facilities	123,878,031	113,961,080
Plant and equipment	116,197,558	104,706,273
IT equipment	3,294,608	3,060,500
PP&E in financial lease	41,379,402	40,204,048
Motor vehicles	20,796,979	4,139,424
Other property, plant and equipment	5,867,359	5,371,310
Total property, plant and equipment, gross	**376,066,873**	**330,742,805**

Accumulated depreciation and impairment of property, plant and equipment	12.31.2016 Th$	12.31.2015 Th$
Construction in progress	-	-
Land	-	-
Buildings	3,689,746	3,084,812
Storage Tanks	2,712,421	2,060,393
PP&E in third-party facilities	38,729,660	32,547,348
Plant and equipment	37,637,846	31,334,067
IT equipment	2,475,031	2,303,108
PP&E in financial lease	3,796,884	2,085,169
Motor vehicles	5,424,433	1,269,320
Other property, plant and equipment	3,306,764	3,090,683
Accumulated depreciation of property, plant and equipment	**97,772,785**	**77,774,900**

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$543,471

As mentioned in note 14, the subsidiary Limagas Natural Perú 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 December 31, 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$733,810.

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 December 31, 2016 and 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	11,685,630	275,076	1,164,877	2,150	4,035,228	6,102,130	313,605	1,334,642	835,750	512,510	26,261,598
Business combination additions	797,221	-	-	-	1,175,294	3,549,825	10,962	-	12,681,692	53,485	18,268,479
Transfers	(11,654,557)	-	2,187,014	2,819,197	3,661,291	2,258,986	46,597	-	485,732	195,740	-
Expropriation	(1,343,169)	-	-	-	(72,456)	(91,228)	(168,185)	(20,178)	(86,160)	(13,929)	(1,795,305)
Translation differential	(45,584)	(225,860)	(74,601)	1,533	211,679	(599,205)	19,065	(24,366)	(73,448)	(18,123)	(828,910)
Depreciation	-	-	(685,703)	(307,245)	(6,641,581)	(5,677,626)	(320,743)	(1,744,658)	(1,106,962)	(450,053)	(16,934,571)
Other increases (decreases)	(121,200)	-	(1,973)	(377,003)	1,365,184	(355,376)	160,885	(81,800)	(234,162)	337	354,892
Total Changes	**(681,659)**	**49,216**	**2,589,614**	**2,138,632**	**3,734,639**	**5,187,506**	**62,186**	**(536,360)**	**12,502,442**	**279,967**	**25,326,183**
Ending balance as of December 31, 2016	**15,974,939**	**23,797,370**	**14,173,300**	**4,305,159**	**85,148,371**	**78,559,713**	**819,577**	**37,582,519**	**15,372,546**	**2,560,594**	**278,294,088**

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)
Total Changes	**3,291,595**	**(126,998)**	**(410,036)**	**(208,569)**	**3,370,183**	**(3,676,151)**	**19,637**	**35,543,886**	**(475,300)**	**(219,078)**	**37,109,169**
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**

13.3 Accumulated depreciation movement

The following table provides accumulated depreciation movement as of December 31, 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$
Accumulated depreciation as of January 1, 2016	**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	685,702,	307,245,	6,641,581,,	5,679,945,,	320,743,	1,744,658,,	1,106,026,,	449,121,	16,934,571,,
Depreciation acquired in business combinations	-	-	1,065,887,,	1,116,445,,	32,119,	-	3,148,731,,	17,180,	5,380,362,,
Retirement, expropriations and transfers	1,980,	-	(988,700),	(91,739),	(161,445),	-	(4,691),	(486)	(1,245,081),,
Translation differences	(82,748),	344,784,	(535,050),	(411,493),	(19,494),	(32,943),	(94,953),	(249,734),	(1,081,631),,
Other increases (decreases)	-	(1)	(1,406)	11,071	-	-	-	-	9,664
Ending balance as of December 31, 2016	**3,689,746**	**2,712,421**	**38,729,660**,	**37,637,846**,	**2,475,031**	**3,796,884**	**5,424,433**	**3,306,764**	**97,772,785**,

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$
Accumulated depreciation as of January 1, 2015	**2,459,432**	**1,849,662**	**26,652,512**	**26,183,210**	**1,977,520**	**816,992**	**1,425,541**	**2,656,659**	**64,021,528**
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
Ending balance as of December 31, 2015	**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**

13.4 Assets in financial leases

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

Property, plant and equipment in financial lease, net	12.31.2016 Th$ Gross Value Th$	12.31.2016 Th$ Accumulated depreciation, amortization and impairment Th$	12.31.2016 Th$ Net Value Th$	12.31.2015 Th$ Gross Value Th$	12.31.2015 Th$ Accumulated depreciation, amortization and impairment Th$	12.31.2015 Th$ Net Value Th$
Plant and equipment in financial lease	37,412,068	2,619,248	34,792,820	37,372,032	1,120,889	36,251,143
Motor vehicles in financial lease	3,641,839	1,026,184	2,615,655	2,511,995	836,837	1,675,158
Other property, plant and equipment in financial lease	325,496	151,452	174,044	320,021	127,443	192,578
Total	**41,379,403**	**3,796,884**	**37,582,519**	**40,204,048**	**2,085,169**	**38,118,879**

Minimum lease payments, financial lease liability	12.31.2016 Th$ Gross Th$	12.31.2016 Th$ Interest Th$	12.31.2016 Th$ Present Value Th$	12.31.2015 Th$ Gross Th$	12.31.2015 Th$ Interest Th$	12.31.2015 Th$ Present Value Th$
Within one year	3,976,158	713,419	3,262,739	1,826,350	655,014	1,171,336
More than one year and less than 5 years	8,408,591	3,041,498	5,367,093	6,192,248	2,587,052	3,605,196
More than 5 years	27,523,310	12,788,533	14,734,777	28,415,333	12,788,535	15,626,798
Total	**39,908,059**	**16,543,450**	**23,364,609**	**36,433,931**	**16,030,601**	**20,403,330**

13.5 Impairment of property, plant and equipment

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

13.6 Additional information on property, plant and equipment

Additional information disclosable on property, plant and equipment	12.31.2016 Th$	12.31.2015 Th$
Carrying value of fully depreciated property, plant and equipment still in use	16,420,361	13,355,985
Carrying value of property, plant and equipment temporarily out of service	86,057	87,488
Carrying value of property, plant and equipment retired and not held for sale	-	9,117

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 December 31, 2016 and 2015 are the following:

Other financial liabilities	12.31.2016		12.31.2015	
	Current	Non-Current	Current	Non-Current
	Th$	Th$	Th$	Th$
Bank loans	6,904,924	4,689,377	667,847	4,429,810
Loan interests provision	46,883	-	39,294	-
Bonds interests provision	1,313,933	-	1,299,266	-
Bond surcharge	63,577	1,389,917	69,252	1,398,358
Financial leases	3,262,739	20,101,870	1,171,335	19,231,995
UF Bond (BLIPI-E)	-	92,217,930	-	89,701,815
Derivative liability position	626,989	-	-	-
Total Other Financial Liabilities	**12,219,045**	**118,399,094**	**3,246,995**	**114,761,977**

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

Bank loans and financial leases by currency and maturity as of December 31, 2016 and 2015 are itemized below:

EMPRESAS LIPIGAS

Bank loans at December 31, 2016:

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-Current		
							Maturity			Total Current as of 12,31,2016	Maturity		Total Non-Current as of 12.31.2016
							Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 years or more	
							Th$	Th$	Th$	Th$	Th$	Th$	Th$
Colombia	Corpbanca	COP	Quarterly	10.86%	10.86%	Unsecured	-	104,827	314,482	**419,309**	3,249,646	-	**3,249,646**
Peru	BBVA	PEN	Upon maturity	7.20%	7.20%	Unsecured	-	857,617	-	**857,617**	-	-	-
Peru	BCP	PEN	Upon maturity	6.55%	6.55%	Unsecured	-	195,391	-	**195,391**	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	**164,744**	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	**164,744**	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	**164,744**	-	-	-
Peru	BANBIF	PEN	Quarterly	7.75%	7.75%	Unsecured	-	164,744	-	**164,744**	-	-	-
Peru	Banco Santander	PEN	Monthly	9.25%	9.25%	Unsecured	13,746	26,496	124,189	**164,431**	163,415	-	**163,415**
Peru	BCP	USD	Monthly	2.85%	2.85%	Unsecured	76,643	-	-	**76,643**	-	-	-
Peru	BCP	PEN	Monthly	6.95%	6.95%	Unsecured	-	-	259,767	**259,767**	-	-	-

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-Current		
							Maturity			Total Current as of 12,31,2016	Maturity		Total Non-Current as of 12.31.2016
							Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 years or more	
							Th$	Th$	Th$	Th$	Th$	Th$	Th$
Peru	BANBIF	PEN	Monthly	7.00%	7.00%	Unsecured	243,041	-	-	**243,041**	-	-	-
Peru	BBVA	PEN	Monthly	7.00%	7.00%	Unsecured	10,189	20,378	194,731	**225,298**	-	-	-
Peru	BANBIF	PEN	Monthly	6.50%	6.50%	Unsecured	-	-	214,259	**214,259**	-	-	-
Peru	BCP	PEN	Monthly	6.95%	6.95%	Unsecured	-	-	251,729	**251,729**	-	-	-
Peru	BCP	PEN	Monthly	6.50%	6.50%	Unsecured	-	-	161,384	**161,384**	-	-	-
Peru	BANBIF	PEN	Monthly	6.00%	6.00%	Unsecured	-	-	115,269	**115,269**	-	-	-
Peru	BANBIF	PEN	Monthly	5.75%	5.75%	Unsecured	-	-	47,241	**47,241**	-	-	-
Peru	BANBIF	PEN	Monthly	5.75%	5.75%	Unsecured	-	-	47,122	**47,122**	-	-	-
Peru	BCP	PEN	Quarterly	7.10%	7.10%	Unsecured	-	20,069	62,431	**82,5**	159,593	-	**159,593**
Peru	BCP	PEN	Quarterly	6.90%	6.90%	Unsecured	-	23,338	72,391	**95,729**	98,633	-	**98,633**
Peru	Interbank	PEN	Monthly	6.85%	6.85%	Unsecured	6,218	12,54	58,177	**76,935**	216,19	-	**216,19**

Country	Lender	Currency	Type of Amortization	Annual effective rate	Annual nominal rate	Collateral	Current				Non-Current		
							Maturity			Total Current as of 12,31,2016	Maturity		Total Non-Current as of 12.31.2016
							Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 years or more	
							Th$	Th$	Th$	Th$	Th$	Th$	Th$
Peru	Scotiabank	PEN	Quarterly	4.75%	4.75%	Unsecured	-	798,76	-	**798,76**	-	-	-
Peru	BBVA	PEN	Quarterly	4.68%	4.68%	Unsecured	-	1,098,295	-	**1,098,295**	-	-	-
Peru	BBVA	PEN	Monthly	7.50%	7.50%	Unsecured	9,384	18,768	84,456	**112,608**	375,363	-	**375,363**
Peru	BCP	PEN	Monthly	7.20%	7.20%	Unsecured	8,305	17,162	78,083	**103,55**	426,537	-	**426,537**
Peru	Scotiabank	PEN	Monthly	5.75%	5.75%	Unsecured	-	599,07	-	**599,07**	-	-	-
						Total	**367,526**	**4,451,687**	**2,085,711**	**6,904,924**	**4,689,377**	**-**	**4,689,377**

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

Financial leases as of December 31, 2016:

Financial Leases at 12.31.2016	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2016 Th$	Within 1 month Th$	1 to 3 months Th$	3 to 12 months Th$	Current as of 12.31.2016	1 to 5 years	More than 5 years	Non-current as of 12.31.2016 Th$
										Th$	Th$	Th$	
Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	**38,040,071**	139,087	278,174	1,251,784	1,669,045	6,676,181	29,694,845	36,371,026
Netting of advances to Oxiquim S.A.	Chile	UF	Monthly	3.00%	3.00%	**(19,003,329)**	(67,388)	(134,775)	(606,489)	(808,652)	(3,234,609)	(14,960,068)	(18,194,677)
Leasing De Occidente	Colombia	COP	Monthly	10.72%	10.72%	**78,551**	6,486	18,478	14,619	39,583	38,968	-	38,968
BCP	Peru	USD	Monthly	7.00%	7.00%	**9,161**	3,833	5,328	-	9,161	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.60%	8.60%	**3,456**	1,497	1,959	-	3,456	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.70%	8.70%	**51,24**	51,24	-	-	51,240	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	**469,087**	469,087	-	-	469,087	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.70%	8.70%	**33,921**	33,921	-	-	33,921	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	**51,986**	51,986	-	-	51,986	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	**43,934**	43,934	-	-	43,934	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	**186,455**	186,455	-	-	186,455	-	-	-
Banco Financiero	Peru	PEN	Monthly	7.95%	7.95%	**4,421**	4,421	-	-	4,421	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.00%	8.00%	**3,777**	3,777	-	-	3,777	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.80%	8.80%	**74,471**	74,471	-	-	74,471	-	-	-
Banco Financiero	Peru	PEN	Monthly	8.85%	8.85%	**88,894**	88,894	-	-	88,894	-	-	-
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	**189,701**	1,067	-	51,952	53,019	136,682	-	136,682

Financial Leases at 12.31.2016	Country	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2016 Th$	Within 1 month Th$	1 to 3 months Th$	3 to 12 months Th$	Current as of 12.31.2016 Th$	1 to 5 years Th$	More than 5 years Th$	Non-current as of 12.31.2016 Th$
Banco Santander	Peru	USD	Monthly	8.70%	8.70%	**296,552**	10,828	19,393	90,686	120,907	175,645	-	175,645
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	**273,833**	273,833	-	-	273,833	-	-	-
BANBIF	Peru	PEN	Monthly	8.50%	8.50%	**177,331**	177,331	-	-	177,331	-	-	-
BANBIF	Peru	PEN	Monthly	8.35%	8.35%	**285,462**	285,462	-	-	285,462	-	-	-
Banco Santander	Peru	PEN	Monthly	9.25%	9.25%	**36,77**	1,187	2,217	10,393	13,797	22,973	-	22,973
BCP	Peru	PEN	Monthly	5.00%	5.00%	**110,164**	4,169	8,476	38,819	51,464	58,700	-	58,700
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	**81,414**	3,215	6,475	29,889	39,579	41,835	-	41,835
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	**9,611**	4,794	4,817	-	9,611	-	-	-
BCP	Peru	PEN	Quarterly	6.85%	6.85%	**6,165**	-	1,468	4,547	6,015	150,000	-	150,000
Interbank	Peru	PEN	Monthly	6.60%	6.60%	**39,821**	805	1,623	7,524	9,952	29,869	-	29,869
Interbank	Peru	PEN	Monthly	7.50%	7.50%	**1,146,848**	15,86	35,9	148,908	200,668	946,181	-	946,181
Interbank	Peru	PEN	Monthly	7.50%	7.50%	**42,834**	704	1,42	6,605	8,729	34,105	-	34,105
Interbank	Peru	PEN	Monthly	7.50%	7.50%	**532,006**	7,382	14,899	69,312	91,593	440,413	-	440,413
					Total	**23,364,609**	**1,878,338**	**265,852**	**1,118,549**	**3,262,739**	**5,367,093**	**14,734,777**	**20,101,870**

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	UF	Monthly	3%	3%	**38,092,253**	131,353	262,705	1,182,173	**1,576,231**	6,304,925	30,211,097	**36,516,022**
Netting of advances to Oxiquim S.A.(**)	Chile	UF	Monthly	3%	3%	**(18,307,949)**	(62,061)	(124,122)	(558,548)	**(744,731)**	(2,978,921)	(14,584,298)	**(17,563,219)**
Leasing de Occidente	Colombia	COP	Monthly	9.67%	9.67%	**165,793**	17,592	43,430	83,352	**144,374**	21,419	-	**21,419**
Helm Bank	Colombia	COP	Monthly	12.02%	12.02%	**31,533**	1,266	3,873	26,394	**31,533**	-	-	**-**
Banco de Crédito del Peru	Peru	PEN	Monthly	5.00%	5.00%	**165,944**	4,080	8,457	38,521	**51,058**	114,886	-	**114,886**
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	**123,955**	3,172	6,388	29,490	**39,050**	84,905	-	**84,905**
Scotiabank	Peru	PEN	Monthly	5.70%	5.70%	**68,222**	4,726	9,518	43,955	**58,199**	10,023	-	**10,023**
BCP	Peru	PEN	Quarterly	6.85%	6.85%	**12,313**	-	1,436	4,448	**5,884**	6,429	-	**6,429**
Interbank	Peru	PEN	Monthly	6.60%	6.60%	**51,266**	788	1,589	7,361	**9,738**	41,530	-	**41,530**
					Total	**20,403,330**	**100,916**	**213,274**	**857,146**	**1,171,335**	**3,605,196**	**15,626,799**	**19,231,995**

(*) 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. under the aforesaid contract are shown discounting the lease debt pursuant to paragraph 42 of IAS 32.

The subsidiary Limagas Natural Perú 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 December 31, 2016, the funds allocated to the assets in trust amounted to Th$29,828. 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$738,810 as of December 31, 2016.

Financial covenants

The subsidiary Limagas Natural Perú S.A. has contracted loans with the following banks: Interbank, BANBIF and Financiero for a total amount of Th$ 1,003,865. These contracts require compliance of certain covenants based on financial ratios. Some of those ratios are not in compliance as of December 31, 2016. Management believes that this non-compliance does not have significant consequences. These loans have been entirely classified as current in terms of maturity. Should any of the creditor intuitions require it, the Parent Company will financially support the subsidiary.

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 December 31, 2016 and 2015 are as follows:

As of December 31, 2016

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current – Maturity – Within 1 month Th$	Current – Maturity – 1 to 3 months Th$	Current – Maturity – 3 to 12 months Th$	Total Current at 12.31.2016 Th$	Non-Current – Maturity – 1 to 5 years Th$	Non-Current – Maturity – 5 or more years Th$	Total Non-Current at 12.31.2016 Th$
BLIPI- E	3,500,000	UF	3.44%	3.55%	-	-	-	-	-	92,217,930	92,217,930
Bond surcharge					5,298	10,596	47,683	63,577	383,425	1,006,492	1,389,917
					5,298	**10,596**	**47,683**	**63,577**	**383,425**	**93,224,422**	**93,607,847**

As of December 31, 2015

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current – Maturity – Within 1 month Th$	Current – Maturity – 1 to 3 months Th$	Current – Maturity – 3 to 12 months Th$	Total Current at 12.31.2015 Th$	Non-Current – Maturity – 1 to 5 years Th$	Non-Current – Maturity – 5 or more years Th$	Total Non-Current at 12.31.2015 Th$
BLIPI- E	3,500,000	UF	3.44%	3.55%	-	-	-	-	-	89,701,815	89,701,815
Bond surcharge					5,771	11,542	51,939	69,252	379,216	1,019,143	1,398,358
					5,771	**11,542**	**51,939**	**69,252**	**379,216**	**90,720,958**	**91,100,173**

Risk Rating

As of December 31, 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 <=1.5 x (net financial debt-to-equity ratio)

Covenant Status

The Company's compliance as of December 31, 2016, with the covenants is shown below:

Covenants	Amount	Compliance
Minimum equity (Th$)	137,208,236	Yes
Indebtedness	0.82	Yes

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

15. Trade payables and other accounts payable

15.1 Trade payable and other accounts payable, current

Type of Supplier	12.31.2016 Th$	12.31.2015 Th$
LPG	13,801,300	4,499,326
Other suppliers	17,229,379	13,294,536
Withholdings and other taxes	3,872,134	4,252,989
Total trade payables and other accounts payable	**34,902,813**	**22,046,851**

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

Average payment period of LPG supplier accounts payable as of December 31, 2016 and 2015, was 24 days and 11 days, respectively.

Average payment period of other supplier accounts payable as of December 31, 2016 and 2015, was 34 days and 38 days, respectively.

15.2 Trade payables and other accounts payable, non-current

Type of Supplier	12.31.2016 Th$	12.31.2015 Th$
Other suppliers	8,213	36,547
Business combination suppliers	854,478	-
Total non-current trade payables and other accounts payable	**862,691**	**36,547**

16. Other provisions, current

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

Type of Provision	12.31.2016 Th$	12.31.2015 Th$
Lawsuits	166,714	230,123
Administrative proceedings	-	337,162
Business combinations	1,046,369	
Total other provisions	**1,213,083**	**567,285**

17. Provisions for employee benefits

17.1 Current provisions

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

Type of Provision	12.31.2016 Th$	12.31.2015 Th$
Personnel liabilities (bonuses, profit-share and others)	1,624,135	2,013,419
Total accumulated liabilities	**1,624,135**	**2,013,419**

17.2 Non-current provisions

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

Provision for severance payment for years of service	12.31.2016 Th$	12.31.2015 Th$
Opening Balance	2,071,061	2,908,396
Actuarial variables	(83,068)	(466,451)
Payments	(101,455)	(631,087)
Accrual	246,344	260,203
Total	**2,132,882**	**2,071,061**

Actuarial assumptions

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

Actuarial Assumptions	12.31.2016	12.31.2015
Mortality table	RV-2009	RV-2009
Nominal real annual interest rate	3.78%	3.10%
Voluntary retirement turnover rate, men and women	1.30%	0.9%
Salary increase	1.70%	3.8%
Retirement age, men	65 yrs.	65 yrs.
Retirement age, women	60 yrs.	60 yrs.

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

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

Other non-current liabilities	12.31.2016 Th$	12.31.2015 Th$
Opening Balance	31,671,120	25,541,956
Deposits	948,335	1,570,206
Translation differences movement	(185,160)	(431,140)
Returns	(241,534)	(301,314)
Adjustment to present value	2,101,830	5,291,412
Ending balance	**34,294,591**	**31,671,120**

The liability for customer guarantees for cylinders and tanks as of December 31, 2016 totaled Th$64,077,554 (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 December 31, 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 December 31, 2016 and 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.

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

19.3 Dividends

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

Date	Th$
03.30.2016	4,300,000
06.29.2013	8,800,000
09.28.2016	8,900,000
11.30.2016	4,883,704
Sub total	**26,883,704**

Final

Date	Th$
04.27.2016	2,979,442
Sub total	**2,979,442**

Total	**29,863,146**

During the fiscal year ended December 31, 2015, the Parent Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th$35,071,006 as follows:

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
Sub total	**33,000,000**

Final

Date	Th$
04-29-2015	2,071,006
Sub total	**2,071,006**

Total	**35,071,006**

19.4 Non-controlling interests

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

Subsidiary	Country of Origin	Non-controlling percentage interest in subsidiary		12.31.2016 Non-controlling interests in equity	12.31.2016 Earnings (loss) attributable to non-controlling interests	12.31.2015 Non-controlling interests in equity	12.31.2015 Earnings (loss) attributable to non-controlling interests
		2016	2015	Th$	Th$	Th$	Th$
Norgas S.A.	Chile	42.00%	42.00%	1,228,457	43,119	1,479,338	140,661
Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	Chile	0.00%	0.00%	9	-	9	
Total				**1,228,466**	**43,119**	**1,479,347**	**140,661**

19.5 Reconciliation of the movement in other comprehensive income reserves

Movements as of December 31, 2016:

Movement in other comprehensive income as of 12.31.2016	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th$	Net Amount Th$	Net Amount Th$
After-tax gain (loss)	38,695,294	43,119	38,738,413
Gains (losses) from translation differentials, before taxes	(1,420,216)	-	(1,420,216)
Other comprehensive income, actuarial gains (losses) from defined benefits plans	83,068	-	83,068
Gains (losses) on cash flow hedges, before taxes	(1,117,645)	-	(1,117,645)
Total movement in the fiscal year	**(2,454,793)**	**-**	**(2,454,793)**
Income tax on the components of other comprehensive income	**229,042**	**-**	**229,042**
Total comprehensive income	**36,469,543**	**43,119**	**36,512,662**

Movements as of December 31, 2015:

Movement in other comprehensive income as of 12.31.2015	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th$	Net Amount Th$	Net Amount Th$
After-tax gain (loss)	35,979,442	140,661	36,120,103
Gains (losses) from translation differentials, before taxes	(2,648,191)	-	(2,648,191)
Other comprehensive income, actuarial gains (losses) from defined benefits plans	466,451	-	466,451
Gains (losses) on cash flow hedges, before taxes	216,972	-	216,972
Total movement in the fiscal year	**(1,964,768)**	-	**(1,964,768)**
Income tax on the components of other comprehensive income	**(171,506)**	-	**(171,506)**
Total comprehensive income	**33,843,168**	**140,661**	**33,983,829**

20. Earnings per share

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

Earnings per share used to calculate the basic share and diluted share as of December 31, 2016 and 2015 is the following:

Per-share profit	01.01.2016 through 12.31.2016	01.01.2015 through 12.31.2015
Profit attributable to shareholders (Th$)	38,695,294	35,979,442
Weighted average number of shares	113,574,515	113,574,515
Earnings per basic and diluted share (in pesos)	**340.70**	**316.79**

21. Revenue and other income by function

21.1 Revenue from ordinary activities

For the fiscal years ended December 31, 2016 and 2015, the itemization of revenue is as follows:

Revenue	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Revenue from gas sales (LPG - natural gas)	396,946,597	368,974,091
Revenue from the sale of other fuels	2,880,922	3,039,411
Revenue from the sale of facilities	1,695,442	2,454,423
Revenue from meter leases	2,391,709	2,272,071
Revenue from other sales and services	2,293,785	1,873,066
Total revenue from ordinary activities	**406,208,455**	**378,613,062**

The Company has not accounted for income by product line since revenue comes primarily from LPG, which represents more than 93% of total revenue.

21.2 Other income by function

For the fiscal years ended December 31, 2016 and 2015, the itemization of other income is as follows:

Other income by function	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Commercial interest	275,849	187,570
Total other income by function	**275,849**	**187,570**

22. Costs and expenses by function broken down by nature

For the fiscal years ended December 31, 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 12.31.2016 Th$
Gas purchases(*)	225,066,123	-	-	-	225,066,123
Depreciation	16,934,571	-	-	-	16,934,571
Amortization	1,096,577	-	-	-	1,096,577
Wages and salaries	3,216,096	6,721,891	6,824,331	3,825,991	20,588,309
Benefits	738,667	2,770,236	906,514	539,224	4,954,641
Mandatory expenses	222,081	654,711	966,249	350,449	2,193,490
Cylinder and tank maintenance	15,091,099	-	-	-	15,091,099
Other expenses	3,667,445	15,648,266	7,408,973	1,205,879	27,930,563
Advertising	-	-	1,351,088	-	1,351,088
Freight	451,387	11,140	5,458	27,530,517	27,998,502
Promotional campaigns	-	154,257	3,037,782	-	3,192,039
Balances as of 12.31.2016	**266,484,046**	**25,960,501**	**20,500,395**	**33,452,060**	**346,397,002**

Description	Cost of Sales Th$	Administrative Expenses Th$	Other Expenses, by Function Th$	Distribution Costs Th$	Total as of 12.31.2015 Th$
Gas purchases (*)	208,865,825	-	-	-	208,865,825
Depreciation	14,565,392	-	-	-	14,565,392
Amortization	1,000,455	-	-	-	1,000,455
Wages and salaries	3,534,316	5,671,419	6,544,973	2,801,581	18,552,289
Benefits	799,181	2,462,206	915,794	393,698	4,570,879
Mandatory expenses	295,925	578,162	1,116,913	369,717	2,360,717
Cylinder and tank maintenance	14,081,621	-	-	-	14,081,621
Other expenses	2,146,947	14,761,888	6,999,150	531,318	24,439,303
Advertising	-	-	1,650,540	-	1,650,540
Freight	409,191	8,464	42	22,938,902	23,356,598
Promotional campaigns	-	769	1,876,534	-	1,877,303
Balances as of 12.31.2015	**245,698,853**	**23,482,907**	**19,103,946**	**27,035,216**	**315,320,922**

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

23. Financial Income and other gains and losses

23.1 Financial Income

For the fiscal years ended December 31, 2016 and 2015, the itemization of financial income is as follows:

Financial Income	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Financial income		
Interest on financial instruments	719,126	740,430
Other financial income	665,654	820,358
Total financial income	**1,384,780**	**1,560,788**
Financial costs		
Bank loans interest	(921,332)	(2,174,256)
Financial lease interest	(1,698,778)	(1,002,673)
Bond interest	(3,096,644)	(2,097,439)
Other financial expenses	(78,285)	(89,223)
Adjustment of other non-current liabilities	(2,101,831)	(5,291,412)
Total financial costs	**(7,896,870)**	**(10,655,003)**
Exchange differences		
Positive	432,032	105,820
Negative	(45,794)	(276,965)
Total exchange differences	**386,238**	**(171,145)**
Profit (loss) on adjustment units		
Bond debt	(2,609,023)	(3,262,357)
Financial leases	(541,143)	(1,007,236)
Total profit (loss) on adjustment units	**(3,150,166)**	**(4,269,593)**
Total Financial Income	**(9,276,018)**	**(13,534,953)**

23.2 Other gains (losses)

Other Gains (Losses)	01.01.2016 through 12.31.2016 Th$	01.01.2015 through 12.31.2015 Th$
Retirement of property, plant and equipment	(166,494)	(2,592,133)
Profit (loss) on the sale of property, plant & equipment	(73,018)	(116,851)
Other gains (losses)	855,884	916,066
Total other gains (losses)	**616,372**	**(1,792,918)**

24. Number of employees and payroll cost

The average number of employees for the fiscal years 2016 and 2015 was 1,655 and 1,524, respectively

As of December 31, 2016 and 2015, the Company employed 1,686 and 1,519 employees respectively, distributed according to the following table:

Employees	12.31.2016	12.31.2015
Executives	25	19
Professionals and technicians	809	758
Others	752	742
Total Employees	**1,686**	**1,519**

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

Item	12.31.2016 Th$	12.31.2015 Th$
Wages and salaries	20,588,309	18,552,289
Benefits	4,954,641	4,570,879
Mandatory expenses	2,193,490	2,360,717
Total payroll cost	**27,736,440**	**25,483,885**

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 93% of revenue is generated by LPG and 100% corresponds to external clients, and no inter-segment revenue was generated.

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

Below is an itemization of this disclosure as of December 31, 2016 and 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 December 31, 2016	Segments			Total for
	Chile	Colombia	Peru	Lipigas Group
Total operating assets	236,296,086	40,159,732	77,938,276	354,394,094
Total operating liabilities	75,718,373	9,874,949	19,096,375	104,689,697
Total investment by segment	160,577,713	30,284,783	58,841,901	249,704,397
Financing				112,496,161
Total Investment				137,208,236
Equity:				
Issued capital				129,242,454
Other reserves				(4,169,881)
Gains (accumulated losses)				10,907,197
Non-controlling interests				1,228,466
Total equity				137,208,236

As of December 31, 2015	Segments			Total for
	Chile	Colombia	Peru	Lipigas Group
Total operating assets	228,601,007	39,982,992	40,744,849	309,328,848
Total operating liabilities	68,226,564	8,850,591	13,982,296	91,059,451
Total investment by segment	160,374,443	31,132,401	26,762,553	218,269,397
Financing				87,416,677
Total Investment, net				130,852,720
Equity:				
Issued capital				129,242,454
Other reserves				(1,944,131)
Gains (accumulated losses)				2,075,050
Non-controlling interests				1,479,347
Total equity				130,852,720

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 12.31.2016	01.01.2015 through 12.31.2015	01.01.2016 through 12.31.2016	01.01.2015 through 12.31.2015	01.01.2016 through 12.31.2016	01.01.2015 through 12.31.2015	01.01.2016 through 12.31.2016	01.01.2015 through 12.31.2015
Revenue	282,795,294	279,509,643	35,688,178	35,812,693	87,724,983	63,290,726		406,208,455
Purchases allocated to cost of sales	(147,022,476)	(149,018,588)	(18,793,901)	(17,559,868)	(59,249,745)	(42,287,369)		(225,066,122)
Cost of sales (excluding depreciation and amortization)	(15,563,504)	(14,682,157)	(2,930,035)	(2,967,191)	(4,893,238)	(3,617,836)		(23,386,777)
Other income by function	275,849	187,570	-	-	-	-		275,849
Other operating expenses	(54,284,355)	(50,627,580)	(8,642,483)	(9,059,707)	(16,986,118)	(9,934,783)		(79,912,956)
Depreciation and amortization	(13,316,819)	(12,275,568)	(1,821,085)	(1,590,055)	(2,893,245)	(1,700,224)		(18,031,149)
Operating profit (loss)	**52,883,989**	**53,093,320**	**3,500,674**	**4,635,872**	**3,702,637**	**5,750,514**		**60,087,300**
Non-operating profit (loss)								**(8,659,645)**
Profit (loss) before taxes								
Income tax								**51,427,656**
Profit (loss)								**(12,689,243)**

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

Statement of direct cash flow by segment as of December 2016	Segments			Total for
	Chile	Colombia	Peru	Lipigas Group
Net cash flow from (used in) operating activities	62,537,309	5,337,329	989,281	**68,863,919**
Net cash flow from (used in) investing activities	(20,436,246)	(3,097,405)	(22,472,433)	**(46,006,083)**
Net cash flow from (used in) financing activities				**(35,708,174)**
Effects of the variation of the exchange rate on cash and cash equivalent				**(242,603)**
Net increase (decrease) in cash and cash equivalent				**(13,092,941)**
Cash and cash equivalent at the beginning of the fiscal year				**31,214,918**
Cash and cash equivalent at the end of the fiscal year				**18,121,977**

Statement of direct cash flow by segment as of Decmber 2015	Segments			Total for
	Chile	Colombia	Peru	Lipigas Group
Net cash flow from (used in) operating activities	59,105,453	6,910,227	6,711,804	**72,727,483**
Net cash flow from (used in) investing activities	(18,377,076)	(3,217,781)	(2,670,606)	**(24,265,463)**
Net cash flow from (used in) financing activities				**(26,693,212)**
Effects of the variation of the exchange rate on cash and cash equivalent				**(225,692)**
Net increase (decrease) in cash and cash equivalent				**21,543,116**
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				**31,214,918**

26. Foreign currency balances

Foreign currency balances are shown below for the fiscal years ended December 31, 2016 and 2015, respectively:

Foreign Currency Summary	Currency of origin	Total assets 12.31.2016 Th$	Total assets 12.31.2015 Th$
Current assets	USD	833,570	328.758
Current assets	COP	5,176,491	4.647.580
Current assets	PEN	14,017,811	9.386.198
Non-current assets	COP	36,654,888	35.894.336
Non-current assets	PEN	55,035,522	25.177.005
Non-current assets	USD	1,257,482	-
Total assets		**112,975,764**	**75.433.877**

Foreign Currency Summary	Currency of origin	Total liabilities 12.31.2016 Th$	Total liabilities 12.31.2015 Th$
Current liabilities	USD	10,605,805	2,651,490
Current liabilities	COP	3,422,053	2,980,321
Current liabilities	PEN	16,760,057	4,163,213
Non-current liabilities	COP	10,237,151	9,162,709
Non-current liabilities	PEN	10,913,473	6,973,732
Non-current liabilities	USD	175,645	-
Total liabilities		**52.114.184**	**25,931,465**

Balances for current and non-current assets in a foreign currency are shown below for the fiscal years ended December 31, 2016 and 2015, respectively:

EMPRESAS LIPIGAS

Current assets in a foreign currency	Currency of origin	Total current assets 12.31.2016 Th$	Total current assets 12.31.2015 Th$
Cash and cash equivalent	USD	676,219	81,781
Cash and cash equivalent	COP	1,671,647	632,951
Cash and cash equivalent	PEN	1,074,528	4,710,647
Other financial assets	USD	-	246,977
Assets classified as held for sale	COP	44,294	58,080
Trade receivables and other accounts receivable	USD	157,351	-
Trade receivables and other accounts receivable	COP	2,513,564	2,708,989
Trade receivables and other accounts receivable	PEN	10,708,050	3,863,382
Inventories	COP	424,481	653,457
Inventories	PEN	1,058,584	787,398
Tax assets	COP	241,196	242,286
Tax assets	PEN	836,291	-
Other non-financial assets	COP	281,309	351,817
Other non-financial assets	PEN	340,358	24,371
Total current assets		**20,027,872**	**14,362,536**

26. Foreign currency balances (continued)

Non-current assets in a foreign currency	Currency of origin	Total non-current assets 12.31.2016 Th$	Total non-current assets 12.31.2015 Th$
Other financial assets	USD	832,268	-
Other financial assets	COP	581,409	523,819
Investments accounted for using the equity method	COP	1,100	283,153
Intangible assets other than goodwill	COP	2,908,553	2,903,635
Intangible assets other than goodwill	PEN	1,285,560	47,629
Property, plant and equipment	COP	31,977,940	30,983,597
Property, plant and equipment	PEN	44,067,804	25,111,908
Goodwill	COP	1,180,146	1,180,146
Goodwill	PEN	10,107,372	-
Other financial assets	PEN	-	17,468
Deferred tax assets	COP	5,740	19,986
Total non-current assets		**92,947,892,,**	**61,071,341**
Total assets		**112,975,764**	**75,433,877**

Current and non-current liabilities in a foreign currency are shown below for the fiscal years ended December 31, 2016 and 2015, respectively:

Current liabilities in a foreign currency	Currency of origin	Total current liabilities 12.31.2016 Th$	Total current liabilities 12.31.2015 Th$
Other financial liabilities	USD	283,354	-
Other financial liabilities	COP	495,640	637,623
Other financial liabilities	PEN	8,564,038	412,465
Trade payables and other accounts payable	USD	10,322,451	2,651,490
Trade payables and other accounts payable	COP	2,316,792	2,266,701
Trade payables and other accounts payable	PEN	6,637,755	2,349,111
Accounts payable to related entities	COP	405,574	-
Other provisions	COP	91,507	75,997
Other provisions	PEN	1,121,576	154,126
Tax liabilities	PEN	-	406,903
Other non-financial liabilities	PEN	49,403	191,429
Employee benefit provisions, current	COP	112,540	-
Employee benefit provisions, current	PEN	387,285	649,179
Total current liabilities		**30,787,915**	**9,795,024**

26. Foreign currency balances (continued)

Non-Current Liabilities in a Foreign Currency	Currency of origin	Total non-current liabilities 12.31.2016 Th$	Total non-current liabilities 12.31.2015 Th$
Other financial liabilities	USD	175,645	-
Other financial liabilities	COP	3,288,615	3,690,374
Other financial liabilities	PEN	3,150,638	1,018,627
Trade payables and other accounts payable	COP	8,213	-
Trade payables and other accounts payable	PEN	1,285,525	-
Deferred tax liabilities	COP	1,508,923	125,399
Deferred tax liabilities	PEN	2,926,812	2,909,229
Other non-financial liabilities	COP	5,431,400	5,346,936
Other non-financial liabilities	PEN	3,550,498	3,045,876
Total non-current liabilities		**21,326,269**	**16,136,441**

Total liabilities	**52,114,184**	**25,931,465**

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: Valparaíso Court
Subject: Indemnity for damages sought from Manuel Herrera Leiva and from the Company as a jointly and severally liable party,
Amount: Th$120,000
Status: The insurance company is defending the case. Contingency is covered by the insurance policy, except for the insurance deductible amounting to UF3,000; equivalent to Th$79,044

Lawsuit : "Joint and several liability of Empresas Lipigas S.A."
Court: Santiago Court
Subject: Indemnity for damages sought from Hodfe sub-distributor and from the Company as a jointly and severally liable party,
Amount: Th$928,000
Status: The insurance company is defending the case. Contingency is covered by the insurance policy, except for the insurance deductible amounting to UF3,000; equivalent to Th$79,044.

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$6,964,389
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$1,002,277). They claim was answered and the reply and counter-suit were filed, and is in the status of receiving proof. According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

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

Lawsuit: "Abastecedora de Combustibles S.A. (Abastible) contra Empresas Lipigas S.A."
Court: Santiago Civil Court
Subject: Reimbursement of guarantees for cylinders returned pursuant to Chile's Electricity and Fuels Commission (SEC) Circular Letter No. 13,228
Amount: Th$8,045,297
Status : In process

On August 10, 2016 the Company was notified of a new lawsuit initiated by Abastecedora de Combustibles S.A. (Abastible) against the Company, unjustifiably claiming the return of guarantees for the cylinders returned pursuant to SEC's Circular Letter N°13,228. The plaintiff claims the repayment for guarantees given by customers to the Company amounting to Th$7,427,595, as well as alleged costs for storage/custody of such cylinders amounting UF 23,444 (Th$617,702). The claim was answered and is in the status of receiving proof According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

27.2 Lima Gas S.A.

JUDICIAL
Lawsuit : "Osinergmin vs. Lima Gas S.A."
Court: Lima
Matter: Price differential
Amount provisioned: Th$47,835
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 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.

LABOR

Lawsuit: "Department of Labor vs. Chilco Distribuidora de Gas y Energía S.A.S. E.S.P,"
Subject: Legal breaches
Amount: Th$62,189
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 fiscal years ended December 31, 2016 and 2015.

29. Guarantees committed to third parties

The Company held guaranty receipts issued by different banks to third parties at the close of the fiscal years ended December 31, 2016 and 2015, respectively, itemized below:

2016

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

2016 (continued)

Beneficiary	Currency	Country	Amount Th$	Date
Sk Innovation, Sucursal Peruana	USD	Peru	147,611	07-14-17
Pluspetrol Camisea S.A. y/o Pluspetrol Lote 56 S.A.	USD	Peru	209,675	07-14-17
Tecpetrol del Perú S.A.C. y/o Tecpetrol Bloque 56 S.A.C.	PEN	Peru	83,870	07-14-17
Repsol Exploración Perú, Sucursal del Perú	PEN	Peru	83,870	07-14-17
Sonatrach Perú Corporation S.A.C.	PEN	Peru	83,870	07-14-17
Marina De Guerra	USD	Peru	7,139	02-23-17
Universidad Nacional Mayor de San Marcos	PEN	Peru	1,997	06-11-17
Administradora Jockey Plaza Shopping Center S.A.	PEN	Peru	11,183	04-23-17
Marina De Guerra	PEN	Peru	2,132	06-11-17
Marina De Guerra	PEN	Peru	5,046	05-30-17
Marina De Guerra	PEN	Peru	1,785	01-23-17
Marina De Guerra	PEN	Peru	1,785	02-08-17
Marina De Guerra	PEN	Peru	1,156	02-28-17
YPFB Yacimientos Petrolíferos- Stand By	PEN	Peru	643,002	06-30-17
Inversiones San Borja SA	PEN	Peru	36,080	01-04-17
Pluspetrol Perú Corporation S.A.	PEN	Peru	12,301	07-14-17
Hunt Oil Company Of Peru L.L.C. Sucursal del Perú	PEN	Peru	140,901	07-14-17
Sk Innovation, Sucursal Peruana	USD	Peru	98,407	07-14-17
Pluspetrol Camisea S.A. y/o Pluspetrol Lote 56 S.A.	PEN	Peru	139,783	07-14-17
Tecpetrol del Perú S.A.C. y/o Tecpetrol Bloque 56 S.A.C.	PEN	Peru	55,913	07-14-17
Repsol Exploración Perú, Sucursal del Perú	PEN	Peru	55,913	07-14-17
Sonatrach Perú Corporation S.A.C.	PEN	Peru	55,913	07-14-17
Municipalidad Provincial Mariscal Nieto	PEN	Peru	11,161	01-31-17
Municipalidad Provincial Mariscal Nieto	PEN	Peru	21,806	01-01-18
INABIF	PEN	Peru	20,293	09-17-17
Gas Natural de Lima y Callao S.A	PEN	Peru	82,519	02-02-17
Gas Natural de Lima y Callao S.A	PEN	Peru	273,445	03-02-17
Gas Natural de Lima y Callao S.A	USD	Peru	495,896	01-04-17
Gas Natural de Lima y Callao S.A	USD	Peru	184,494	02-02-17
Gas Natural de Lima y Callao S.A	USD	Peru	454,517	02-02-17
Gas Natural de Lima y Callao S.A	USD	Peru	279,980	02-02-17
Gas Natural de Lima y Callao S.A	USD	Peru	100,792	01-04-17
Gas Natural de Lima y Callao S.A	USD	Peru	187,448	02-02-17
Gas Natural de Lima y Callao S.A	USD	Peru	550,596	01-04-17
Gas Natural de Lima y Callao S.A	USD	Peru	146,536	02-02-17
Petrocorp S.A.	USD	Peru	53,549	09-30-17
Petrocorp S.A.	USD	Peru	642,586	02-02-17

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 Rio	CLP	Chile	341,000	01-02-2018
Hospital de Niños Roberto del Rio	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 regarding environmental standards for the fiscal years ended December 31, 2016 and 2015, respectively:

TABLAS MEDIO AMBIENTE PENDIENTES (POR FAVOR ENVIAR ARCHIVO EDITABLE – EN EL ESPAÑOL ESTÁN PEGADAS COMO IMAGEN

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

The following material event occurred in the Company's business between December 31, 2016, closing date of the consolidated financial statements, and the date when their publication was authorized:

31.1 Purchase of assets in Colombia

On January 10, 2017, the Colombian Superintendence of Industry and Commerce approved the acquisition of the operating assets of the company Ingasoil S.A. E.S.P., which develops the activity of network gas distribution in different municipalities in Colombia. The purchase price was Th$ 1,504,000. The acquired assets include LPG distribution networks, storage tanks and stationary tanks used for LPG supply; and the assignment of contracts for the supply of LPG to clients, among others. The integration of activities took place during the February 2017. The assets were acquired by the company Rednova S.A.S. E.S.P., a subsidiary incorporated January 6, 2017 for the purpose of developing the activity of network gas distribution in Colombia.

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