EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2017

Santiago, Chile, May 17, 2017 – Empresas Lipigas S.A. ("Lipigas" or "the Company"), leader in commercializing and distributing gas in Chile with operations in Colombia and Peru, announced today its consolidated financial results for the first quarter ended March 31, 2017. All figures are set according to IFRS-International Financial Reporting Standards- in Chilean pesos (CLP). All variation comparisons refer to the same period of the previous year, unless otherwise indicated.

Lipigas increased its LPG sales volume by 2.4% as of March 31

Highlights last 3 months:

- EBITDA reached CLP 15,354 million, a 3.5% decrease compared to the previous year (CLP 15,910 million).
- Consolidated LPG sales volume increases by 2.4%
- Consolidated sales volume in equivalent LPG tons (including sales of natural gas, compressed natural gas and liquefied natural gas) grows by 6.3%.
- Income after taxes decreases by 9.4%.

Comments of the General Manager – Ángel Mafucci

"EBITDA generated in the first quarter of 2017 reached CLP 15,354 million and was 3.5% below the previous year. LPG sales volume in Chile grew by 3.3% compared to 2016. However, this increased volume was offset by an increased level of expenditures in Chile, which relates to the development of strategies of integration of the distribution chain to the final customer. This increase was expected within the year's business plan and it is estimated it will have a positive impact on the generation of income of the second half of the year. The operation of Colombia increased its results significantly. In addition, during the quarter we started the Rednova operation, our subsidiary in that country dedicated to the distribution of network gas. This is still an incipient segment, but that we consider has the potential for future growth. In Peru, there is still a low margin situation, which is affecting generation of cash flows. Although we ended the quarter with results lower than what we expected, we are deepening the strategy of approaching the final customer and analyzing new business niches in which to leverage our experience in providing efficient and reliable energy solutions to our customers"

1Q17-Consolidated Results

EBITDA reached CLP 15,354 million decreasing 3.5% regarding the same period of 2016. Chile and Peru present lower EBITDA given the increase in operating costs On the other hand, Colombia increased its EBITDA due to greater sales volume and an increase in unit margin.

Consolidated revenues reached CLP 99,113 million, representing a 16% increase that occurs in all three countries. Chile and Colombia increased revenues by CLP 9,709 million (17%) and CLP 2,190 million (24.7%) mainly due to greater volumes and higher unit prices of raw materials. In Peru, higher revenues of CLP 1,777 million (9.1%) regarding the 1Q16 was generated by greater sales volume. Sales volume in Equivalent LPG Tons increased by 6.3%.

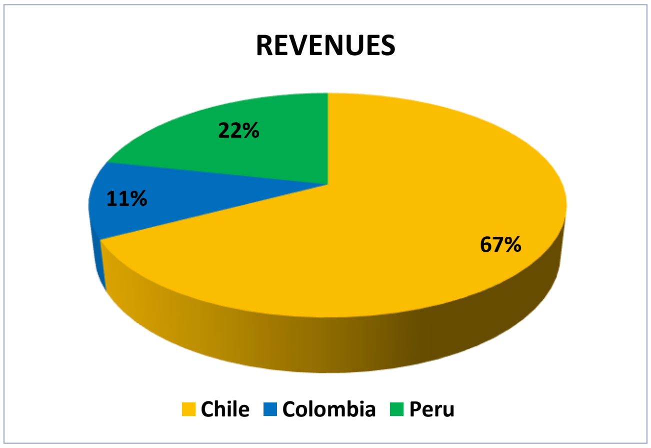
Gross margin reached CLP 41,481 million, increasing by 10.9%. In Chile, gross margin increased by 7.9% compared to 1Q16, due to greater volumes and unit margins. In Colombia, gross margin increased by 32.6% due to better unit margins and increased sales volume. In Peru, gross margin increased by 11.1% due to greater margin generated by the Limagas Natural operation that in 2016 began consolidating in February. The 3.1% lower LPG sales volume compared to 1Q16 and lower LPG unit margins decreased this greater margin.

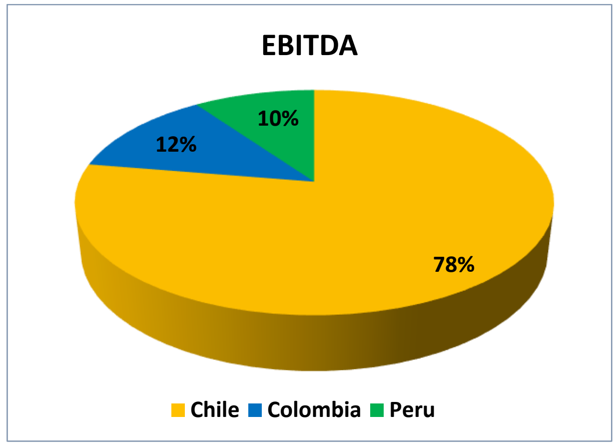
Operating expenses increased by CLP 4,626 million (21.5%) due to greater expenses in Chile and Peru. Expenses in Chile increased by CLP 3,158 million (20.9%) mainly by salaries, freight, tank and meter re-inspections, marketing and outsourced services, the increase relates to the development of strategies of integration of the distribution chain to the final customer. This increase was expected within the business plan of the year and it is estimated that it will have a positive impact in the generation of income of the second half of the year. In Colombia, expenses increased by CLP 247 million (8.9%) due to greater expenses in freight, salaries and taxes. In Peru expenses increased by CLP 1,221 million (33.2%), mainly associated with greater expenses in Limagas Natural (CLP 995 million) that in 2016 began consolidating in February.

Negative non-operating income decreased by CLP 651 million mainly by lower financial costs due to the restatement of non-current liabilities and lower negative results by adjustment units compared to 1Q16 given lower inflation in Chile.

Earnings after taxes decreased by 9.4% mainly explained by lower operating income regarding 1Q16 and greater income taxes, partially offset by a lower non-operating income.

Analysis by country





Chile: In Chile EBITDA reached CLP 11,918 million, representing a 7.4% decrease compared to 1Q16 due to greater operating expenses during the period.

Revenues for the Chilean operation reached CLP 66,674 million, 17% higher than 1Q16, explained by a 3.3% higher LPG sales volume, and increased raw material prices. Sales volume in equivalent LPG tons increased by 3.5%, highlighting the 10.2% volume increase in NLG sales.

Gross margin reached CLP 30,122 million, a 7.9% increase compared to 1Q16 generated by greater volumes and greater unit margins.

Operating expenses in Chile increases by CLP 3,158 million (20.9%) mainly in salaries, freight, meter and tanks re-inspection, marketing and outsourced services; which largely relate to the implementation of our strategy of integration of the distribution chain to the final customer. This increase in expenses is mainly related to the Company's strategy of integrating the distribution chain. During the quarter, the effect was negative since the increase in gross margin was lower than the increase in expenses. However, in the future, this strategy will allow generating a closer positioning to the final customer favoring the development of commercial actions.

Colombia: In Colombia EBITDA reached CLP 1,932 million, representing a significant 101.7% increase compared to 1Q16 mainly due to greater volumes and better unit margins.

Revenues for the Colombian operation reached CLP 11,044 million, 24.7% higher than 1Q16. LPG sales volume increased by 8.6%. Said increase is influenced by a specific increase corresponding to our customers' restoration of stock resulting from product shortages occurred during the last quarter of 2016.

Colombia's gross margin measured in Chilean pesos presents a 32.6% positive variation mainly given higher unit margins in addition to the previously mentioned greater sales volume. There is a positive effect resulting from the 3.9% revaluation of the Colombian peso against the Chilean peso compared to 1Q16.

Operating expenses increased by CLP 247 million (8.9%) given higher expenses in freights, salaries and taxes. The increase in expenses is influenced by the mentioned revaluation of the Colombian peso.

Peru: In Peru EBITDA reached CLP 1,504 million, representing a 28% decrease compared to 1Q16 mainly due to lower volumes and lower unit margins of the LPG operation.

Revenues for the Peruvian operation reached CLP 21,395 million, a 9.1% higher than 1Q16, explained by the incorporation of the compressed natural gas operation. LPG sales volume decreased by 3.1% mainly in the automotive segment. Sales volume in equivalent LPG tons increased by 11% given the incorporation of compressed natural gas sales volume during the three months of 2017. CNG sales increased by 55.7% compared to 1Q16.

Gross margin increases 11.1% due to increased sales volume and unit margins in the compressed natural gas business. Unit margins in equivalent LPG tons remain constant regarding 1Q16 resulting from an increase in the CNG business and a decrease in the LPG business. Margin is also influenced by the 2.0% depreciation of the Peruvian currency against the Chilean peso compared to 1Q16.

Operating expenses increased by CLP 1,221 million, mainly due to greater expenses from the operation of compressed natural gas sales that began consolidating only since February 1Q16. This effect represents CLP 995 million of the mentioned increase.

News

- On January 12, 2017, the resignation as alternate director of Mr. Roberto Priz Simonetti was reported.
- On January 25, 2017, the controllers of Empresas Lipigas S.A. reported the amendment of the company's joint action agreement.
- On March 8, 2017, the report of the Consolidated Results as of December 31, 2016 was announced.
- On March 9, 2017, a payment of an interim dividend charged against 2017 results in the amount of CLP 62 per share was announced.
- On March 30, 2017, the Shareholders' Meeting convened for April 27, 2017 was reported.

- Different share acquisition operations on behalf of the controlling group were reported during the quarter. As of March 31, 2017, ownership interest reached 75.13%.

- On April 26, 2017, the resignation of the director Mr. Ernesto Noguera Gorget was reported.

- On April 28, 2017, the agreements reached during the General Shareholders' Meeting held April 27, 2017 were reported.

****

Investor Relations Contact

Tomas Escoda Cofré
Financial Planning and Management Control Deputy Manager
tescoda@lipigas.cl
T: (562) 2650-3839

Empresas Lipigas S.A. is an energy company that contributes to the sustainable development by improving the quality of life through the commercialization of energy solutions in Latin America. In Chile, it is a leader in the LPG field through the largest network of nationwide coverage. It services residential, industrial, real estate sectors and vehicular gas from Arica to Coyhaique. It is present in the LPG distribution market in Colombia since 2010 and in Peru since 2013. It is also present in the distribution of natural gas in Chile through the distribution of network natural gas and LNG and in Peru through the distribution of CNG.

For more information visit: www.lipigas.com

Forward looking statements

The statements contained in this press release, including those regarding forecasts for the Company's business, the projections of operation, financial results, the growth potential of the Company, the market and macroeconomic estimates are merely projections and are based on management expectations regarding the future of the Company. These expectations are highly dependent on changes in the market, the overall economic performance of Latin America, particularly of the countries where the Company has operations, the industry and international markets, and are therefore subject to change. Statements about future expectations relate only as of the date they are made, and the Company is not responsible for publicly updating any of them in light of new information, future events or others. The Company's annual report, its financial statements, and the analysis of them include more information about risks associated with the business and are available on the web site: www.lipigas.com.

Empresas Lipigas S.A.

Consolidated Income Statement in million CLP

	1Q17	1Q16	Var. Y/Y (%)	Accumulated 2017	Accumulated 2016	Var. Y/Y (%)
LPG Sales Volume (tons)	**151,262**	**147,714**	**2.4 %**	**151,262**	**147,714**	**2.4 %**
NG Sales Volume (M3)	**23,291,299**	**15,032,786**	**54.9 %**	**23,291,299**	**15,032,786**	**54.9 %**
LNG Sales Volume (M3)	**4,282,860**	**3,885,475**	**10.2 %**	**4,282,860**	**3,885,475**	**10.2 %**
LPG Sales Volume (equivalent tons) [1]	**172,632**	**162,376**	**6.3 %**	**172,632**	**162,376**	**6.3 %**
Revenues	**99,113**	**85,437**	**16.0 %**	**99,113**	**85,437**	**16.0 %**
Cost of goods sold	(57,631)	(48,025)	20.0 %	**(57,631)**	**(48,025)**	20.0 %
Gross margin[2]	**41,481**	**37,413**	**10.9 %**	**41,481**	**37,413**	**10.9 %**
CLP/equivalent LPG tons	*240,288*	*230,406*	*4.3 %*	*240,288*	*230,406*	*4.3 %*
Other revenues by function	52	51	0.7 %	52	51	0.7 %
-Freight	(6,103)	(5,134)	18.9 %	(6,103)	(5,134)	18.9 %
-Remuneration, salaries, benefits and mandatory expenses	(7,201)	(6,490)	10.9 %	(7,201)	(6,490)	10.9 %
-Maintenance	(4,677)	(3,489)	34.1 %	(4,677)	(3,489)	34.1 %
-Others	(8,199)	(6,440)	27.3 %	(8,199)	(6,440)	27.3 %
EBITDA [3]	**15,354**	**15,910**	**(3.5)%**	**15,354**	**15,910**	**(3.5)%**
CLP/equivalent LPG tons	*88,941*	*97,985*	*(9.2)%*	*88,941*	*97,985*	*(9.2)%*
Depreciation and amortization	*(4,867)*	*(4,329)*	12.4 %	*(4,867)*	*(4,329)*	12.4 %
Operating Income	**10,487**	**11,582**	**(9.5)%**	**10,487**	**11,582**	**(9.5)%**
Financial costs	(1,350)	(1,736)	(22.2)%	(1,350)	(1,736)	(22.2)%
Financial income	400	322	24.1 %	400	322	24.1 %
Exchange rate difference	8	211	(96.3)%	8	211	(96.3)%
Income by adjustment unit	(549)	(807)	(32.0)%	(549)	(807)	(32.0)%
Other gains (losses)	116	(17)	(771.8)%	116	(17)	(771.8)%
Non-Operating Income	**(1,376)**	**(2,027)**	**(32.1)%**	**(1,376)**	**(2,027)**	**(32.1)%**
Earnings before taxes	**9,111**	**9,555**	**(4.6)%**	**9,111**	**9,555**	**(4.6)%**
-Income Tax	(2,441)	(2,191)	11.4 %	(2,441)	(2,191)	11.4 %
Earnings after taxes	**6,670**	**7,364**	**(9.4)%**	**6,670**	**7,364**	**(9.4)%**
Earnings per share (CLP/share)	*58.54*	*64.55*	*(9.3)%*	*58.54*	*64.55*	*(9.3)%*

See definitions of: Sales in equivalent LPG tons, Gross Margin and EBITDA at the end of this document

EMPRESAS LIPIGAS

Breakdown by country (in million CLP)

Chile	1Q17	1Q16	Var. Y/Y (%)	Accumulated 2017	Accumulated 2016	Var. Y/Y (%)
Average exchange rate (CLP/USD)	655.6	701.6	(6.6)%	655.6	701.6	(6.6)%
LPG Sales Volume (tons)	**95,192**	**92,157**	**3.3 %**	**95,192**	**92,157**	**3.3 %**
NG Sales Volume (M3)	**230,286**	**225,785**	**2.0 %**	**230,286**	**225,785**	**2.0 %**
LNG Sales Volume (M3)	**4,282,860**	**3,885,475**	**10.2 %**	**4,282,860**	**3,885,475**	**10.2 %**
LPG Sales Volume (equivalent tons) [1]	**98,690**	**95,343**	**3.5 %**	**98,690**	**95,343**	**3.5 %**
Revenues	**66,674**	**56,965**	**17.0 %**	**66,674**	**56,965**	**17.0 %**
Cost of goods sold	(36,552)	(29,054)	25.8 %	(36,552)	(29,054)	25.8 %
Gross margin [2]	**30,122**	**27,911**	**7.9 %**	**30,122**	**27,911**	**7.9 %**
CLP/equivalent LPG tons	*305,217*	*292,742*	*4.3 %*	*305,217*	*292,742*	*4.3 %*
Other revenues by function	52	51	0.7 %	52	51	0.7 %
Operating expenses	(18,255)	(15,098)	20.9 %	(18,255)	(15,098)	20.9 %
EBITDA [3]	**11,918**	**12,865**	**(7.4)%**	**11,918**	**12,865**	**(7.4)%**
CLP/equivalent LPG tons	*120,764*	*134,930*	*-10.5%*	*120,764*	*134,930*	*-10.5%*
Depreciation and amortization	(3,575)	(3,234)	10.5 %	(3,575)	(3,234)	10.5 %
Operating Income	**8,343**	**9,630**	**(13.4)%**	**8,343**	**9,630**	**(13.4)%**

Colombia	1Q17	1Q16	Var. Y/Y (%)	Accumulated 2017	Accumulated 2016	Var. Y/Y (%)
Average exchange rate (COP/USD)	2,922	3,249	-10.1%	2,922	3,249	-10.1%
LPG Sales Volume (tons)	**20,693**	**19,056**	**8.6%**	**20,693**	**19,056**	**8.6%**
Revenues	**11,044**	**8,854**	**24.7 %**	**11,044**	**8,854**	**24.7 %**
Cost of goods sold	(6,081)	(5,112)	18.9 %	(6,081)	(5,112)	18.9 %
Gross margin [2]	**4,964**	**3,742**	**32.6 %**	**4,964**	**3,742**	**32.6 %**
CLP/equivalent LPG tons	*239,868*	*196,382*	*22.1 %*	*239,868*	*196,382*	*22.1 %*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,032)	(2,785)	8.9 %	(3,032)	(2,785)	8.9 %
EBITDA [3]	**1,932**	**958**	**101.7 %**	**1,932**	**958**	**101.7 %**
CLP/equivalent LPG tons	*93,346*	*50,249*	*85.8 %*	*93,346*	*50,249*	*85.8 %*
Depreciation and amortization	(508)	(427)	19.2 %	(508)	(427)	19.2 %
Operating Income	**1,423**	**531**	**168.1 %**	**1,423**	**531**	**168.1 %**

Peru	1Q17	1Q16	Var. Y/Y (%)	Accumulated 2017	Accumulated 2016	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.29	3.45	(4.7)%	3.29	3.45	(4.7)%
LPG Sales Volume (tons)	**35,377**	**36,502**	**(3.1)%**	**35,377**	**36,502**	**(3.1)%**
NG Sales Volume (M3)	**23,061,013**	**14,807,001**	**55.7 %**	**23,061,013**	**14,807,001**	**55.7 %**
LPG Sales Volume (equiv. ton)[1]	**53,250**	**47,977**	**11.0 %**	**53,250**	**47,977**	**11.0 %**
Revenues	**21,395**	**19,618**	**9.1 %**	**21,395**	**19,618**	**9.1 %**
Cost of goods sold	(14,999)	(13,859)	8.2 %	(14,999)	(13,859)	8.2 %
Gross margin [2]	**6,396**	**5,759**	**11.1 %**	**6,396**	**5,759**	**11.1 %**
CLP/equivalent LPG tons	*120,117*	*120,042*	*0.1 %*	*120,117*	*120,042*	*0.1 %*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(4,892)	(3,671)	33.3 %	(4,892)	(3,671)	33.3 %
EBITDA [3]	**1,504**	**2,088**	**(28.0)%**	**1,504**	**2,088**	**(28.0)%**
CLP/equivalent LPG tons	*28,253*	*43,525*	*(35.1)%*	*28,253*	*43,525*	*(35.1)%*
Depreciation and amortization	(783)	(668)	17.3 %	(783)	(668)	17.3 %
Operating Income	**721**	**1,421**	**(49.2)%**	**721**	**1,421**	**(49.2)%**

See definitions of: Sales in equivalent LPG tons, Gross Margin and EBITDA at the end of this document

Empresas Lipigas S.A.

Financial Indicators -Evolution

Million CLP	1Q17	4Q16	3Q16	2Q16	1Q16
Investment in property, plant & equip.[4]	10,928	10,919	6,495	7,666	7,863
Cash and cash equivalents	8,440	18,122	25,826	21,232	23,034
Dividends payable[5]	0	0	8,900	8,800	4,300
Net cash and cash equivalents[6]	8,440	18,122	16,926	12,432	18,734
Total financial debt	128,720	130,618	132,008	134,446	129,242
-Short term financial debt	10,150	12,219	12,707	15,163	7,763
-Long term financial debt	118,569	118,399	119,301	119,283	121,479
EBITDA LTM	77,562	78,118	78,785	82,619	81,514
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.6	1.4	1.3	1.4	1.3
-Indebtedness[8]	0.9	0.8	0.8	0.9	0.8

Definitions:

[1] LPG Sales volume (equiv. tons): Addition of LPG sales in tons plus network natural gas, compressed natural gas and LNG sales measured in equivalent LPG tons based on calorific value

[2] Gross Margin: Revenues from ordinary activities less the costs of purchase of products and services sold (without deducting expenses, depreciation or amortization).

[3] EBITDA: Revenues from ordinary activities and other revenues by function less costs and expenses (excluding depreciation and amortization)

[4] Investment in property, plant and equipment corresponds to gross investments carried out during the quarter

[5] Dividends payable correspond to dividends payable as of the reported quarter.

[6] Net cash and cash equivalents correspond to available cash discounting liability for dividends pending of payment.

[7] Financial debt less cash and cash equivalents / EBITDA LTM

[8] Net financial debt divided total equity.