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

Santiago, Chile, March 8, 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 fourth quarter ended December 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 7.2% as of December 31ST

Highlights last 12 months:

- EBITDA reached CLP 78,118 million, a 1.2% decrease compared to the previous year (CLP 79,046 million).
- Consolidated LPG sales volume increases by 3.7%
- Consolidated sales volume in equivalent LPG tons (including sales of natural gas, compressed natural gas and liquefied natural gas) grows by 14.6%.
- Income after taxes increases 7.2%.

Highlights 4Q 2016:

- EBITDA decreases by 7.3% compared to 4Q15, mainly due to lower margins from product imports in Chile and because Peru presents lower results given lower margins and unit margins in the LPG business. Additionally, consolidated expenses increased by CLP 2,136 million, mainly due to the incorporation of operations of Neogas Perú S.A. (currently Limagas Natural Perú S.A.) (CLP1,860 million).
- The operation in Chile generated a 10.7% lower EBITDA, mainly from lower margins from imports.
- The operation in Colombia presents a 50.2% higher EBITDA due to improved unit margins.
- The operation in Peru presents a 22.9% lower EBITDA generation, due to decreased unit margins of LPG given a situation of greater competiveness in the market compared to the previous year and lower volumes of the automotive channel.
- Income after taxes for the last 3 months increases by 14.9% regarding 4Q15, mainly due to greater financial income, lower financial expenses, results by adjustment units and lower tax charges.

Comments of the General Manager – Ángel Mafucci

"EBITDA generated in 2016 was CLP 78,118 million and was slightly below that of the previous year (CLP 79,046 million). These figures confirm that our businesses have consolidated, already in the second year of operations of the maritime terminal. Income after taxes presented a 7.2% growth. Sales volumes of equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) increased by 14.6%. EBITDA in Chile grew 1.3%. However, Colombia and Peru presented lower results compared to the previous year. In both operations, there were more aggressive competition conditions, largely affecting our higher price-ranged products. In Peru, the incorporation of the compressed natural gas operation, acquired at the beginning of 2016, was not able to offset these lower results of the LPG operation. As for other aspects of the business, during the last quarter in Chile we launched our new product, Lipigas Plus, LPG in a cylinder of a lighter composition than the traditional steel cylinder. This innovation shows the concern of Lipigas to offer new alternatives to the clients of the residential segment.

4Q16 Consolidated Results

EBITDA reached CLP 16,989 million decreasing 7.3% regarding the same period of 2015. Chile presents lower EBITDA given the drop of gross margin due to lower import margins, and Peru decreases its EBITDA since the incorporation of results from the compressed natural gas operation was offset by lower LPG sales volumes and margins.

Consolidated revenues reached CLP 96,298 million, representing a 0.8% decrease, mainly in Chile and Colombia. In Chile revenues decreased by CLP 3,265 million (4.8%) mainly due to lower unit prices of raw materials. In Colombia lower revenues by CLP 1,166 million compared to 4Q15 resulted from lower prices of raw materials and lower sales volume. Sales volume in Equivalent LPG tons increased by 8.4%.

Gross margin reached CLP 43,017 million, increasing by 2.7%. In Chile, gross margin decreased by 3.7% compared to 4Q15, a period during which improved margins were generated in the import operation. In Colombia, gross margin improved by 15.5% due to better unit margins. In Peru gross margin increased by 29.7% including the margin generated by natural gas sales from the acquisition of the Neogas in February 2016 (LP 2,715 million) which was not present during 4Q15. This higher margin was decreased by a 10.1% lower LPG sales volume compared to 4Q15 and lower LPG unit margins.

Negative non-operating income decreased by CLP 1,760 million principally explained by lower negative results by adjustment units and lower financial costs (mainly due to a lower restatement of non-current liabilities) compared to 4Q15.

Earnings after taxes increased by 14.9% mainly explained by better non-operating income regarding 4Q15 and lower income taxes, partially offset by a lower operating income.

Analysis by country

Chile: In Chile EBITDA amounted to CLP 13,839 million, representing a 10.7% decrease compared to 4Q15 resulting from lower margins from the import operation.

Revenues for the Chilean operation reached CLP 64,560 million, 4.8% lower than 4Q15 and explained by a 0.9% lower LPG sales volume (due to lower sales in equivalent LPG tons in the industrial, commercial and automotive client channels) and a lower price of raw materials. Sales volume in equivalent LPG tons remained stable.

Gross margin reached CLP 30,855 million, a 3.7% decrease compared to 4Q15 and was generated by the condition of lower import margins.

Operating expenses in Chile increases by CLP 147 million (+0.9%).

Colombia: In Colombia EBITDA amounted to CLP 2,006 million, representing a significant 50.2% increase compared to 4Q15 mainly due to higher unit margins.

Revenues for the Colombian operation reached CLP 8,948 million, 11.5% lower than 4Q15. LPG sales volume decreased by 6.1%. The decrease in volumes resulted from product shortages due to lower production, a condition that impacted all of the market.

Colombia's gross margin measured in Chilean pesos presents a 15.5% positive variation given higher unit margins which offset lower sales volume (-6.1%) and the 3.2% depreciation of the Colombian peso against the Chilean peso compared to 4Q15.

Operating expenses decreased by CLP 7 million (-0.2%) given lower expenses in freights and other expenses, partially offset by increased maintenance expenses. Expenses are also favorably influenced by the devaluation of the Colombian peso.

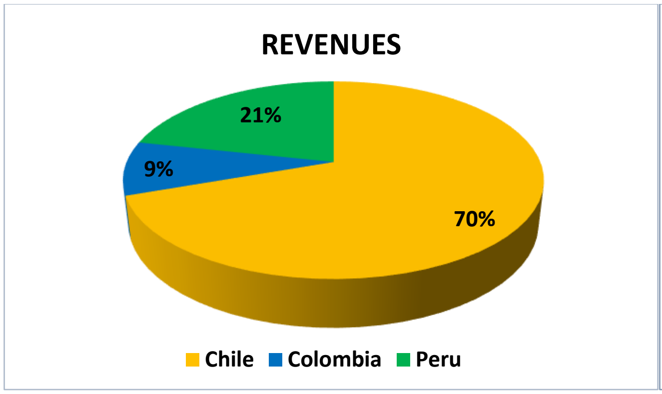
Peru: In Peru EBITDA amounted to CLP 1,143 million, representing a 22.9% decrease compared to 4Q15 given that the incorporation of results from the commercialization of compressed natural gas operation was offset by lower volumes and lower unit margins from the LPG operation.

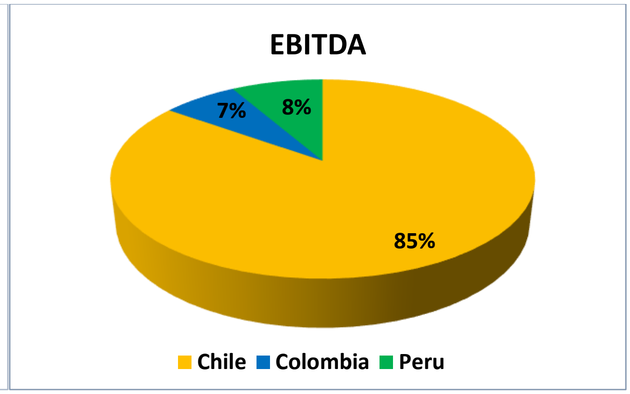
Revenues for the Peruvian operation reached CLP 22,790 million, a 19.0% higher than 4Q15, basically explained by the incorporation of the compressed natural gas operation. LPG sales volume decreased 10.1% mainly in the automotive segment. Sales volume in equivalent LPG tons increased by 36.6% given the incorporation of compressed natural gas sales volume which was not present in 4Q15.

Gross margin increases 29.7% due to increased sales volume, including the margin generated by compressed natural gas sales acquired in February 2016 (CLP 2,715 million) which was not present in 4Q15. Unit margins in equivalent LPG tons decreased by 5.0% compared to 4Q15. This was influenced by the lower margin regarding tons of compressed natural gas sales and the drop in sales volume and unit margins from LPG sales. The lower margin resulted from lower sales in the automotive channel. Margin is also influenced by the 6.6% depreciation of the Peruvian currency against the Chilean peso compared to 4Q15.

Operating expenses increased by CLP 1,996 million, mainly due to the incorporation of expenses from the operation of compressed natural gas sales (CLP 1,860 million) that was not present in 4Q15.

Accumulated Consolidated Results as of 12-31-2016





EBITDA reached CLP 78,118 million representing a 1.2% decrease. Chile contributes positively to the EBITDA generation with a 1.3% increase. Consolidated operating expenses increased by 13.7% (CLP 12,410 million) resulting from greater remuneration and salaries, freight, maintenance and other expenses. The larger part of this increase (CLP 8,190 million) corresponds to the incorporation of the compressed natural gas sales operation in Peru.

Consolidated revenues reached CLP 406,208 million, representing a 7.3% increase due to higher sales volume (+14.6% in Equivalent LPG tons) partially offset by lower unit margins. Consolidated costs of goods sold reached CLP 225,066 million representing a 7.8% increase.

Gross margin reached CLP 181,142 million, increasing 6.7%. Chile and Peru generated higher gross margin. Gross margin in Chile (+4.0%) is influenced by greater sales volume (+5.0% in equivalent LPG tons) and slightly lower unit margins by 0.9% compared to 2015. In Colombia, gross margin is impacted by higher LPG purchase costs that were not able to be transferred to the public during the first half of the year, and by the 7.0% devaluation of the Colombian peso against the Chilean peso regarding 2015. In Peru the increase of gross margin was due to higher LPG sales volume and the incorporation of volume generated by compressed natural gas sales from the acquisition of the compressed natural gas operation, which was not present during 2015. These increases were partially offset by lower unit margins from LPG sales.

Negative non-operating income decreased by CLP 6,668 million mainly explained by a lower financial expense amounting to CLP 2,758 million (mainly due to lower restatements of non-current liabilities), lower results by adjustment units amounting to CLP 1,119 million, and a lower expense amounting to CLP 2,409 million mainly due to disposals of property, plant & equipment which took place in 2015.

Earnings after taxes increased 7.2%.

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

Analysis by Country

Chile: In Chile EBITDA amounted to CLP 66,201 million, representing a 1.3% growth compared to 2015 due to increased sales volume and stable unit margins.

Revenues for the Chilean operation reached CLP 282,795 million, a 1.2% higher than the accumulated for 2015 explained by a 3.9% higher LPG sales volume. Total LPG market in Chile increased 3.2%, influenced by a more intense winter season than the previous year. Sales volume in equivalent LPG tons increased by 5.0%.

Gross margin increased by CLP 5,282 million regarding 2015 explained by higher sales volume and stable unit margins, including the operation of the maritime terminal which began operating in March 2015. The greater volume operated through the terminal was offset by the results obtained in 2015 influenced by a favorable condition in the market for maritime freight rates that generated estimated earnings of CLP 3,500 million and which was not repeated this year.

Operating expenses increased by CLP 4,538 million regarding 2015 due to higher expenses in remuneration and salaries, freight, marketing expenses and other expenses.

Colombia: Revenues for the Colombian operation reached CLP 35,688 million, a 0.3% lower than 2015, explained by a 0.2% decrease in LPG sales volume. Total LPG market in Colombia decreased 3.0% influenced by product shortages, specifically during the second half of the year. Gross margin decreased 7.4% and unit margin by 7.2% influenced by not being able to completely transfer to the final consumer the greater cost in the purchase of LPG during the first half and to the 7.0% depreciation of the Colombian peso against the Chilean peso compared to 2015.

In Colombia EBITDA amounted to CLP 5,322 million, representing a 14.5% drop compared to 2015, explained by the difficulties in transferring the increase of raw material costs during the first part of the year and the devaluation of the Colombian currency.

Peru: Revenues for the Peruvian operation reached CLP 87,725 million, a 38.6% higher than 2015, and basically explained by a 51.8% increased sales volume in equivalent LPG tons due to the incorporation of sales of compressed natural gas operation which was not present in 2015.

In Peru EBITDA reached CLP 6,596 million, decreasing 11.5% due to increased operating expenses mainly resulting from the incorporation of the compressed natural gas operation. LPG sales volume increased 5.1%. The LPG market in Peru increased by 5.6%. Unit margin dropped by 10.7% regarding 2015, explained by lower unit margins in LPG sales and a lower margin regarding sales of compressed natural gas. The Peruvian currency devaluated 2.4% against the Chilean peso.

Expenses increased by CLP 8,373 million (61.4%) due to greater expenses in remuneration and salaries, freight, maintenance and other management expenses. Of this total, CLP 8,190 million correspond to the incorporation of expenses from Neogas that were not present in 2015.

News

- A material disclosure was filed on November 17 reporting that the controlling shareholders of Empresas Lipigas S.A. informed that they have executed a Joint Participation Agreement regarding their ownership interest in LV Expansión SpA, requiring them to act coordinately and by mutual agreement in all matters and decisions regarding the management and administration of LV Expansión SpA and indirectly with Empresas Lipigas S.A.
- The Company's shares began trading on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*) on November 24, 2016.
- On November 30, 2016 the Board of Directors agreed to pay an interim dividend charged to earnings the 2016 fiscal year in the amount of CLP 43 per share which was paid beginning December 20, 2016.
- On November 30, 2016 the Board of Directors agreed to the creation of a subsidiary in Colombia, whose name or company name is Rednova SAS ESP and whose corporate purpose will be to develop the network gas distribution business in different municipalities of the country, directly servicing users.
- Different share acquisition operations on behalf of the controlling group were reported during the quarter. As of December 31, 2016, ownership interest reached 72.27% considering economic rights and 79.01% considering political rights.

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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.

FALTAN LAS DOS ULTIMAS COLUMNAS DE VARIACIONES QUE NO VIENEN EN LOS ARCHIVOS EXCEL

Empresas Lipigas S.A.
Consolidated Income Statement in million CLP

	4Q16	4Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
LPG Sales Volume (tons)	**157,837**	**164,218**	**(3.9)%**	**675,649**	**651,840**	**3.7 %**
NG Sales Volume (M3)	**25,464,689**	**318,678**	**7890.7 %**	**88,200,478**	**1,252,545**	**6941.7 %**
LNG Sales Volume (M3)	**4,685,143**	**3,515,935**	**33.3 %**	**18,997,586**	**12,241,514**	**55.2 %**
LPG Sales Volume (equivalent tons) 1	**181,204**	**167,189**	**8.4 %**	**758,728**	**662,297**	**14.6 %**
Revenues	**96,298**	**97,098**	**(0.8)%**	**406,208**	**378,613**	**7.3 %**
Cost of goods sold	(53,281)	(55,200)	(3.5)%	**(225,066)**	**(208,866)**	7.8 %
Gross margin2	**43,017**	**41,898**	**2.7 %**	**181,142**	**169,747**	**6.7 %**
CLP/equivalent LPG tons	*237,394*	*250,606*	*(5.3)%*	*238,745*	*256,301*	*(6.8)%*
Other revenues by function	(268)	47	(669.1)%	276	188	47.1 %
-Freight	(6,749)	(6,204)	8.8 %	(27,999)	(23,357)	19.9 %
-Remuneration, salaries, benefits and mandatory expenses	(7,210)	(6,958)	3.6 %	(27,736)	(25,484)	8.8 %
-Maintenance	(2,688)	(3,871)	(30.6)%	(15,091)	(14,082)	7.2 %
-Others	(9,113)	(6,591)	38.3 %	(32,474)	(27,967)	16.1 %
EBITDA 3	**16,989**	**18,321**	**(7.3)%**	**78,118**	**79,046**	**(1.2)%**
CLP/equivalent LPG tons	*93,755*	*109,586*	*(14.4)%*	*102,960*	*119,351*	*(13.7)%*
Depreciation and amortization	*(4,547)*	*(3,782)*	20.2 %	*(18,031)*	*(15,566)*	15.8 %
Operating Income	**12,442**	**14,540**	**(14.4)%**	**60,087**	**63,480**	**(5.3)%**
Financial costs	(1,458)	(1,974)	(26.2)%	(7,897)	(10,655)	(25.9)%
Financial income	692	195	255.5 %	1,385	1,561	(11.3)%
Exchange rate difference	41	(48)	(186.0)%	386	(171)	(325.7)%
Income by adjustment unit	(555)	(1,320)	(57.9)%	(3,150)	(4,270)	(26.2)%
Other gains (losses)	(368)	(261)	41.0 %	616	(1,793)	(134.4)%
Non-Operating Income	**(1,648)**	**(3,408)**	**(51.6)%**	**(8,660)**	**(15,328)**	**(43.5)%**
Earnings before taxes	**10,794**	**11,131**	**(3.0)%**	**51,428**	**48,152**	**6.8 %**
-Income Tax	(2,670)	(4,064)	(34.3)%	(12,689)	(12,032)	5.5 %
Earnings after taxes	**8,123**	**7,067**	**14.9 %**	**38,738**	**36,120**	**7.2 %**
Earnings per share (CLP/share)	*71.36*	*61.78*	*15.5%*	*340.70*	*316.79*	*7.5 %*

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

Breakdown by country (in million CLP) FALTAN LAS DOS ULTIMAS COLUMNAS DE VARIACIONES QUE NO VIENEN EN LOS ARCHIVOS EXCEL

Chile	4Q16	4Q15	Var. Y/Y (%)	Cum.2016	Cum.2015	Var. Y/Y (%)
Average exchange rate (CLP/USD)	665.8	697.7	(4.6)%	676.8	654.2	3.5 %
LPG Sales Volume (tons)	**100,586**	**101,474**	**(0.9)%**	**445,052**	**428,367**	**3.9 %**
NG Sales Volume (M3)	**306,897**	**318,678**	**(3.7)%**	**1,173,173**	**1,252,545**	**(6.3)%**
LNG Sales Volume (M3)	**4,685,143**	**3,515,935**	**33.3 %**	**18,997,586**	**12,241,514**	**55.2 %**
LPG Sales Volume (equivalent tons) 1	**104,455**	**104,446**	**0.0 %**	**460,685**	**438,825**	**5.0 %**
Revenues	**64,560**	**67,825**	**(4.8)%**	**282,795**	**279,510**	**1.2 %**
Cost of goods sold	(33,705)	(35,770)	(5.8)%	(147,022)	(149,019)	(1.3)%
Gross margin 2	**30,855**	**32,056**	**(3.7)%**	**135,773**	**130,491**	**4.0 %**
CLP/equivalent LPG tons	*295,387*	*306,913*	*(3.8)%*	*294,720*	*297,365*	*(0.9)%*
Other revenues by function	(268)	47	(669.1)%	276	188	47.1 %
Operating expenses	(16,747)	(16,600)	0.9 %	(69,848)	(65,310)	6.9 %
EBITDA 3	**13,839**	**15,502**	**(10.7)%**	**66,201**	**65,369**	**1.3 %**
CLP/equivalent LPG tons	*132,491*	*148,426*	*-10.7%*	*143,701*	*148,963*	*-3.5%*
Depreciation and amortization	(3,433)	(3,189)	7.6 %	(13,317)	(12,276)	8.5 %
Operating Income	**10,406**	**12,313**	**(15.5)%**	**52,884**	**53,093**	**(0.4)%**
Colombia	**4Q16**	**4Q15**	**Var. Y/Y (%)**	**Cum.2016**	**Cum.2015**	**Var. Y/Y (%)**
Average exchange rate (COP/USD)	3,015	3,059	-1.4%	3,051	2,743	11.2%
LPG Sales Volume (tons)	**19,649**	**20,935**	**-6.1%**	**78,935**	**79,122**	**-0.2%**
Revenues	**8,948**	**10,114**	**(11.5)%**	**35,688**	**35,813**	**(0.3)%**
Cost of goods sold	(4,013)	(5,843)	(31.3)%	(18,794)	(17,560)	7.0 %
Gross margin 2	**4,935**	**4,271**	**15.5 %**	**16,894**	**18,253**	**(7.4)%**
CLP/equivalent LPG tons	*251,140*	*204,018*	*23.1 %*	*214,028*	*230,692*	*(7.2)%*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(2,928)	(2,936)	(0.2)%	(11,573)	(12,027)	(3.8)%
EBITDA 3	**2,006**	**1,336**	**50.2 %**	**5,322**	**6,226**	**(14.5)%**
CLP/equivalent LPG tons	*102,100*	*63,795*	*60.0 %*	*67,420*	*78,688*	*(14.3)%*
Depreciation and amortization	(464)	(159)	193.0 %	(1,821)	(1,590)	14.5 %
Operating Income	**1,542**	**1,177**	**31.0 %**	**3,501**	**4,636**	**(24.5)%**
Peru	**4Q16**	**4Q15**	**Var. Y/Y (%)**	**Cum.2016**	**Cum.2015**	**Var. Y/Y (%)**
Average exchange rate (PEN/USD)	3.40	3.33	2.1 %	3.38	3.19	6.0 %
LPG Sales Volume (tons)	**37,602**	**41,809**	**(10.1)%**	**151,662**	**144,350**	**5.1 %**
NG Sales Volume (M3)	**25,157,792**	**0**	**0.0 %**	**87,027,305**	**0**	**0.0 %**
LPG Sales Volume (equiv. ton)1	**57,100**	**41,808**	**36.6 %**	**219,109**	**144,350**	**51.8 %**
Revenues	**22,790**	**19,159**	**19.0 %**	**87,725**	**63,291**	**38.6 %**
Cost of goods sold	(15,562)	(13,587)	14.5 %	(59,250)	(42,287)	40.1 %
Gross margin 2	**7,227**	**5,572**	**29.7 %**	**28,475**	**21,003**	**35.6 %**
CLP/equivalent LPG tons	*126,575*	*133,268*	*(5.0)%*	*129,959*	*145,503*	*(10.7)%*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(6,084)	(4,088)	48.8 %	(21,879)	(13,553)	61.4 %
EBITDA 3	**1,143**	**1,484**	**(22.9)%**	**6,596**	**7,451**	**(11.5)%**
CLP/equivalent LPG tons	*20,020*	*35,485*	*(43.6)%*	*30,103*	*51,616*	*(41.7)%*
Depreciation and amortization	(649)	(434)	49.5 %	(2,893)	(1,700)	70.2 %
Operating Income	**494**	**1,049**	**(52.9)%**	**3,703**	**5,751**	**(35.6)%**

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	4Q16	3Q16	2Q16	1Q16	4Q15
Investment in property, plant & equip.[4]	10,919	6,495	7,666	7,863	5,135
Cash and cash equivalents	18,122	25,826	21,232	23,034	31,215
Dividends payable[5]	0	8,900	8,800	4,300	0
Net cash and cash equivalents[6]	18,122	16,926	12,432	18,734	31,215
Total financial debt	130,618	132,008	134,446	129,242	118,009
-Short term financial debt	12,219	12,707	15,163	7,763	3,247
-Long term financial debt	118,399	119,301	119,283	121,479	114,762
EBITDA LTM	78,118	78,785	82,619	81,514	79,046
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.4	1.3	1.4	1.3	1.1
-Indebtedness[8]	0.8	0.8	0.9	0.8	0.7

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.