EMPRESAS LIPIGAS

EMPRESAS LIPIGAS S.A.
ANNOUNCES RESULTS FOR THE FOURTH QUARTER OF 2015

Santiago, Chile, March 11, 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 fourth quarter ended December 31, 2015. 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 51.4% as of December 31, given better results in Chile, Colombia and Peru.

Highlights last 12 months:

- EBITDA increases 62.8%, compared to the previous year.
- The 3 operations (Chile, Colombia and Peru) present improvements in EBITDA generation.
- Income after taxes increases 51.4%.
- Gross margin increases 29.6%.

Highlights 4Q15:

- EBITDA increases 95.0%, compared to the same period of the previous year.
- Income after taxes increases 30.0%.
- Gross margin increases 41.0%.

Comments of the CEO – Ángel Mafucci

"The three countries where we operate present improvements in EBITDA generation. Operations in Colombia and Peru continue consolidating, already representing 17% of total EBITDA of Lipigas. The new import operation by sea through the Quintero terminal also allowed increasing results in Chile. In the first quarter of 2016 we have taken control of Neogas Perú S.A., which will allow us to enter the natural gas business in Peru, a market of great development in recent years. In short, 2015 was a good year which was in line with the expectations we had regarding our investments, both in the operation of the new terminal at Quintero for gas imports and in our international operations in Peru and Colombia".

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4Q15 Consolidated Results

Consolidated revenues reached CLP 97,098 million, representing a 2.3% increase, resulting from a 10.3% sales volume improvement in equivalent LPG tons[1] which was offset by lower sales prices due to the drop of international fuel prices.

Gross margin[2] reached CLP 41,898 million, increasing 41.0%. Chile, as well as Colombia and Peru present a better gross margin. In Chile, this margin is favorably impacted by the beginning of operations of product imports by sea (that did not exist in 2014). The volume operated by the terminal during the quarter amounted to 55,254 tons generating a margin of approximately CLP 4,000 million. The remaining gross margin increase in Chile resulted from increased volumes in the channel for direct sales to end customers and better purchase opportunities of ground imported products, since 2014 was an unusually complex year for the development of imports from Argentina, especially during the last two quarters of the year. Additionally, in 2014 the strong decrease in fuel prices had a negative impact on results given the deterioration of realization values of inventories resulting in an estimated lower margin of CLP 2,000 million. In Colombia and Peru the margin improvement resulted from higher sales volume and better unit margins.

EBITDA[3] reached CLP 18,321 million with a 95.0% growth. Chile, Colombia and Peru present a higher EBITDA resulting from improved gross margins, partially offset by higher operating expenses in Chile, CLP 2,692 million, as a result of increased salaries, fees, external consultants and information technology. In Colombia, expenses declined CLP 250 million due to lower freight expenses offset by increased maintenance expenses. In Peru, expenses increased CLP 772 million due to higher consulting expenses given the new acquisitions.

Negative non-operating results increased CLP 4,617 million. The main impact results from greater financial costs which reached CLP 2,045 million given higher negative results for restatement of liabilities for cylinder guaranties received from customers and higher negative results amounting to CLP 1,595 million for adjustment units, given the restatement of the financial debt resulting from the UF variation.

Earnings after taxes increased 30.0% mainly explained by the generation of an improved operating income.

Analysis by Country

Chile: Revenues for the Chilean operation reached CLP 67,825 million, 1.1% lower than 4Q14 and basically explained by the lower sales price given decreased petroleum prices. LPG sales volume increased 3.6%. Sales volume in equivalent LPG tons[1] increased 4.7%.

In Chile EBITDA[3] amounted to CLP 15,502 million, representing a 114.2% growth compared to 4Q14 resulting from better margins due to an increased participation of the channel for direct delivery to clients, seizing purchase opportunities for ground imported product, along with the beginning of operations at the maritime terminal and margin lower losses given the depreciation of inventories due to lower petroleum prices during the last quarter of the previous year. Operating expenses in Chile increased 19.4% as a result of higher salaries, leases, other expenses, external consultants and information technology.

Colombia: Revenues for the Colombian operation reached CLP 10,114 million, 2.1% higher than 4Q14. LPG sales volume increased 8.5%. Unit sales prices by ton decreased 5.9% basically explained by decreased international fuel prices and the depreciation of the Colombian peso against the Chilean peso.

In Colombia EBITDA[3] amounted to CLP 1,336 million, representing a 1.1% decrease compared to 4Q14. Although Colombia's gross margin measured in Chilean pesos presents a 5.8% negative variation given the depreciation of the Colombian peso against the Chilean peso deteriorating the 16.5% margin improvement measured in COP. Operating expenses decreased 7.8% and were also impacted by the depreciation of the Colombian peso against the Chilean peso.

Peru: Revenues for the Peruvian operation reached CLP 19,159 million, 16.8% higher than 4Q14 and basically explained by increased sales volume. LPG sales volume increased 28.9%. Unit sales prices by ton decreased 9.4% due to lower international LPG prices and a different sales mix.

In Peru EBITDA[3] amounted to CLP 1,484 million, representing an 83.6% growth compared to 4Q14 resulting from better margins and higher sales volume. Operating expenses increased 23.3% due to higher expenses for consultants for the new acquisitions.

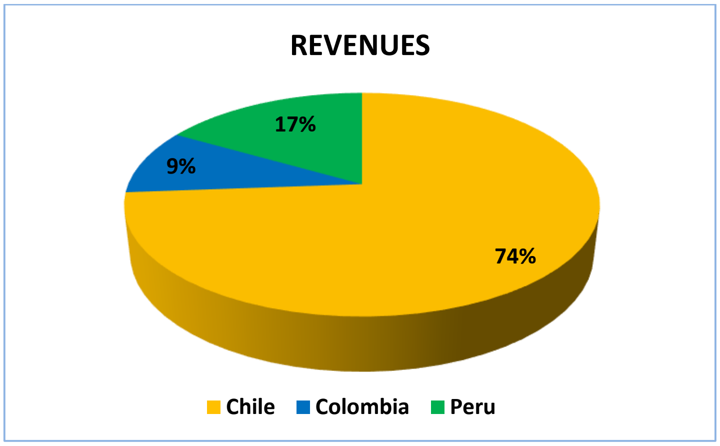
Non-operating income

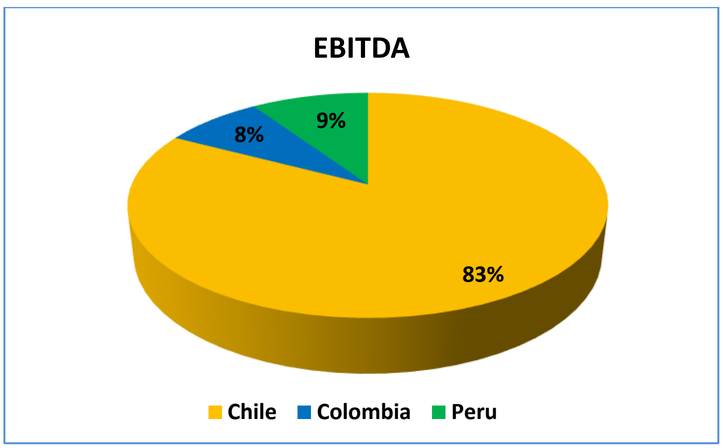
Negative non-operating results increased by CLP 4,617 million. The main effect is due to higher financial expenses amounting to CLP 2,045 million given a lower positive result in the restatement of liabilities for cylinder guaranties received from customers and greater negative results amounting to CLP 1,596 million for adjustment units resulting from the financial debt given the UF variation.

Earnings after taxes

Consolidated net income reached CLP 7,067 million, representing a 30.0% increase compared to the CLP 5,438 million of 4Q14.

Consolidated Accumulated Results as of 12-31-15





Consolidated revenues reached CLP 378,613 million, representing a 13.2% decrease. This decline is basically explained by lower international prices of derived petroleum products compared to the previous year. Consolidated LPG sales volume in tons increased 4.0%. Consolidated sales volume in equivalent LPG tons[3] increased 5.0%.

Gross margin[2] reached CLP 169,747 million, increasing 29.6%. In Chile, the operation for products imported by sea (not present during 2014) resulted in an improved result of approximately CLP 15,000 million. Volume operated by the terminal during the period amounted to 230,000 tons. Margin of seaborne imports was influenced by a favorable situation in the market for maritime freight fees, resulting in estimated profits of CLP 3,500 million. The rest of the gross margin increase in Chile was due to increased volumes in the channel for direct sales to end customers and better margins from ground product imports from Argentina. Additionally, in 2014, the decrease of international prices of fuel impacted on the realizable value of LPG inventories and resulted in a margin reduction estimated at CLP 2,100 million. In Colombia and Peru margin improvement resulted from higher sales volume and better unit margins.

EBITDA[3] reached CLP 79,046 million with a 62.8% growth. Chile, Colombia and Peru had a positive effect over EBITDA generation due to improved gross margins. Expenses increased 9.9% due to greater expenses in freight, salaries, fees, external consultants, maintenance and information technology.

Negative non-operating results increased CLP 11,585 million. There are higher financial expenses resulting from a higher negative result due to the restatement of liability for cylinders guaranties received from customers amounting to CLP 4,569 million and retirements of property, plant and equipment elements amounting to CLP 2,366 million (both results do not generate cash flow), and results by adjustment units amounting to CLP 4,911 million due to the restatement of financial debt given the UF variation.

Earnings after taxes increased 51.4% mainly explained by the generation of an improved operating income.

Analysis by Country

Chile: Revenues for the Chilean operation reached CLP 279,510 million, 15.8% lower than the previous year and basically explained by the lower sales price given decreased petroleum prices. LPG sales volume remained stable with a slight increase of 0.1%. Sales volume in equivalent LPG tons[3] increased 1.7%.

In Chile EBITDA[3] amounted to CLP 65,369 million, representing a 57.9% growth compared to the previous year explained by better margins due to an increased participation in the channel for direct delivery to clients, seizing ground imported product purchase opportunities, along with the beginning of operations at the maritime terminal and lower losses resulting from the price decrease effect over LPG inventories. The product import by sea operation (that was not present in 2014) improved results by approximately CLP 15,000 million. The volume operated by the terminal during the period reached 230,000 tons. Margin of sea imports was influenced by a favorable situation in the market for maritime freight fees, estimating profits at CLP 3,500 million (mainly during the second and third quarters of the year). Operating expenses increased 12.3% due to greater expenses in freight, salaries, maintenance, leases, other expenses, external consultants and information technology.

Colombia: Revenues for the Colombian operation reached CLP 38,813 million, decreasing 7.5% regarding the previous year and basically explained by the depreciation of the Colombian peso against the Chilean peso. LPG sales volume increased 8.9%, including volume contributions from the Lidergas operation which was acquired in June, 2014.

In Colombia EBITDA[3] amounted to CLP 6,226 million, representing a 100.3% growth compared to the previous year, and basically explained by higher margins resulting from an adequate handling of commercial tools and increased sales volume. The EBITDA generated was negatively affected by the 16% devaluation of the Colombian peso against the Chilean peso.

Peru: Revenues for the Peruvian operation reached CLP 63,921 million, 3.7% lower than the previous year, and basically explained by the lower sales price given decreased petroleum prices. LPG sales volume increased 14.2%.Operating costs increased 12.6% due to higher expenses in consultants for new acquisitions.

In Peru EBITDA[3] reached CLP 7,451 million, representing an 82.9% growth compared to the previous year, basically explained by better margins and higher sales volume.

News during the fourth quarter of 2015

Clarification of information published in Diario Financiero

On November 11, 2015, the market is clarified regarding press information published in Diario Financiero on the investigation of an alleged pricing agreement in five companies importing and/or bottling LPG in Peru, including the subsidiary Lima Gas S.A. that was timely reported in the financial statements as of June 2015 and September 2015.

Acquisition of Neogas Perú S.A.

On November 18, 2015, the market is informed on the agreement for the acquisition of Neogas Perú S.A., a Peruvian-based company dedicated to the distribution of natural gas to industrial customers and supply stations of such fuel for automobiles. The price to be paid for the transfer of 100% of the shares is approximately USD 25.6 million, a figure that is subject to certain post transaction adjustments. The acquired company had net financial debt of approximately USD 16.4 million, representing a total investment of USD 42 million.

This acquisition is aligned with the strategy of Lipigas to become a relevant player in the market for distribution of gas in Latin America. The acquisition of Neogas Perú S.A. allows expanding supply to industrial customers far from natural gas networks with an efficient and environmentally sustainable alternative energy.

Share placement

On December 3, 2015, the market is informed that, regarding the issue of shares, the Book Order auction process on the Santiago Stock Exchange is declared null and void, even though orders were received for more than CLP 176 billion, the minimum price condition to which the auction was subjected was not fulfilled.

Dividend payments

On October 26, 2015, an interim dividend was paid in the amount of CLP 114.6 per share, charged to earnings for the fiscal year 2015, which was agreed during Board session held September 30, 2015.

On December 21, 2015, an interim dividend was paid in the amount of CLP 52.83 per share, charged to earnings for the fiscal year 2015, which was agreed during Board session held December 16, 2015.

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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 information about risks associated with the business and are available on the web site: www.lipigas.com.

Consolidated Income Statement in million CLP

	4Q15	4Q14	Var. Y/Y (%)	Accum'15	Accum'14	Var. Y/Y (%)
LPG Sales Volume (tons)	**164,217**	**149,702**	**9.7 %**	**651,839**	**627,002**	**4.0 %**
NG Sales Volume (M3)	**318,678**	**356,115**	**(10.5)%**	**1,252,545**	**1,347,572**	**(7.1)%**
LNG Sales Volume (M3)	**3,515,935**	**1,977,883**	**77.8 %**	**12,241,514**	**3,192,231**	**283.5 %**
LPG Sales Volume (equivalent tons) [1]	**167,189**	**151,511**	**10.3 %**	**662,297**	**630,520**	**5.0 %**
Revenues	**97,098**	**94,871**	**2.3 %**	**378,613**	**436,236**	**(13.2)%**
Cost of goods sold	(55,200)	(65,156)	(15.3)%	(208,866)	(305,267)	(31.6)%
Gross margin[2]	**41,898**	**29,715**	**41.0 %**	**169,747**	**130,969**	**29.6 %**
CLP/equivalent LPG tons	*250,606*	*196,126*	*27.8 %*	*256,301*	*207,716*	*23.4 %*
Other revenues by function	47	90	(47.9)%	188	298	(37.1)%
-Freight	(7,641)	(7,850)	(2.7)%	(23,357)	(22,272)	4.9 %
-Remuneration, salaries, benefits and mandatory expenses	(6,949)	(7,084)	(1.9)%	(25,484)	(25,019)	1.9 %
-Maintenance	(2,468)	(1,301)	89.7 %	(15,883)	(14,460)	9.8 %
-Others	(6,565)	(4,175)	57.3 %	(26,165)	(20,948)	24.9 %
EBITDA [3]	**18,321**	**9,396**	**95.0 %**	**79,046**	**48,568**	**62.8 %**
CLP/equivalent LPG tons	*109,586*	*62,015*	*76.7 %*	*119,351*	*77,028*	*54.9 %*
Depreciation and amortization	*(3,782)*	*(3,672)*	3.0 %	*(15,566)*	*(14,519)*	7.2 %
Operating Income	**14,540**	**5,724**	**154.0 %**	**63,480**	**34,049**	**86.4 %**
Financial costs	(1,974)	71	(2865.4)%	(10,655)	(6,448)	65.2 %
Financial income	195	942	(79.3)%	1,561	1,555	0.4 %
Exchange rate difference	(48)	33	(247.3)%	(171)	(64)	167.0 %
Income by adjustment unit	(1,320)	276	(578.5)%	(4,270)	642	(765.5)%
Other gains (losses)	(261)	(113)	130.1 %	(1,793)	573	(412.7)%
Non-Operating Income	**(3,408)**	**1,209**	**(382.0)%**	**(15,328)**	**(3,743)**	**309.5 %**
Earnings before taxes	**11,131**	**6,932**	**60.6 %**	**48,152**	**30,306**	**58.9 %**
-Income Tax	(4,064)	(1,494)	172.1 %	(12,032)	(6,450)	86.5 %
Earnings after taxes	**7,067**	**5,438**	**30.0 %**	**36,120**	**23,856**	**51.4 %**
Earnings per share (CLP/share)	*61.78*	*48.22*	*28.1%*	*316.79*	*214.60*	*47.6 %*

Breakdown by country (in million CLP)

Chile	4Q15	4Q14	Var. Y/Y (%)	Accum '15	Accum '14	Var. Y/Y (%)
Average exchange rate (CLP/USD)	697.7	598.2	16.6 %	654.2	570.0	14.8 %
LPG Sales Volume (tons)	**101,474**	**97,988**	**3.6 %**	**428,367**	**427,950**	**0.1 %**
NG Sales Volume (M3)	**318,678**	**356,115**	**(10.5)%**	**1,252,545**	**1,347,572**	**(7.1)%**
LNG Sales Volume (M3)	**3,515,935**	**1,977,883**	**77.8 %**	**12,241,514**	**3,192,231**	**283.5 %**
LPG Sales Volume (equivalent tons) [1]	**104,446**	**99,797**	**4.7 %**	**438,825**	**431,468**	**1.7 %**
Revenues	**67,825**	**68,559**	**(1.1)%**	**279,510**	**331,814**	**(15.8)%**
Cost of goods sold	(35,770)	(47,504)	(24.7)%	(149,019)	(232,551)	(35.9)%
Gross margin [2]	**32,056**	**21,056**	**52.2 %**	**130,491**	**99,262**	**31.5 %**
CLP/equivalent LPG tons	*306,913*	*210,985*	*45.5 %*	*297,365*	*230,057*	*29.3 %*
Other revenues by function	47	90	(47.9)%	188	298	(37.1)%
Operating expenses	(16,600)	(13,908)	19.4 %	(65,310)	(58,173)	12.3 %
EBITDA [3]	**15,502**	**7,238**	**114.2 %**	**65,369**	**41,387**	**57.9 %**
CLP/equivalent LPG tons	*148,426*	*72,523*	*104.7%*	*148,963*	*95,922*	*55.3%*
Depreciation and amortization	(3,189)	(2,759)	15.6 %	(12,276)	(10,781)	13.9 %
Operating Income	**12,313**	**4,478**	**175.0 %**	**53,093**	**30,607**	**73.5 %**

Colombia	4Q15	4Q14	Var. Y/Y (%)	Accum '15	Accum '14	Var. Y/Y (%)
Average exchange rate (COP/USD)	3,059	2,174	40.7%	2,743	2,000	37.1%
LPG Sales Volume (thousand tons)	**20,935**	**19,286**	**8.5%**	**79,122**	**72,631**	**8.9%**
Revenues	**10,114**	**9,903**	**2.1 %**	**35,813**	**38,713**	**(7.5)%**
Cost of goods sold	(5,843)	(5,367)	8.9 %	(17,560)	(23,117)	(24.0)%
Gross margin [2]	**4,271**	**4,536**	**(5.8)%**	**18,253**	**15,596**	**17.0 %**
CLP/equivalent LPG tons	*204,018*	*235,185*	*(13.3)%*	*230,692*	*214,731*	*7.4 %*
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(2,936)	(3,186)	(7.8)%	(12,027)	(12,488)	(3.7)%
EBITDA [3]	**1,336**	**1,350**	**(1.1)%**	**6,226**	**3,108**	**100.3 %**
CLP/equivalent LPG tons	*63,795*	*70,011*	*(8.9)%*	*78,688*	*42,788*	*83.9 %*
Depreciation and amortization	(159)	(499)	(68.2)%	(1,590)	(2,003)	(20.6)%
Operating Income	**1,177**	**852**	**38.2 %**	**4,636**	**1,105**	**319.6 %**

Peru	4Q15	4Q14	Var. Y/Y (%)	Accum '15	Accum '14	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.32	2.98	11.5 %	3.21	2.92	9.9 %
LPG Sales Volume (thousand tons)	**41,808**	**32,428**	**28.9 %**	**144,350**	**126,422**	**14.2 %**
Revenues	**19,159**	**16,408**	**16.8 %**	**63,291**	**65,709**	**(3.7)%**
Cost of goods sold	(13,587)	(12,285)	10.6 %	(42,287)	(49,598)	(14.7)%
Gross margin [2]	**5,572**	**4,124**	**35.1 %**	**21,003**	**16,111**	**30.4 %**
CLP/equivalent LPG tons	*133,268*	*127,169*	*4.8 %*	*145,503*	*127,435*	*14.2 %*
Other revenues by function	0	0	0.0 %	0	0	0.0 %

Operating expenses	(4,088)	(3,316)	23.3 %	(13,553)	(12,038)	12.6 %
EBITDA [3]	**1,484**	**808**	**83.6 %**	**7,451**	**4,073**	**82.9 %**
CLP/equivalent LPG tons	*35,485*	*24,920*	*42.4 %*	*51,616*	*32,217*	*60.2 %*
Depreciation and amortization	(434)	(414)	4.8 %	(1,700)	(1,735)	(2.0)%
Operating Income	**1,049**	**394**	**166.4 %**	**5,751**	**2,338**	**146.0 %**

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Financial Indicators -Evolution

Million CLP	4Q15	3Q15	2Q15	1Q15	4Q14
Investment in property, plant & equip. [4]	5,135	5,938	6,430	41,224	4,174
Cash and cash equivalents	31,215	41,844	25,613	7,726	9,672
Dividends payable [5]	0	13,000	9,000	5,000	0
Net Cash and cash equivalents [6]	31,215	28,844	16,613	2,726	9,672
Total financial debt	118,632	115,356	114,377	100,159	80,113
-Short term financial debt	3,264	2,498	7,438	78,252	76,855
-Long term financial debt	115,367	112,857	106,939	21,907	3,258
EBITDA LTM	79,046	70,956	57,961	53,211	48,568
Financial Ratios (times)					
-Financial debt/EBITDA [7]	1.1	1.0	1.5	1.7	1.5
-Indebtedness [8]	0.7	0.6	0.7	0.7	0.5

[1]Addition of LPG in tons sales 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 (without including 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 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 / total equity.