EMPRESAS LIPIGAS

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

Santiago, Chile, August 30, 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 second quarter ended June 30, 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 increases earnings by 10.8% as of June 30

Highlights last 6 months:

- EBITDA reached CLP 40,891 million, a 9.5% increase compared to the previous year (CLP 37,353 million)
- Consolidated LPG sales volume increases by 4.8%
- Consolidated sales volume in equivalent LPG tons (including sales of natural gas, compressed natural gas and liquefied natural gas) grows by 6.4%
- Income after taxes increases by 10.8%

Highlights 2Q 2017:

- EBITDA grows 19.1% compared to 2Q16
- Consolidated LPG sales volume increases by 6.8%
- Consolidated sales volume in equivalent LPG tons (including sales of natural gas, compressed natural gas and liquefied natural gas) grows by 6.5%
- The operation in Chile presents improvements in EBITDA generation given increased sales volume and unit margins
- Income after taxes during the last 3 months increases by 24.7% regarding 2Q16

Comments of the General Manager – Ángel Mafucci

"EBITDA generated in the first half of 2017 reached CLP 40,891 million and grew 9.5% compared to the previous year. LPG sales volume in Chile grew 3.8% regarding 2016. This increase, although influenced by a winter season with lower temperatures in the central zone, is a reflection of our strategy to be each day closer to the end customer. In Colombia, results continue to evolve favorably. In Peru, a situation of weakness in margins persists caused by the informality in the LPG market. Yet, we have achieved better results. On the other hand, in Chile we have continued with the construction of natural gas distribution networks in the cities of Puerto Montt and Osorno and a small power plant (6 MW) in Concón. Both projects, which shall begin operating during the second half of the year, are a sample of multi-energy solutions adapted to the needs of our customers."

EMPRESAS LIPIGAS

2Q17-Consolidated Results

EBITDA reached CLP 25,537 million increasing 19.1% regarding the same period of 2016. Chile, Colombia and Peru present higher EBITDA during the quarter due to greater sales volume and an increase in unit margins in the case of Chile and Colombia, while in Peru the decrease in unit margins of the LPG business was offset with savings in operating expenses.

Consolidated revenues reached CLP 124,792 million, representing a 13.2% increase that occurs in all three countries. Chile and Colombia increased revenues by CLP 10,168 million (12.9%) and CLP 1,593 million (17.3%), respectively, mainly due to greater volumes and higher unit prices influenced by the price increase of oil by-products. In Peru, higher revenues of CLP 2,780 million (12.7 %) regarding the 2Q16 was generated by greater sales volume. Consolidated sales volume in equivalent LPG tons increased by 6.5%.

Gross margin reached CLP 53,763 million, increasing by 10.8%. In Chile, gross margin increased by 11.0% compared to 2Q16, due to greater volumes and improved unit margins. In Colombia, gross margin increased by 24.5% due to better unit margins and increased sales volume. In Peru, gross margin slightly increases by 2.4% although sales in equivalent LPG tons increased by 13.7%. This basically originates in lower unites of the LPG business, a situation that is influenced by the informality level in the market.

Operating expenses increased by CLP 1,148 million (4.2%). Expenses in Chile increased by CLP 1,172 million (6.3%) 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 end customer. In Colombia, expenses increased by CLP 328 million (11.3%) due to greater expenses in freight, salaries and taxes. In Peru expenses decreased by CLP 351 million.

Negative non-operating income decreased by CLP 306 million mainly by lower losses in the restatement of collateral liabilities in Chile and Colombia and lower negative results by adjustment units compared to 2Q16 given lower inflation in Chile.

Earnings after taxes increased by 24.7% due to improved operating income, also driven by greater sales volume and unit margins during the quarter and by an improved non-operating income partially offset by greater income taxes during the period.

Analysis by country

Chile: In Chile EBITDA reached CLP 21,805 million, representing a 15.6% increase compared to 2Q16. Revenues for the Chilean operation reached CLP 89,234 million, 12.9% higher than 2Q16, explained by a 4.2% higher LPG sales volume, and increased unit prices resulting from higher prices for oil by-products and a greater proportion of direct sales to the end customer. Sales volume in equivalent LPG tons increased by 3.9%.

Gross margin reached CLP 41,403 million, an 11% increase compared to 2Q16 generated by greater volumes and greater unit margins (+6.8%).

Operating expenses in Chile increases by CLP 1,172 million (6.3%) mainly in salaries, freight, meter and tanks re-inspection, and outsourced services; which largely relate to the implementation of a strategy of integration of the distribution chain to the end customer.

Colombia: In Colombia EBITDA reached CLP 1,611 million, representing a significant 62.9% increase compared to 2Q16 mainly due to greater volumes and improved unit margins.

Revenues for the Colombian operation reached CLP 10,815 million, 17.3% higher than 2Q16, while LPG sales volume increased by 3.0%. Colombia's gross margin measured in Chilean pesos presents a 24.5% positive variation mainly given higher unit margins, in addition to the previously mentioned greater sales volume. There is a slight positive effect resulting from the 0.6% revaluation of the Colombian peso against the Chilean peso compared to 2Q16.

Operating expenses increased by CLP 328 million (11.3 %) given higher expenses in freights, salaries and taxes.

Peru: In Peru EBITDA reached CLP 2,120 million, representing a 33.4% increase compared to 2Q16, mainly due to higher sales volume and expense savings.

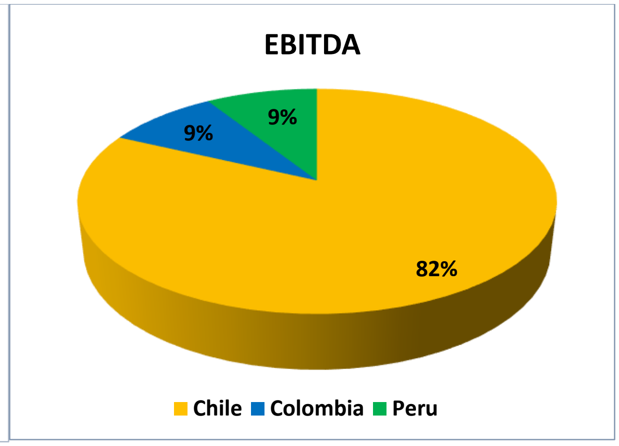
Revenues for the Peruvian operation reached CLP 24,743 million, a 12.7% higher than 2Q16. LPG sales volume increased by 17.1% mainly in the industrial segment.

Sales volume in equivalent LPG tons increased by 13.7% given the good performance of LPG. CNG sales increased by 6.5% compared to 2Q16, influenced by greater sales volume to the fishing industry.

Gross margin increases 2.4% mainly influenced by lower unit margins in the LPG business. The Peruvian currency remained stable regarding the Chilean peso devaluating 0.2% in 2Q17.

Operating expenses decreased by CLP 351 million (-6.1%), mainly due to lower operating expenses in the compressed natural gas business.

Accumulated Consolidated Results as of June 30, 2017



EBITDA reached CLP 40,891 million with an increase of 9.5%. Chile contributes positively to the EBITDA generation with an increase of 6.3%. Consolidated operating expenses increased by 10.0% (CLP 4,954 million) as a result of higher remuneration and salaries, freight and maintenance and other expenses. A large part of this increase (CLP 4,329 million) correspond to the operation in Chile.

Consolidated revenues reached CLP 223,905 million, increasing by 14.4% due to higher sales volume (+6.4% in equivalent LPG tons). Chile and Colombia increased their unit margins. Consolidated costs of products sold reached CLP 128,660 million representing an 18.1% increase due to higher sales volume and increased international prices of oil by-products.

Gross margin reached CLP 95,245 million, increasing by 9.8%. The increase in gross margin is generated in the operation of Chile and Colombia. Gross margin in Chile (+9.7%) is influenced by higher sales volume (+3.8% in equivalent LPG tons) and by a 5.7% improvement in unit margins regarding the first half of 2016. In Colombia, gross margin increases (+28.5%) due to greater LPG sales volume (+5.7%) and by a 21.5% improvement in unit margins. In Peru, gross margin remained stable during the first half despite the increase in volumes sold, impacted by lower unit margins in the LPG business.

Negative non-operating income decreased by CLP 957 million mainly explained by a lower financial expense in the amount of CLP 1,460 million, basically due to lower restatements of non-current liabilities, and lower results by adjustment units in the amount of CLP 479 million.

Earnings after taxes increased by 10.8% amounting to CLP 20,064 million.

Analysis by Country

Chile: In Chile EBITDA reached CLP 33,724 million, representing a 6.3% growth compared to the first half of 2016 given the increase in sales volume and unit margins.

Revenues for the Chilean operation reached CLP 155,908 million, 14.6% higher compared to the same period of 2016. These higher revenues are explained by the 3.8% increase in LPG sales volume, impacted in part by a colder second quarter than that of the previous year. Sales volume in equivalent LPG tons also grew 3.8%.

Gross margin increased by CLP 6,306 million compared to 2016 explained by increased sales volume and improved unit margins.

Operating expenses in Chile increased by CLP 4,329 million compared to the previous year due to increased remunerations and salaries, freight, maintenance of cylinders and tanks and other expenses. This increase relates in part to the development of integration strategies of the distribution chain to the end customer.

Colombia: Revenues for the Colombian operation reached CLP 21,859 million, 20.9% higher compared to 2016, explained by the 5.7% increase in LPG sales volume. Gross margin increased 28.5% and unit margin increased 21.5%.

EBITDA in Colombia reached CLP 3,543 million, representing an 82.0% increase compared to 2016, explained by greater volumes and better unit margins. Additionally, the 2.3% revaluation of the Colombian currency against the Chilean peso with respect to the first half of 2016 has been favorable to this result.

Peru: Revenues for the Peruvian operation reached CLP 46,138 million,11.0% higher compared to the first half of the previous year, basically explained by the 12.4% increase in sales volume in equivalent LPG tons.

In Peru EBITDA reached CLP 3,625 million, representing a 1.4% decrease compared to the first half of 2016 given that gross margin presented no growth during the semester, impacted by lower unit margins in the LPG business. Unit margins dropped 11.1% compared to the first half of 2016, mainly explained by the mentioned drop in unit margin in the LPG business. The Peruvian currency devalued 1.1% against the Chilean peso.

Operating expenses remained stable regarding the previous period, increasing by 0.5%.

News

- 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.

- On May 18, 2017, the Consolidated Results for the First Quarter of 2017 reported on May 17, 2017, was announced.

- On June 13, it was reported that during board session held June 13, 2017, an agreement was reached to pay an interim dividend charged against 2017 results in the amount of CLP 62 per share that will be paid on July 4, 2017.

****

EMPRESAS LIPIGAS

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 and 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

	2Q17	2Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
LPG Sales Volume (tons)	**191,607**	**179,476**	**6.8 %**	**342,869**	**327,191**	**4.8 %**
NG Sales Volume (M3)	**24,719,400**	**23,196,478**	**6.6 %**	**48,010,699**	**38,228,346**	**25.6 %**
LNG Sales Volume (M3)	**5,332,432**	**5,619,714**	**(5.1)%**	**9,615,292**	**9,505,189**	**1.2 %**
LPG Sales Volume (equivalent tons) [1]	**214,897**	**201,809**	**6.5 %**	**387,530**	**364,185**	**6.4 %**
Revenues	**124,792**	**110,252**	**13.2 %**	**223,905**	**195,689**	**14.4 %**
Cost of goods sold	(71,029)	(61,712)	15.1 %	**(128,660)**	**(108,917)**	18.1 %
Gross margin[2]	**53,763**	**48,540**	**10.8 %**	**95,245**	**86,772**	**9.8 %**
CLP/equivalent LPG tons	*250,182*	*240,522*	*4.0 %*	*245,774*	*238,263*	*3.2 %*
Other revenues by function	53	34	53.9 %	105	86	21.9 %
-Freight	(7,819)	(7,417)	5.4 %	(13,920)	(13,369)	4.1 %
-Remuneration, salaries, benefits and mandatory expenses	(7,426)	(6,820)	8.9 %	(14,627)	(13,310)	9.9 %
-Maintenance	(3,455)	(4,620)	(25.2)%	(7,252)	(7,686)	(5.7)%
-Others	(9,579)	(8,275)	15.8 %	(18,659)	(15,139)	23.3 %
EBITDA [3]	**25,537**	**21,443**	**19.1 %**	**40,891**	**37,353**	**9.5 %**
CLP/equivalent LPG tons	*118,833*	*106,252*	*11.8 %*	*105,517*	*102,566*	*2.9 %*
Depreciation and amortization	*(5,020)*	*(4,550)*	10.3 %	*(9,887)*	*(8,879)*	11.4 %
Operating Income	**20,516**	**16,892**	**21.5 %**	**31,004**	**28,474**	**8.9 %**
Financial costs	(1,408)	(2,483)	(43.3)%	(2,758)	(4,219)	(34.6)%
Financial income	151	344	(56.1)%	551	666	(17.3)%
Exchange rate difference	(55)	44	(224.0)%	(47)	255	(118.5)%
Income by adjustment unit	(846)	(1,067)	(20.7)%	(1,395)	(1,874)	(25.6)%
Other gains (losses)	(44)	653	(106.8)%	71	636	(88.8)%
Non-Operating Income	**(2,203)**	**(2,509)**	**(12.2)%**	**(3,579)**	**(4,535)**	**(21.1)%**
Earnings before taxes	**18,314**	**14,384**	**27.3 %**	**27,425**	**23,939**	**14.6 %**
-Income Tax	(4,920)	(3,640)	35.2 %	(7,361)	(5,831)	26.2 %
Earnings after taxes	**13,394**	**10,744**	**24.7 %**	**20,064**	**18,108**	**10.8 %**
Earnings per share (CLP/share)	*117.70*	*94.71*	*24.3%*	*176.24*	*159.26*	*10.7 %*

EMPRESAS LIPIGAS

Breakdown by country (in million CLP)

Chile	2Q17	2Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
Average exchange rate (CLP/USD)	664.7	677.6	(1.9)%	660.0	689.6	(4.3)%
LPG Sales Volume (tons)	**127,914**	**122,719**	**4.2 %**	**223,106**	**214,877**	**3.8 %**
NG Sales Volume (M3)	**315,289**	**272,337**	**15.8 %**	**545,575**	**498,122**	**9.5 %**
LNG Sales Volume (M3)	**5,332,432**	**5,619,714**	**(5.1)%**	**9,615,292**	**9,505,189**	**1.2 %**
LPG Sales Volume (equivalent tons) [1]	**132,291**	**127,286**	**3.9 %**	**230,980**	**222,629**	**3.8 %**
Revenues	**89,234**	**79,066**	**12.9 %**	**155,908**	**136,031**	**14.6 %**
Cost of goods sold	(47,831)	(41,759)	14.5 %	(84,383)	(70,812)	19.2 %
Gross margin [2]	**41,403**	**37,308**	**11.0 %**	**71,525**	**65,219**	**9.7 %**
CLP/equivalent LPG tons	*312,968*	*293,101*	*6.8 %*	*309,656*	*292,947*	*5.7 %*
Other revenues by function	53	34	53.9 %	105	86	21.9 %
Operating expenses	(19,650)	(18,478)	6.3 %	(37,905)	(33,576)	12.9 %
EBITDA [3]	**21,805**	**18,863**	**15.6 %**	**33,724**	**31,728**	**6.3 %**
CLP/equivalent LPG tons	*164,830*	*148,198*	*11.2%*	*146,002*	*142,516*	*2.4%*
Depreciation and amortization	(3,717)	(3,286)	13.1 %	(7,292)	(6,520)	11.8 %
Operating Income	**18,089**	**15,578**	**16.1 %**	**26,432**	**25,208**	**4.9 %**
Colombia	**2Q17**	**2Q16**	**Var. Y/Y (%)**	**Acum.2017**	**Acum.2016**	**Var. Y/Y (%)**
Average exchange rate (COP/USD)	2,920	2,995	-2.5%	2,921	3,122	-6.4%
LPG Sales Volume (tons)	**20,286**	**19,697**	**3.0%**	**40,979**	**38,753**	**5.7%**
Revenues	**10,815**	**9,223**	**17.3 %**	**21,859**	**18,077**	**20.9 %**
Cost of goods sold	(5,988)	(5,345)	12.0 %	(12,069)	(10,457)	15.4 %
Gross margin [2]	**4,827**	**3,878**	**24.5 %**	**9,791**	**7,620**	**28.5 %**
CLP/equivalent LPG tons	*237,958*	*196,863*	*20.9 %*	*238,923*	*196,627*	*21.5 %*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,216)	(2,888)	11.3 %	(6,248)	(5,673)	10.1 %
EBITDA [3]	**1,611**	**989**	**62.9 %**	**3,543**	**1,947**	**82.0 %**
CLP/equivalent LPG tons	*79,416*	*50,223*	*58.1 %*	*86,450*	*50,236*	*72.1 %*
Depreciation and amortization	(523)	(468)	11.7 %	(1,031)	(895)	15.3 %
Operating Income	**1,088**	**521**	**108.9 %**	**2,511**	**1,052**	**138.7 %**
Peru	**2Q17**	**2Q16**	**Var. Y/Y (%)**	**Acum.2017**	**Acum.2016**	**Var. Y/Y (%)**
Average exchange rate (PEN/USD)	3.27	3.32	(1.7)%	3.28	3.39	(3.2)%
LPG Sales Volume (tons)	**43,407**	**37,060**	**17.1 %**	**78,784**	**73,561**	**7.1 %**
NG Sales Volume (M3)	**24,404,111**	**22,924,141**	**6.5 %**	**47,465,124**	**37,730,224**	**25.8 %**
LPG Sales Volume (equiv. ton)[1]	**62,320**	**54,826**	**13.7 %**	**115,570**	**102,803**	**12.4 %**
Revenues	**24,743**	**21,962**	**12.7 %**	**46,138**	**41,580**	**11.0 %**
Cost of goods sold	(17,209)	(14,608)	17.8 %	(32,208)	(27,647)	16.5 %
Gross margin [2]	**7,533**	**7,354**	**2.4 %**	**13,930**	**13,933**	**(0.0)%**
CLP/equivalent LPG tons	*120,881*	*134,139*	*(9.9)%*	*120,529*	*135,535*	*(11.1)%*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(5,413)	(5,764)	(6.1)%	(10,305)	(10,255)	0.5 %
EBITDA [3]	**2,120**	**1,590**	**33.4 %**	**3,625**	**3,678**	**(1.4)%**
CLP/equivalent LPG tons	*34,026*	*29,000*	*17.3 %*	*31,366*	*35,779*	*(12.3)%*
Depreciation and amortization	(781)	(797)	(1.9)%	(1,564)	(1,464)	6.8 %
Operating Income	**1,339**	**793**	**68.8 %**	**2,061**	**2,214**	**(6.9)%**

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	2T17	1T17	4T16	3T16	2T16
Investment in property, plant & equip.[4]	9,962	9,992	8,906	5,378	6,947
Cash and cash equivalents	15,022	8,440	18,122	25,826	21,232
Dividends payable[5]	7,012	0	0	8,900	8,800
Net cash and cash equivalents[6]	8,009	8,440	18,122	16,926	12,432
Total financial debt	129,912	128,720	130,618	132,008	134,446
-Short term financial debt	11,214	10,150	12,219	12,707	15,163
-Long term financial debt	118,698	118,569	118,399	119,301	119,283
EBITDA LTM	81,656	77,562	78,118	78,785	82,342
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.4	1.6	1.4	1.3	1.4
-Indebtedness[8]	0.8	0.9	0.8	0.8	0.9

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.