EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2016

Santiago, Chile, May 16, 2016 – 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, 2016. 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 net income by 33.3% as of March 31, given better results in Chile and Peru.

Highlights last 3 months:

- EBITDA[3] increases 18.4 %, compared to the previous year.
- The operations of Chile and Peru present EBITDA generation improvements, including the incorporation of the operation of sale of compressed natural gas in Peru. The operation in Colombia is impacted by higher raw material costs.
- Income after taxes increases 33.3%.
- Gross margin[2] increases 12.5%

Comments of the CEO – Ángel Mafucci

"These results are mainly due to improved margins generated in the Chilean operation, thanks to the seaborne import of propane through the Quintero terminal and by increased sales volume in the 3 countries where we operate. Beginning February, results from Peru also include the flows generated by the new compressed natural gas (CNG) operation after acquiring and taking control over Neogas, allowing us to offer a fuel that has an important share in the energy matrix in that country. The latter is also proof that the businesses of Lipigas continue diversifying, both geographically and in the supply of products, expanding a business that began in Chile in 2004 with residential distribution of natural gas in the city of Calama, and since 2014, with the supply of liquefied natural gas (LNG) via trucks to industrial customers. The previous with a 34.6% volume increase over the previous year".

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1Q16 Consolidated Results

Consolidated revenues reached CLP 85,437million, representing a 7.4% increase, resulting from increased sales volume (+13.8% equivalent LPG tons[1]). Consolidated costs reached CLP 48,025 million representing a 3.8% increase. This rise is due to the increase in sales volume partially offset by lower costs of sales in the Chilean operation.

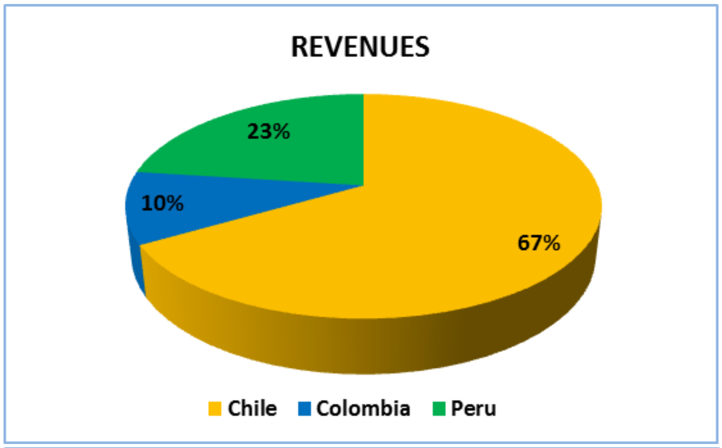
Gross margin[2] reached CLP 37,412 million, increasing 12.5%. Chile and Peru generated an improved gross margin. In Chile, gross margin is impacted by better unit margins, including the effect of the beginning of operations of seaborne imports through the Quintero terminal in March 2015. In Colombia, gross margin is impacted by higher LPG purchase costs which were not able to be transferred to the public and by the devaluation of the Colombian peso against the Chilean peso. In Peru, the increase in gross margin resulted from the increase in LPG sales volume and from the incorporation of volume generated by natural gas sales from the acquisition of Neogas which was not present during 1Q15.

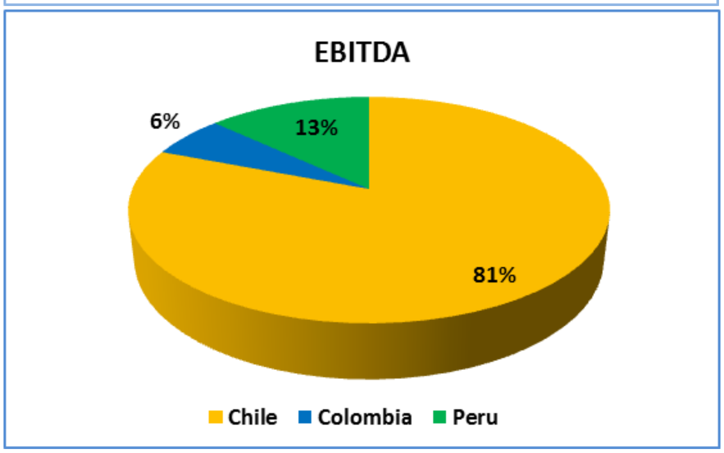
EBITDA[3] reached CLP 15,910 million with an 18.4% growth. Chile and Peru present a higher EBITDA resulting from improved gross margins, partially offset by the lower gross margin in Colombia and higher operating expenses in Chile and Peru.

Negative non-operating income decreased CLP 474 million. The main impact results from lower financial costs which reached CLP 503 million given the positive effect of exchange rate differences that is offset by higher negative results amounting to CLP 795 million for adjustment units, given the restatement of the financial debt of the bond issued in April 2015, and which was not present during 1Q15.

Earnings after taxes increased 33.3% mainly explained by the generation of an improved operating income.

Analysis by country





Chile: Revenues for the Chilean operation reached CLP 56,965 million, 1.1% lower than 1Q15 and basically explained by lower sales price given the variation of petroleum prices. LPG sales volume increased 2.6%. Sales volume in equivalent LPG tons[1] increased 4.1%.

In Chile EBITDA[3] amounted to CLP 12,865 million, representing a 24.8% growth compared to 1Q15 resulting from increased sales volume, better unit margins, including the effect of the beginning of operations of seaborne imports in March 2015.

Gross margin[2] includes a margin of approximately CLP 2,700 million generated by the seaborne import operation which began in March 2015. This higher margin was offset by lower margins from ground imports from Argentina. There was also a lower impact from the depreciation of inventories regarding 1Q15.

Operating expenses in Chile increased 9.3% as a result of higher freights, salaries, external services, maintenance and information technology.

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Colombia: Revenues for the Colombian operation reached CLP 8,854 million, 7.9% higher than 1Q15. LPG sales volume increased 2.0%.

In Colombia EBITDA[3] amounted to CLP 955 million, representing a 33.3% decrease compared to 1Q15.

Colombia's gross margin measured in Chilean pesos presents an 18.3% negative variation given higher unit costs of LPG purchases that could not be transferred to the public and given the 14.6% depreciation of the Colombian peso against the Chilean peso

Operating expenses decrease given lower tax accruals and they are also affected by the depreciation of the Colombian currency against the Chilean peso, presenting an 11.7% decrease.

Peru: Revenues for the Peruvian operation reached CLP 19,618 million, 42.8% higher than 1Q15, basically explained by increased sales volume and the incorporation of the compressed natural gas operation. LPG sales volume increased 13.2%. Sales volume in equivalent LPG tons increased 48.8% given the volume incorporation of Neogas which was not present in 1Q15.

EBITDA amounted to CLP 2,088 million in Peru, representing a 22.1 % growth compared to 1Q15 resulting from better margins, higher sales volume and the contribution of the Neogas operation which was not present in 1Q15.

Gross margin increased 24.2%. Unit margins in equivalent LPG tons decreased compared to 1Q15 given lower unit margins generated by LPG sales (due to higher sales to the automotive channel), combined with a lower unit margin per equivalent natural gas ton contributed by the Neogas operation.

Expenses increased by CLP 744 million mainly due to the incorporation of CLP 658 million in expenses of the Neogas operation which was not present in 1Q15.

News during the first quarter of 2016

Acquisition of Neogas Perú S.A.

On March 11, the market was informed that after complying with all the conditions set forth in the purchase and sale agreement for the shares of Neogas Peru S.A., 100% of the shares representing the share capital of Neogas Perú S.A. have been transferred to Lima Gas S.A., a subsidiary of Empresas Lipigas S.A. The control of the new operation materialized beginning February 2016.

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Lipigas is an energy company that seeks to contribute to sustainable development by improving the quality of life through the commercialization of gas 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.

For more information visit: www.lipigas.com

Forward looking statements

The statements contained in this press release regarding forecasts for the Company's business, the projections of operation, financial results, the growth potential of the Company and 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.

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Consolidated Income Statement in million CLP

	1Q16	1Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
LPG Sales Volume (tons)	**147,714**	**140,730**	**5.0 %**	**147,714**	**140,730**	**5.0 %**
NG Sales Volume (M3)	**15,031,869**	**247,463**	**5974.4 %**	**15,031,869**	**247,463**	**5974.4 %**
LNG Sales Volume (M3)	**7,879,327**	**5,854,460**	**34.6 %**	**7,879,327**	**5,854,460**	**34.6 %**
LPG Sales Volume (equivalent tons) [1]	**165,471**	**145,459**	**13.8 %**	**165,471**	**145,459**	**13.8 %**
Revenues	**85,437**	**79,522**	**7.4 %**	**85,437**	**79,522**	**7.4 %**
Cost of goods sold	(48,025)	(46,273)	3.8 %	**(48,027)**	**(46,273)**	3.8 %
Gross margin[2]	**37,412**	**33,249**	**12.5 %**	**37,410**	**33,249**	**12.5 %**
CLP/equivalent LPG tons	*226,096*	*228,580*	*(1.1)%*	*226,084*	*228,580*	*(1.1)%*
Other revenues by function	51	83	(37.9)%	51	83	(37.9)%
-Freight	(5,134)	(4,786)	7.3 %	(5,134)	(4,786)	7.3 %
-Remuneration, salaries, benefits and mandatory expenses	(6,490)	(5,823)	11.5 %	(6,490)	(5,823)	11.5 %
-Maintenance	(4,178)	(3,693)	13.1 %	(4,178)	(3,693)	13.1 %
-Others	(5,752)	(5,588)	2.9 %	(5,752)	(5,588)	2.9 %
EBITDA [3]	**15,910**	**13,442**	**18.4 %**	**15,908**	**13,442**	**18.3 %**
CLP/equivalent LPG tons	*96,151*	*92,411*	*4.0 %*	*96,139*	*92,411*	*4.0 %*
Depreciation and amortization	*(4,329)*	*(3,647)*	18.7 %	*(4,329)*	*(3,647)*	18.7 %
Operating Income	**11,582**	**9,795**	**18.2 %**	**11,580**	**9,795**	**18.2 %**
Financial costs	(1,736)	(2,239)	(22.5)%	(1,736)	(2,239)	(22.5)%
Financial income	322	231	39.5 %	322	231	39.5 %
Exchange rate difference	200	(284)	(170.7)%	200	(284)	(170.7)%
Income by adjustment unit	(796)	(1)	56799.0 %	(796)	(1)	56799.0 %
Other gains (losses)	(17)	(208)	(91.7)%	(17)	(208)	(91.7)%
Non-Operating Income	**(2,027)**	**(2,501)**	**(19.0)%**	**(2,027)**	**(2,501)**	**(19.0)%**
Earnings before taxes	**9,555**	**7,294**	**31.0 %**	**9,553**	**7,294**	**31.0 %**
-Income Tax	(2,191)	(1,767)	24.0 %	(2,191)	(1,767)	24.0 %
Earnings after taxes	**7,364**	**5,526**	**33.3 %**	**7,362**	**5,526**	**33.2 %**
Earnings per share (CLP/share)	*64.55*	*48.53*	*33.0%*	*64.55*	*48.53*	*33.0 %*

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Breakdown by country (in million CLP)

Chile	1Q16	1Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
Average exchange rate (CLP/USD)	702.1	624.4	12.4 %	702.1	624.4	12.4 %
LPG Sales Volume (tons)	**92,157**	**89,799**	**2.6 %**	**92,157**	**89,799**	**2.6 %**
NG Sales Volume (M3)	**225,785**	**247,463**	**(8.8)%**	**225,785**	**247,463**	**(8.8)%**
LNG Sales Volume (M3)	**7,879,327**	**5,854,460**	**34.6 %**	**7,879,327**	**5,854,460**	**34.6 %**
LPG Sales Volume (equivalent tons) [1]	**98,439**	**94,528**	**4.1 %**	**98,439**	**94,528**	**4.1 %**
Revenues	**56,965**	**57,578**	**(1.1)%**	**56,965**	**57,578**	**(1.1)%**
Cost of goods sold	(29,054)	(33,544)	(13.4)%	(29,054)	(33,544)	(13.4)%
Gross margin [2]	**27,911**	**24,033**	**16.1 %**	**27,911**	**24,033**	**16.1 %**
CLP/equivalent LPG tons	*283,538*	*254,246*	*11.5 %*	*283,538*	*254,246*	*11.5 %*
Other revenues by function	51	83	(37.9)%	51	83	(37.9)%
Operating expenses	(15,098)	(13,809)	9.3 %	(15,098)	(13,809)	9.3 %
EBITDA [3]	**12,865**	**10,307**	**24.8 %**	**12,865**	**10,307**	**24.8 %**
CLP/equivalent LPG tons	*130,687*	*109,037*	*19.9%*	*130,687*	*109,037*	*19.9%*
Depreciation and amortization	(3,234)	(2,758)	17.3 %	(3,234)	(2,758)	17.3 %
Operating Income	**9,630**	**7,549**	**27.6 %**	**9,630**	**7,549**	**27.6 %**

Colombia	1Q16	1Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
Average exchange rate (COP/USD)	3,249	2,469	31.6%	3,249	2,469	31.6%
LPG Sales Volume (thousand tons)	**19,056**	**18,685**	**2.0%**	**19,056**	**18,685**	**2.0%**
Revenues	**8,854**	**8,203**	**7.9 %**	**8,854**	**8,203**	**7.9 %**
Cost of goods sold	(5,114)	(3,624)	41.1 %	(5,114)	(3,624)	41.1 %
Gross margin [2]	**3,740**	**4,579**	**(18.3)%**	**3,740**	**4,579**	**(18.3)%**
CLP/equivalent LPG tons	*196,268*	*245,060*	*(19.9)%*	*196,268*	*245,060*	*(19.9)%*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(2,785)	(3,154)	(11.7)%	(2,785)	(3,154)	(11.7)%
EBITDA [3]	**955**	**1,425**	**(33.0)%**	**955**	**1,425**	**(33.0)%**
CLP/equivalent LPG tons	*50,135*	*76,277*	*(34.3)%*	*50,135*	*76,277*	*(34.3)%*
Depreciation and amortization	(427)	(482)	(11.5)%	(427)	(482)	(11.5)%
Operating Income	**529**	**943**	**(43.9)%**	**529**	**943**	**(43.9)%**

Peru	1Q16	1Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.45	3.01	14.6 %	3.45	3.01	14.6 %
LPG Sales Volume (thousand tons)	**36,502**	**32,246**	**13.2 %**	**36,502**	**32,246**	**13.2 %**
NG Sales Volume (M3)	**14,806,084**	**0**	**0.0 %**	**14,806,084**	**0**	**0.0 %**
LPG Sales Volume (equiv. ton) [1]	**47,977**	**32,246**	**48.8 %**	**47,977**	**32,246**	**48.8 %**
		0		11,475	(0)	
Revenues	**19,618**	**13,742**	**42.8 %**	**19,618**	**13,742**	**42.8 %**
Cost of goods sold	(13,859)	(9,105)	52.2 %	(13,859)	(9,105)	52.2 %
Gross margin [2]	**5,759**	**4,637**	**24.2 %**	**5,759**	**4,637**	**24.2 %**
CLP/equivalent LPG tons	*120,044*	*143,791*	*(16.5)%*	*120,044*	*143,791*	*(16.5)%*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,671)	(2,927)	25.4 %	(3,671)	(2,927)	25.4 %
EBITDA [3]	**2,088**	**1,710**	**22.1 %**	**2,088**	**1,710**	**22.1 %**
CLP/equivalent LPG tons	*57,209*	*53,021*	*7.9 %*	*57,209*	*53,021*	*7.9 %*
Depreciation and amortization	(668)	(407)	64.0 %	(668)	(407)	64.0 %
Operating Income	**1,421**	**1,303**	**9.1 %**	**1,421**	**1,303**	**9.1 %**

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Financial Indicators -Evolution

Million CLP	1Q16	4Q15	3Q15	2Q15	1Q15
Investment in property, plant & equip.[4]	7,863	5,135	5,938	6,430	41,224
Cash and cash equivalents	18,734	31,215	28,844	16,613	2,726
Dividends payable[5]	4,300	0	13,000	9,000	5,000
Net cash and cash equivalents[6]	18,734	31,215	28,844	16,613	2,726
Total financial debt	129,242	118,632	115,356	114,377	100,159
-Short term financial debt	7,763	3,264	2,498	7,438	78,252
-Long term financial debt	121,479	115,367	112,857	106,939	21,907
EBITDA LTM	81,514	79,046	70,956	57,961	53,211
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.3	1.1	1.0	1.5	1.7
-Indebtedness[8]	0.8	0.7	0.6	0.7	0.7

[1]Addition of LPG sales in tons plus NG and LNG sales measured in equivalent LPG tons based on calorific value

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

[3]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.