EMPRESAS LIPIGAS S.A.
CONSOLIDATED FINANCIAL STATEMENTS

(in 000's of Chilean pesos – Th$)

For the fiscal years ended
December 31, 2018 and 2017

Consolidated Financial Statements
Empresas Lipigas S.A.
as of December 31, 2018

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EMPRESAS LIPIGAS

CLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018, and December 31, 2017
(in 000's CLP)

ASSETS	Note	12.31.2018 Th$	12.31.2017 Th$
Cash and cash equivalent	3	13,883,383	6,929,613
Other financial assets, current	4	174,549	-
Trade receivables and other receivables, current	7	41,524,524	34,909,135
Inventories	9	22,305,305	21,974,501
Current tax assets	10	6,014,512	3,624,644
Other non-financial assets, current	6	701,835	311,034
Total Current Assets		**84,604,108**	**67,748,927**
Non-current assets or disposal groups held for sale		11,097	56,068
Total Current Assets		**84,615,205**	**67,804,995**
NON-CURRENT ASSETS			
Other financial assets, non-current	4	786,533	1,196,237
Trade accounts and other accounts receivable, non-current	7	2,182,511	745,438
Investments accounted for using the equity method		1,752	1,050
Intangible assets other than goodwill	11	11,538,696	9,413,714
Property, plant and equipment	13	315,584,674	295,593,165
Goodwill	12	14,523,497	13,832,769
Deferred tax assets	10	1,544,243	1,170,999
Other non-financial assets, non-current	6	14,038,892	910,864
Total Non-Current Assets		**360,200,798**	**322,864,236**
Total Assets		**444,816,003**	**390,669,231**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

EMPRESAS LIPIGAS

CLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018, and December 31, 2017
(in 000's CLP)

EQUITY AND LIABILITIES	Note	12.31.2018 Th$	12.31.2017 Th$
CURRENT LIABILITIES			
Other financial liabilities, current	14	38,437,079	9,950,749
Trade accounts and other accounts payable, current	15	40,711,293	39,553,611
Other provisions, current	16	1,188,218	1,072,108
Tax liabilities, current	10	1,844,800	1,832,145
Other non-financial liabilities, current		2,894,383	1,888,385
Provisions for employee benefits, current	17	1,241,211	2,105,527
Total Current Liabilities		**86,316,984**	**56,402,525**
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	14	125,435,112	120,582,372
Trade accounts and other accounts payable, non-current	15	45,940	190,289
Deferred tax liabilities	10	35,539,707	31,988,783
Other non-financial liabilities, non-current	18	35,852,206	34,664,790
Other provisions, non-current	19	1,113,258	1,023,324
Provisions for employee benefits, non-current	17	2,790,249	2,439,890
Total Non-Current Liabilities		**200,776,472**	**190,889,448**
TOTAL LIABILITIES		**287,093,456**	**247,291,973**
EQUITY			
Issued capital	20	129,242,454	129,242,454
Other reserves	20	(4,848,045)	(8,404,483)
Accumulated earnings (losses)	20	28,544,559	21,207,590
Equity attributable to the owners of the controller		**152,938,968**	**142,045,561**
Non-controlling interests	20	4,783,579	1,331,697
Total Equity		**157,722,547**	**143,377,258**
Total Equity and Liabilities		**444,816,003**	**390,669,231**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED INCOME STATEMENT BY FUNCTION
As of December 31, 2018, and December 31, 2017
(in 000's CLP)

STATEMENT OF INCOME BY FUNCTION	Note	12.31.2018 Th$	12.31.2017 Th$
Revenue	21	515,875,856	468,355,277
Cost of sales	22	(357,033,148)	(312,934,965)
Gross Earnings		**158,842,708**	**155,420,312**
Other income by function	21	294,004	257,403
Other expenses by function	22	(24,515,973)	(23,517,285)
Distribution costs	22	(42,698,371)	(38,711,952)
Administrative expenses	22	(28,566,634)	(27,574,725)
Financial costs	23	(6,401,890)	(5,585,434)
Financial income	23	1,429,913	993,991
Exchange rate differential	23	67,117	(2,703)
Profit (loss) on indexation units	23	(3,208,587)	(1,908,257)
Other gains (losses)	23	2,202,798	(710,921)
Earnings (loss) before taxes		**57,445,084**	**58,660,429**
Income tax expense	10	(15,802,472)	(16,001,643)
Profit (loss)		**41,642,612**	**42,658,786**

Earnings (loss) attributable to:

Profit (loss) attributable to the owners of the controller		41,279,690	42,555,555
Profit (loss) attributable to non-controlling interests	20	362,922	103,231
Profit (loss)		**41,642,612**	**42,658,786**

Earnings per basic share

Earnings (loss) per basic share in continued operations	20	363.46	374.69
Earnings (loss) per basic share in discontinued operations		-	-
Earnings (loss) per basic share		**363.46**	**374.69**

Earnings per diluted share

Earnings (loss) per diluted share in continued operations	20	363.46	374.69
Earnings (loss) per diluted share in discontinued operations		-	-
Earnings (loss) per diluted share		**363.46**	**374.69**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As of December 31, 2018, and December 31, 2017
(in 000's CLP)

STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Profit (loss)		**41,642,612**	**42,658,786**
Components of Other Comprehensive Income, before taxes			
Translation of exchange differentials, actuarial gain (loss) and cash flow hedges			
Profit (loss) from translation exchange differentials, before taxes		3,452,264	(4,533,594)
Other comprehensive income, actuarial profit (loss) from defined benefit plans		(224,266)	(283,328)
Profit (loss) from cash flow hedges, before taxes		366,970	692,907
Other comprehensive income, before taxes		**3,594,968**	**(4,124,015)**
Income tax on components of other comprehensive income	10.4	**(38,530)**	**(110,586)**
Total comprehensive income		**45,199,050**	**38,424,185**
Comprehensive income attributable to owners of the controller		44,836,128	38,320,954
Comprehensive income attributable to non-controlling interests		362,922	103,231
Total comprehensive income		**45,199,050**	**38,424,185**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods ended December 31, 2018 and 2017
(in 000's CLP)
Year 2018

Statement of Changes in Equity		Issued Capital Th$	Reserves for translation of exchange differentials Th$	Reserves for cash flow hedges Th$	Reserves for gains and losses on defined benefit plans Th$	Total Other reserves M$	Accumulated Gains (Losses) Th$	Equity		
								Equity attributable to owners of the controllers Th$	Non-controlling interests Th$	Total equity Th$
Equity at January 1, 2018		**129,242,454**	**(8,077,826)**	**(148,240)**	**(178,417)**	**(8,404,483)**	**21,207,590**	**142,045,561**	**1,331,697**	**143,377,258**
Increase (decrease) by adoption of IFRS 9		-	-	-	-	-	(97,515)	(97,515)	-	(97,515)
Equity at January 1, 2018		**129,242,454**	**(8,077,826)**	**(148,240)**	**(178,417)**	**(8,404,483)**	**21,110,075**	**141,948,046**	**1,331,697**	**143,279,743**
Changes in equity										
Comprehensive income										
	Gain (loss)	-	-	-	-	-	41,279,690	41,279,690	362,922	41.642.612
	Other comprehensive income	-	3,452,264	267,888	(163,714)	3,556,438	-	3,556,438	-	3.556.438
	Total comprehensive income	-	**3,452,264**	**267,888**	**(163,714)**	**3,556,438**	**41,279,690**	**44,836,128**	**362,922**	**45.199.050**
Dividends		-	-	-	-	-	(33,845,206)	(33,845,206)	(278,183)	(34,123,389)
Increase (decrease) for ownership change in subsidiaries not implying loss of control		-	-	-	-	-	-	-	3,367,143	3,367,143
Total increase (decrease) in equity		-	**3,452,264**	**267,888**	**(163,714)**	**3,556,438**	**7,434,484**	**10,990,922**	**3,451,882**	**14,442,804**
Equity at December 31, 2018		**129,242,454**	**(4,625,562)**	**119,648**	**(342,131)**	**(4,848,045)**	**28,544,559**	**152,938,968**	**4,783,579**	**157,722,547**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods ended December 31, 2018 and 2017
(in 000's CLP)
Year 2017

Statement of changes in equity	Issued Capital Th$	Reserves for translation of exchange differentials Th$	Reserves for cash flow hedges Th$	Reserves for gains and losses on defined benefit plans Th$	Total Other Reserves Th$	Accumulated Gains (Losses) Th$	Equity		
							Equity attributable to owners of the controllers Th$	Non-controlling interests Th$	Total equity Th$
Equity at December 1, 2017	**129,242,454**	**(3,544,232)**	**(654,062)**	**28,412**	**(4,169,882)**	**10,907,198**	**135,979,770**	**1,228,466**	**137,208,236**
Changes in Equity									
Comprehensive income									
Gain (loss)	-	-	-	-	-	42,555,555	42,555,555	103,231	42.658.786
Other comprehensive income	-	(4,533,594)	505,822	(206,829)	(4,234,601)	-	(4,234,601)	-	(4.234.601)
Total comprehensive income	**-**	**(4,533,594)**	**505,822**	**(206,829)**	**(4,234,601)**	**42,555,555**	**38,320,954**	**103,231**	**38.424.185**
Dividends	-	-	-	-	-	(32,255,163)	(32,255,163)	-	(32,255,163)
Total increase (decrease) in equity	**-**	**(4,533,594)**	**505,822**	**(206,829)**	**(4,234,601)**	**10,300,392**	**6,065,791**	**103,231**	**6,169,022**
Equity at December 31, 2017	**129,242,454**	**(8,077,826)**	**(148,240)**	**(178,417)**	**(8,404,483)**	**21,207,590**	**142,045,561**	**1,331,697**	**143,377,258**

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

CONSOLIDATED STATEMENT OF DIRECT CASH FLOWS
As of December 31, 2018, and December 31, 2017
(in 000's CLP)

STATEMENT OF DIRECT CASH FLOW	Note	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Cash flow from (used in) operating activities			
Type of collection by operating activity			
Collection from the sale of goods and services rendered		499,113,518	459,106,537
Other collections (payments) from operating activities		497,843	869,465
Type of payment			
Payments to suppliers for goods and services		(297,921,819)	(262,896,183)
Payments to and on behalf of employees		(36,493,170)	(34,364,235)
Other payments for operating activities		(83,519,206)	(74,321,931)
Income taxes refunded (paid)		(14,544,551)	(13,794,323)
Other cash receipts (payments)		1,103,158	(387,977)
Net cash flow from operating activities		68,235,773	74,211,353
Cash flow from (used in) investing activities			
Cash flows used in obtaining control of subsidiaries or other businesses		(2,491,968)	(1,061,514)
Revenue from sales of property, plant and equipment		951,545	45,621
Purchases of intangible assets		(3,557,656)	(2,517,218)
Purchases of property, plant and equipment		(47,076,242)	(42,730,062)
Proceeds (payments) from other long-term assets		(772,128)	69,275
Net cash flow used in investing activities		(52,946,449)	(46,193,898)
Cash flows from (used in) financing activities			
Proceeds from issuance of shares		-	-
Proceeds from long-term loans		5,454,430	3,908,045
Proceeds from short-term loans		47,663,064	5,410,933
Total loan proceeds		**53,117,494**	**9,318,978**
Payment of loans		(20,303,209)	(9,250,629)
Payment of financial lease liabilities		(2,161,170)	(1,892,343)
Interest paid		(4,942,980)	(4,971,658)
Dividends paid		(34,123,389)	(32,255,163)
Net cash flows from (used in) financing activities		(8,413,254)	(39,050,815)
Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate		6,876,070	(11,033,360)
Effects of exchange rate variations on cash and cash equivalent		77,700	(159,004)
Net increase (decrease) in cash and cash equivalent		6,953,770	(11,192,364)
Cash and cash equivalent at the beginning of the period or fiscal year		6,929,613	18,121,977
Cash and cash equivalent at the end of the period or fiscal year		13,883,383	6,929,613

Notes 1 to 31 form an integral part of the consolidated financial statements of Empresas Lipigas S.A. and subsidiaries.

EMPRESAS LIPIGAS S.A.

Notes to the consolidated financial statements as of December 31, 2018

1. General information on the Company

Empresas Lipigas S.A. (hereinafter the "Company") and its subsidiaries comprise the Lipigas Group (hereinafter the "Group"). Empresas Lipigas S.A. is an open stock corporation, and its registered office is located at Apoquindo 5400, 15th floor, in the municipality of Las Condes, Santiago, Chile

Inversiones El Espino S.A., a privately held company, was incorporated by public deed dated August 9, 2000. Subsequently, it was agreed by public deed dated October 31, 2000, to amend the corporate name from Inversiones El Espino S.A. to Empresas Lipigas S.A.

The Company's corporate purpose is, among others, the purchase, importation, storage, commercialization, distribution, sale, export and transport of liquefied petroleum gas (LPG) and all types of liquid or gaseous fuels and the provision of services to third parties related to such activities; acquire, sell and distribute all kinds of household appliances, facilities for industries and businesses and for automotive and their spare parts and provide technical services and execute works or installations to any user linked to the use of the energy and its complementary services and the generation or production of electric energy or other energy in any of its forms or nature and the commercialization, operation, sale, supply and distribution of such types of energy.

The Company was registered in Chile's securities issuers' registry of the Financial Market Commission (CMF - *Comisión para el Mercado Financiero*) on February 4, 2015.

The Company obtained from Chile's Superintendence of Securities and Insurance (currently the Financial Market Commission), the registration of its shares in the securities issuers registry of said entity on October 21, 2015.

The Company's shares began trading on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*) on November 24, 2017.

The Company's Board of Directors authorized the issuance of these consolidated financial statements for the period ended December 31, 2018 on March 6, 2019.

2. Summary of Main Accounting Policies

Described below are the main accounting policies used in preparing the consolidated financial statements. These policies have been designed based on the International Financial Reporting Standards prevailing as of December 31, 2018 and they have been applied uniformly to the fiscal years presented in these consolidated financial statements.

2.1 Bases for preparation of the consolidated financial statements

These consolidated financial statements of the Company correspond to the fiscal year ended December 31, 2018 and have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The previously mentioned standards have been applied uniformly to the fiscal years presented. IFRS include International Accounting Standards (IAS) and interpretations by the respective Interpretations Committees (SIC and IFRIC) issued by IASB.

The preparation of the financial statements as described above requires that certain estimations and accounting standards be used. It also requires Management to exercise judgment in the application of the Company's accounting policies. Note 2.31 discloses the areas that imply a greater degree of judgment or complexity or the areas where the assumptions and estimations are material.

There were no uncertainties as of the date of these consolidated financial statements regarding events or conditions that may contribute doubt about the possibility that the Company will continue to normally operate as an ongoing business.

The consolidated financial statements have been presented using the historic cost criteria, except for certain financial instruments, which are disclosed at their fair value.

2.2 Changes in accounting policies

The accounting policies described in the consolidated financial statements as of December 31, 2018, reflect the amendments performed pursuant to IFRS 9 and IFRS 15 effective January 1, 2018.

The Company has assessed the impacts of IFRS 9, including the determination of gaps between classification and measurement criteria of financial instruments regarding currently used criteria, and has determined the impact of going from an expected loss model in determining impairment of its financial liabilities. Based on the assessment, the Company has determined that there are no significant changes that impact the classification and measurement of its financial assets resulting from the application of IFRS 9.

Regarding the new impairment model, the standard requires to recognize impairment losses based on expected credit loss (ECL) instead of only credit losses incurred pursuant to IAS 39.

Mandatory adoption of this new standard is January 1, 2018. The Company applies this standard prospectively, using practical methods allowed by the standard and given that there are no significant effects, comparative balances for the 2017 fiscal year have not been restated.

Regarding IFRS 15, the basic principle is that an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To recognize revenue under IFRS 15, an entity applies the following five steps:

- Step 1 - Identify the contract(s) with a customer.
- Step 2 - Identify the performance obligations in the contract.
- Step 3 - Determine the transaction price.

- Step 4 - Allocate the transaction price to each performance obligation
- Step 5 - Recognize revenue when (or to the extent) a performance obligation is satisfied

The Company has performed an assessment of the 5 steps outlined above and no new performance obligations have been identified or are they different from those already presented in the consolidated financial statements and it has also determined that there are no changes in recognizing revenue, since revenue is recorded to the extent that the economic benefits are likely to flow to the Company and can be reliably measured at determined prices and at the fair value of economic benefits received or receivable, once the performance obligation has been satisfied. Said revenue is presented net of value added tax, specific taxes, returns and discounts.

The adoption date of this new standard is mandatory beginning January 1, 2018. The Company applies this standard prospectively, using allowed practical resources.

2.3 Currency of presentation and functional currency

These consolidated financial statements are presented in thousands of Chilean pesos (Th$) as it is the functional currency of the main economic environment in which the Company does business.

Each entity in the Group has determined its own functional currency according to the requirements of IAS 21 "*The Effects of Changes in Foreign Exchange Rates"*, and the items included in each entity's financial statements are measured using that functional currency.

2.4 Periods covered by the financial statements

The consolidated financial statements include the classified consolidated statement of financial position; the consolidated statement of income by function, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of direct cash flows for the fiscal years ended December 31, 2018 and 2017.

2.5 New rulings, amendments, improvements and accounting interpretations (IFRS and Interpretations of the IFRIC)

Improvements, amendments and interpretations to existing standards that have entered into force during the fiscal year ended December 31, 2018, have been published as of the date of issuance of these consolidated financial statements and have been adopted by the Company. These became mandatory as of the dates indicated below:

a) First-time mandatory application of standards, interpretations and amendments for the fiscal years beginning January 1, 2018.

Standards and Interpretations	Mandatory for fiscal years beginning on:
IFRS 9 "Financial Instruments." Published in July 2014. The IASB has published the full version of IFRS 9, which supersedes IAS 39 implementation guidance. This final version includes requirements on the classification and measurement of financial assets and liabilities and an expected credit loss model that replaces the actual model on incurred loss impairment. The part on hedge accounting contained in this final version of IFRS 9 had already been published in November 2013.	January 1, 2018

Standards and Interpretations	Mandatory for fiscal years beginning on:
IFRS 15 “Revenue from Contracts with Customers.” Published in May 2014. It sets down the principles to be followed by an entity in presenting useful information to the users of financial statements on the nature, amount, timing and uncertainty of income and cash flows from contracts with customers. The basic principle is that an entity will recognize income from the transfer of goods or services promised to customers that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It supersedes IAS 11 Construction Contracts; IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue - Barter Transactions involving Advertising Services.	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration". Published in December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or a non-financial liability arising from the payment or collection of an advance consideration before the recognition of the related asset, expense or income (or the corresponding part). The interpretation provides guidance regarding the date of a transaction (payment/collection), and also for multiple transactions. The purpose of this interpretation is that of reducing diversity in practice.	January 1, 2018
Amendment to IFRS 2 "Share-based payments". Published in June 2016. The amendment clarifies the measurement of cash-settled share-based payments and accounting for amendments that change such payments to equity-settled. In addition, it introduces an exception to the principles of IFRS 2 that will require treatment of premiums as if it were entirely equity-settled, when the employer is required to withhold the tax related to share-based payments.	January 1, 2018
Amendment to IFRS 15 “Revenue from Contracts with Customers”. Published in April 2016. The amendment clarifies guidance on identifying performance obligations in contracts with customers, intellectual property licensing and assessing principal versus agent considerations (gross versus net presentation of income). It includes new and amended illustrative examples as guidance, as well as practical examples regarding the transition to the new standard on revenue.	January 1, 2018
Amendment to IFRS 4 “Insurance Contracts”, when applying IFRS 9 “Financial Instruments”. Published in September 2016. The amendment provides two options for entities that issue insurance contracts within the scope of IFRS 4: (1) the overlay approach, giving all entities that issue insurance contracts the option to reclassify, from profit or loss to other comprehensive income, the volatility that could arise from applying IFRS 9 before the new insurance contract standard, and (2) An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is insurance related, to optionally apply a temporary exemption to IFRS 9 until the year 2021, continuing until then with the application of IAS 39.	January 1, 2018
Amendment to IAS 40 “Investment Property”, regarding the transfer of investment properties. Published in December 2016. The amendment clarifies that a change of use must exist for the transfer to or from investment properties. There must be an assessment (sustained on evidence) that the property complies with the definition, in order to conclude that a property has changed its use.	January 1, 2018
Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards”, related to the deletion of short-term exemptions for first-time adopters in regard to IFRS 7, IAS 19 and IFRS 10. Published in December 2016.	January 1, 2018
Amendment to IAS 28 “Investments in Associates and Joint Ventures”, regarding the measurement at fair value of the associate or joint venture. Published in December 2016.	January 1, 2018

Adoption of the above Standards, Amendments and Interpretations do not have a material impact on the Company’s consolidated financial statements.

b) Standards, interpretations and amendments issued but not in effect, for the fiscal year beginning January 1, 2018 that have not been adopted early.

Standards and Interpretations	Mandatory for fiscal years beginning on or after:
IFRS 16 “Leases” – Published in January 2016, establishes the principle for recognizing, measuring, presenting and disclosing leases. IFRS 16 replaces current IAS 17, and introduces a single accounting model for the lessee, requiring the lessee to record assets and liabilities of all lease agreements with a lease term of more than 12 months, unless the underlying asset has a low value. The purpose is to assure that lessees and lessors submit relevant information in a way that faithfully represents the transactions. This information sets the basis for users of the financial statements to evaluate the impact of the leases on the entity’s financial statements, financial performance and cash flows. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, early application is permitted for entities applying IFRS 15 on or before the initial application of IFRS 16.	January 1, 2019

Standards and Interpretations	**Mandatory for fiscal years beginning on or after:**
IFRS 17 "Insurance Contracts". Published in May 2017, replaces current IFRS 4. IFRS 17 will mainly change accounting for all entities issuing insurance contracts and investment contracts with discretional participation. The standard applies to annual periods beginning on January 1, 2021, allowing early application provided IFRS 15 "Revenues from client contracts" and IFRS 9 "Financial Instruments" are applied.	January 1, 2021
IFRIC 23 "Uncertain tax positions". Published in June 2016. This interpretation clarifies how IAS 12 recognition and measurement requirements apply when there is uncertainty regarding tax treatments.	January 1, 2019
Amendment to IFRS 9 "Financial Instruments". Published in October 2017. The amendment allows more assets to be measured at amortized cost than the previous version of IFRS 9, particularly some prepaid financial assets with a negative compensation. Qualified assets included are some loans and debt securities, that otherwise would have been measured at fair value through profit or loss (FVTPL). In order to qualify at amortized cost, the negative compensation must be a "reasonable compensation for early termination of the contract."	January 1, 2019
Amendment to IAS 28 "Investments in associates and joint ventures". Published in October 2017. This amendment clarifies that entities accounting long-term interests in an associate or joint venture-without applying the equity method-using IFRS 9. The Council has published an example illustrating how entities apply IFRS 9 and IAS 28 requirements to long term interests in an associate or joint venture.	January 1, 2019
Amendment to IFRS 3 "Business Combinations" published in December 2017. The amendment clarifies that getting control of a company that is a joint operation, is a business combination that is achieved in stages. The acquirer must re-measure its previously held ownership in the joint operation at fair value on the date of acquisition.	January 1, 2019
Amendment to IFRS 11 "Joint Agreements" published in December 2017. The amendment clarifies that the party obtaining joint control of a joint venture should not re-measure its previously held ownership in the joint operation.	January 1, 2019
Amendment to IAS 12 "Income Taxes" published in December 2017. The amendment clarifies that the consequences of dividend income tax on financial instruments classified as equity must be recognized in accordance with the recognition of past transactions or events that generated distributable benefits.	January 1, 2019
Amendment to IAS 23 "Loan Costs" published in December 2017. The amendment clarifies that if a specific loan remains pending after the qualified asset is ready for its intended use or sale, it becomes part of general loans.	January 1, 2019
Amendment to IAS 19 "Employee Benefits" published in February 2018. The amendment requires that entities use up-to-date assumptions to determine the cost of the current service and the net interest for the remainder of the period after a change, reduction or liquidation of the plan; and recognize any reduction in a surplus under profits or losses as part of the cost of the past service, or a gain or loss in liquidation, even if that surplus was not previously recognized because it did not exceed the upper limit of the asset.	January 1, 2019
Amendment to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting policies, changes in estimates and accounting errors" published in October 2018. Uses a consistent definition of materiality in all IFRS and Conceptual Framework for Financial Reporting; clarifies the definition of "material;" and incorporates some guidance in IAS 1 regarding immaterial information.	January 1, 2020
Amendment to IFRS 3 "Definition of a business" published in October 2018. Reviews the definition of a business. Pursuant to feedback received by IASB, it is thought that the adoption of current guidelines is too complex and results in too many transactions qualifying as business combinations.	January 1, 2020
Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Published in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or the contribution of goods between an investor and its associate or joint venture. The main consequence of the amendments is that a complete gain or loss is recognized when the transaction involves a business (in a subsidiary or not) and a partial a gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.	Undetermined

The Company has not made early adoption of any of these standards. Company management is assessing the impacts that the adoption of the above Standards, Amendments and Interpretations will have on the Company's consolidated financial statements at the time of its first application, which is not considered relevant, except for what has been stated later on regarding IFRS 16.

The Company has analyzed the impact of the application of the standards that are mandatory for fiscal years beginning after January 1, 2018 as follows:

IFRS 9 – Financial Instruments

IFRS 9 deals with the classification, measurement and derecognition of financial assets and liabilities. The standard introduces new rules for hedge accounting, as well as establishing the application of an expected credit-loss model that replaces the current model of impairment of incurred losses.

The Company did not identify a significant impact on classification, measurement and disposal of financial assets and liabilities or a change in its hedge accounting strategies.

Regarding impairment of accounts receivable, the Company worked on a statistical model based on historical data, applying specific calculations for the different customer segments of each country where it has operations. The foregoing implies that this standard, in force since January 1, 2018, has the following impacts: an increase in the provision for impairment of current trade account debtors and other receivables in the amount of Th$ 134,199 as detailed in the note 7.1.2 and a decrease of the deferred tax liability in the amount of M$ 36,684 included in the movement chart of note 10.2. These adjustments implied a negative adjustment of accumulated results in the amount of M$ 97,515 which are reflected in the changes in equity statement.

IFRS 15 – Revenue from Customer Contracts

IFRS 15 provides guidance for the recognition of revenue from ordinary activities from customer contracts. The Company worked on the analysis of contracts with its clients in the different countries where it has operations, establishing that for Chile, Colombia and Peru .The impact of the adoption of this standard was not significant for the financial statements because the policy of recognizing revenue pursuant to the previous accounting principle does not substantially differ from the guidance of IFRS 15, regarding its business, except for the reclassification of certain costs incurred in contract compliance, that resulted eligible for capitalization pursuant to the new revenue standard.

The reclassification of costs that were eligible for capitalization correspond to costs required for the fulfillment of the contract for the installation of pipelines in customer facilities which, while still susceptible of being capitalized, prior to the implementation of this standard, they were categorized under IAS 16 as items of Property, plant and equipment, and they must now be reclassified to Other non-financial assets, non-current.

With regard to standards in effect after the date of these financial statements, the Company has analyzed the impact of adopting IFRS 16 beginning January 1, 2019.

IFRS 16 - Leases

IFRS 16 deals with the measuring and recording financial assets and liabilities regarding use rights of the good and future installments payable for this concept. Pursuant to this standard, the distinction between financial and operating lease no longer exists and basically all leases (of any kind) will follow the same model.

The Company performed an analysis of operating leases and services that impact operating income in the different countries where it operates, concluding that there is an impact in Chile, Colombia and Peru due to the adoption of this standard, since the recognition of contracts that were impacted, substantially differs from the guidance of preceding standard IAS 17.

The previous implies that this standard, in effect since January 1, 2019, has the following impacts on the Group: an increase in assets for Th$ 36,355,980, an increase in other current financial liabilities for Th$ 11,717,374 and in other non-current financial liabilities for Th$ 24,638,606. These adjustments will not impact accumulated results since the Group opted for the simplified method allowed by the standard.

2.6 Basis for consolidation

2.6.1 Subsidiaries

Subsidiaries are all entities in which the Company has the power to direct the financial and operating policies, which is generally accompanied by an interest representing more than one-half of the voting rights. The evaluation of whether the Company controls another entity considers the existence and effect of potential voting rights that are currently possible to be exercised or converted. Subsidiaries are consolidated as of the date when control is obtained, and they are excluded from the consolidation on the date when control ceases.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of the assets delivered, of the equity instruments issued and of the liabilities incurred or assumed on the date of transfer. Identifiable assets acquired, and identifiable liabilities and contingencies assumed in a business combination are initially valued at the fair value on the date of acquisition, regardless of the scope of minority interests. Excess cost of the fair value of the Company's interest in identifiable net assets acquired is recognized as goodwill. If the acquisition cost if less than the fair value of net assets in the subsidiary acquired, the differential is recognized directly in the consolidated statement of income by function.

The transactions, balances and unrealized gains in transactions between entities in the Group are eliminated in the consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment loss in the transferred asset. Accounting policies of subsidiaries are amended, whenever necessary, to ensure uniformity in the policies adopted by the Company.

2.6.2 Non-controlling transactions and interests

The Group's policy is to consider transactions with non-controlling interests as if they were transactions with Company shareholders, disclosing such transactions as equity transactions with no impact on income, provided they do not correspond to a loss of control.

2.7 Subsidiaries

2.7.1 Directly consolidated entities

Subsidiaries included in the consolidation are itemized below:

Country	Company	Ownership Interest (%)	
		12.31.2018	12.31.2017
Chile	Norgas S.A.	58.00	58.00
Chile	Inversiones Lipigas Uno Ltda.	100.00	100.00
Chile	Inversiones Lipigas Dos Ltda.	100.00	100.00
Chile	Trading de Gas SpA.	100.00	100.00
Chile	Marquesa GLP SpA	65.00	-

Assets, liabilities and equity of the subsidiary Norgas S.A. are itemized below:

Summary Statement of Financial Position Norgas S.A	12.31.2018 Th$	12.31.2017 Th$
Current Assets	680,651	928,262
Non-current Assets	2,566,274	2,721,708
Total Assets	**3,246,925**	**3,649,970**
Current Liabilities	84,226	117,778
Non-current Liabilities	360,432	361,486
Equity	2,802,267	3,170,706
Total Liabilities and Equity	**3,246,925**	**3,649,970**

Income and expenses of the subsidiary Norgas S.A. are itemized below:

Summary Statement of Income Norgas S.A	12.31.2018 Th$	12.31.2017 Th$
Revenue	844,513	878,925
Cost of sales and expenses	(487,039)	(567,182)
Other income (expenses)	(63,572)	(65,955)
Profit (loss)	**293,902**	**245,788**

Assets, liabilities and equity of the subsidiary Trading de Gas SpA are itemized below:

Summary Statement of Financial Position Trading de Gas SpA	12.31.2018 Th$	12.31.2017 Th$
Current Assets	23,004,393	22,901,565
Non-current Assets	35,323,705	36,510,945
Total Assets	**58,328,098**	**59,412,510**
Current Liabilities	9,893,510	10,410,958
Non-current Liabilities	35,763,651	35,647,912
Equity	12,670,937	13,353,640
Total Liabilities and Equity	**58,328,098**	**59,412,510**

Income and expenses of the subsidiary Trading Gas SpA are itemized below:

Summary Statement of Income Trading de Gas SpA	12.31.2018 Th$	12.31.2017 Th$
Revenue	144,960,772	136,787,728
Cost of sales and expenses	(134,792,433)	(126,472,440)
Other income (expenses)	(4,261,917)	(3,835,510)
Profit (loss)	**5,906,422**	**6,479,778**

Assets, liabilities and equity of the subsidiary Marquesa GLP SpA are itemized below:

Summary Statement of Financial Position Marquesa GLP SpA	12.31.2018 Th$	12.31.2017 Th$
Current Assets	703,020	-
Non-current Assets	2,157,086	-
Total Assets	**2,860,106**	**-**
Current Liabilities	598,906	-
Non-current Liabilities	-	-
Equity	2,261,200	-
Total Liabilities and Equity	**2,860,106**	**-**

Income and expenses of the subsidiary Marquesa GLP SpA are itemized below:

Summary Statement of Income Marquesa GLP SpA	12.31.2018 Th$	12.31.2017 Th$
Revenue	-	-
Cost of sales and expenses	(67,601)	-
Other income (expenses)	14,848	-
Profit (loss)	**(52,753)**	**-**

The subsidiaries Inversiones Lipigas Uno Limitada and Inversiones Lipigas Dos Limitada, present under assets and liabilities, mainly investments in Peru and Colombia, itemized in Note 2.7.2 below.

2.7.2 Indirectly consolidated entities

Indirect subsidiaries included in the consolidation are itemized below:

Country	Company	Ownership Interest (%)	
		12.31.2018	12.31.2017
Colombia	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	100.00	100.00
Colombia	Chilco Metalmecánica S.A.S.	100.00	100.00
Colombia	Rednova S.A.S. E.S.P.	100.00	100.00
Colombia	Surcolombiana de Gas S.A. E.S.P.	51.07	-
Peru	Lima Gas S.A.	100.00	100.00
Peru	Limagas Natural Perú S.A.	100.00	100.00

Assets, liabilities and equity for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S., Rednova S.A.S. E.S.P., and Surcolombiana de Gas S.A. E.S.P. (total for Colombia) Lima Gas S.A. and Limagas Natural Perú S.A. (total for Peru) as of 12.31.2018 and 12.31.2017 are itemized below:

Summary Consolidated Statements of Financial Position - Subsidiaries	12.31.2018 Th$ Colombia	12.31.2017 Th$ Colombia	12.31.2018 Th$ Peru	12.31.2017 Th$ Peru
Current assets	9,507,188	6,278,996	14,179,650	10,985,972
Non-current assets	46,273,629	38,084,663	65,209,304	56,152,709
Total assets	**55,780,817**	**44,363,659**	**79,388,954**	**67,138,681**
Current liabilities	8,377,181	5,011,262	16,665,992	14,765,350
Non-current liabilities	24,175,698	21,424,576	21,955,027	15,372,374
Equity	23,227,938	17,927,821	40,767,935	37,000,957
Total liabilities and equity	**55,780,817**	**44,363,659**	**79,388,954**	**67,138,681**

Income and expenses for the subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S. Rednova S.A.S. E.S.P., and Surcolombiana de Gas S.A. E.S.P. (total for Colombia) Lima Gas S.A. and Limagas Natural Perú S.A. (total for Peru) as of 12.31.2018 and 12.31.2017 are itemized below:

Summary Consolidated Statement of Income - Subsidiaries	12.31.2018 Th$ Colombia	12.31.2017 Th$ Colombia	12.31.2018 Th$ Peru	12.31.2017 Th$ Peru
Revenue	49,669,419	43,576,538	85,501,350	87,988,819
Cost of sales and expenses	(45,469,583)	(38,830,909)	(84,593,559)	(84,786,149)
Other income (expenses)	(1,355,203)	(2,299,992)	(420,496)	(3,188,143)
Profit (loss)	**2,844,633**	**2,445,637**	**487,295**	**14,527**

2.7.3 Changes in the perimeter of consolidation

During the fiscal years ended December 31, 2018 and 2017 the following variations occurred in the perimeter of consolidation of the Lipigas Group:

Chile

On January 26, 2018, Empresas Lipigas S.A. entered the ownership of the company Marquesa GLP SpA through the acquisition of 65% of the shares from its sole shareholder IMELSA S.A., which retains the remaining 35% of the shares.

Colombia

On January 6, 2017, the company Rednova S.A.S. E.S.P. was established for developing the distribution of network gas in Colombia.

On October 1, 2018 Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. took control over the company Surcolombiana de Gas S.A. E.S.P. acquiring an ownership interest of 51.07%.

2.8 Foreign Currency Translation

2.8.1 Functional and presentation currency

The items included in the consolidated financial statements of the Company and its subsidiaries are valued using the currency of the main economic environment in which the Company operates ("functional currency"). The functional and presentation currency of Empresas Lipigas S.A. and its subsidiaries Norgas S.A., Trading de Gas SpA, Inversiones Lipigas Uno Limitada and Inversiones Lipigas Dos Limitada is the Chilean peso. For its subsidiary Marquesa GLP SpA it is the U.S. dollar. For its subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S., Rednova S.A.S. E.S.P., and Surcolombiana de Gas S.A. E.S.P. it is the Colombian peso. For Lima Gas S.A. and Limagas Natural Perú S.A. it is the Peruvian sol. For consolidation effects, the Company's subsidiaries translated their financial statements to Chilean pesos, which is the presentation currency of the Company's financial statements.

The income and financial position of all of the Company's subsidiaries (none of which uses a currency in a hyperinflationary economy) whose functional currency is different from the presentation currency are translated to the presentation currency in the following way:

- Assets and liabilities in each statement of financial position are translated using the closing exchange rate of each fiscal year or period.
- Income and expenses of each income account are translated using the accumulated average monthly exchange rates for the fiscal year or period (unless this average is not a fair approximation of the exchange rates on the transaction dates, in which case income and expenses are translated at the exchange rate prevailing on the transaction date).
- All translation differentials are recognized as a separate component of equity through Other Comprehensive Income.

2.8.2 Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing on the dates of the respective transactions. Foreign currency losses and gains resulting from the settlement of these transactions and from the translation of foreign currency-denominated monetary assets and liabilities at the closing exchange rates are recognized as exchange differentials in the consolidated statement of income by function, unless they originate in cash and cash equivalent balances designated as foreign currency cash flow hedges, which are allocated to Other Comprehensive Income.

Foreign currency balances as of December 31, 2018 and 2017, respectively, are itemized in Note 26.

2.8.3 Exchange rates and indexation units

Assets and liabilities in foreign currency and those set in Unidades de Fomento are presented at the following exchange rates and closing values, respectively:

Date	CLP / USD	CLP / UF	CLP / COP	CLP / PEN
12.31.2018	694.77	27,565.79	0.21	206.35
12.31.2017	614.75	26,798.14	0.21	189.68

CLP : Chilean peso
UF : Unidad de Fomento
USD : U.S. dollar
COP : Colombian peso
PEN : New Peruvian sol

2.9 Financial information by operating segment

Information by segment is presented according to IFRS 8 *Operating Segments*, consistent with internal reports regularly reviewed by Company management used in the decision making process on allocating resources and performance evaluation of each of the operating segments.

According to IFRS 8, an operating segment is defined as a component of an entity that meets the following three requirements:

- It conducts an activity that generates income and incurs costs.
- There is separate financial information on said segment.
- The chief operating decision-maker regularly evaluates the segment's performance.

The Company's reporting segments correspond to the geographic scope of the countries where activities are developed: Chile, Colombia and Peru.

Note 25 of the consolidated financial statements provides detailed information.

2.10 Property, plant and equipment

2.10.1 Appraisal

Property, plant and equipment components held for use in operations or for administrative means are presented at cost, net of the corresponding accumulated depreciation and impairment losses, when relevant, including expenses directly attributable to the acquisition of the good.

Items of property, plant and equipment, are initially recognized at acquisition cost. The price of acquisition of goods and services, including the non-recoverable tax and customs charges are considered when determining the purchase price. Similarly, emplacement and start-up costs are included, until fit for operation.

On the date of transition to IFRS, the Company chose to present certain items in property, plant and equipment at fair value, using said value as the cost on the transition date pursuant to IFRS 1.

Work in progress is transferred to operating assets at the end of the test period once they are available for use. Depreciation begins as of that moment. Subsequent costs (replacement of components, improvements, extensions, growth, etc.) are included as an increase in the value of the initial asset or recognized as a separate asset only if it is likely that future economic benefits associated with the fixed asset will flow to the Company and the cost of the element can be reliably determined. The value of the substituted component is retired in the accounting. Remaining repairs and maintenance are debited to income in the fiscal year or period when they are performed.

2.10.2 Depreciation method

Asset depreciation is calculated using the straight-line method based on the estimated useful life of the goods, considering the residual value, whose average per item is:

Type of Property, Plant and Equipment	Useful Life (Years)
Buildings - Constructions and buildings	25/45
Natural gas	
- Networks - Equipment	60 10
Storage tanks	30/50
Property, plant and equipment in third-party facilities - Piping systems - Meters - Household tanks	16/50
Plant and equipment - Machinery and equipment - Cylinders - Pallets - Financial leases	10/30
Information Technology Equipment	4/5
Small motor vehicles	5/10
Other property, plant and equipment - Transportation fleet - Furniture and office equipment	10/20

The residual value and useful life of assets are reviewed and adjusted, if necessary, at each financial statement closing, so that the remaining useful life is consistent with the economic use of the assets.

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to the recoverable amount by establishing impairment provisions.

Losses and gains on the sale or retirement of items of property, plant and equipment are calculated by comparing the income earned to the carrying value and the result (gain or loss) is included in the consolidated statement of income by function.

Interest expense incurred in building any asset that necessarily requires a substantial period before it is ready for its intended use, is capitalized during the period required to complete and prepare the asset for its intended use. Other interest expense is recorded in income (as financial costs).

Land is not depreciated because its useful life is indefinite.

2.11 Intangible assets other than goodwill

2.11.1 Computer software

Computer software licenses acquired are capitalized on the bases of the cost incurred in acquiring and preparing them to the specific program. These costs are amortized during their estimated useful life.

Expenses related to developing or maintaining computer software are recognized as an expense once they are incurred. The costs directly related to producing unique and identifiable computer software controlled by the Company, likely to generate economic benefits in excess of costs in more than one year are recognized as intangible assets. Direct costs include the expenses of personnel developing the computer software and an appropriate percentage of general expenses.

2.11.2 Customer-related intangible assets

Pursuant to IFRS 3, a company that acquires another company must recognize the identifiable assets acquired in a business combination separate from goodwill. An intangible asset will be distinguishable from goodwill if it meets either the separability criterion or the contractual-legal criterion.

The Company has recognized customer-related intangible assets as those assets acquired in business combinations. The value of the contracts with customers included in the combination has been calculated at the time of the combination and their fair value has been estimated based on forecasted sales and margins on those sales, to which a finite useful life has been assigned based on the duration of the business relationship with those customers. Amortization is calculated according to the useful life defined.

2.11.3 Trademarks

Trademarks acquired in a business combination are appraised at the fair value determined on the acquisition date.

The royalty savings method was used in order to calculate the value of the trademarks acquired in business combinations. The underlying premise of that method is that the intangible asset has a fair value equal to the actual savings on royalties attributable to that trademark (generated by savings earned by possessing the asset because no royalties have to be paid to a third party for use of a similar asset).

The useful life of the trademarks is set based on the Company's intention to use it, if an indefinite use of them is foreseen, they will not be amortized.

2.11.4 Other intangible assets identified in business combinations

The Company has recognized as other intangible assets those that have been able to be identified in business combinations and which comply with the criterion of separability or contractual legality.

2.12 Goodwill

Goodwill represents the excess acquisition cost on the date of acquisition above the fair value of the interest held by the Company in the identifiable net assets of the subsidiary acquired. Goodwill in relation to subsidiary acquisitions is an intangible asset and it is accounted for in intangible assets.

Goodwill relating to the acquisition of associates is included in investments in associates accounted for by the equity method and it is tested for impairment together with the total balance for the associate. Separately recognized goodwill is tested for impairment annually and valued at its cost, less accumulated impairment losses.

The transaction cost includes the carrying value of the goodwill of an entity sold, recorded in the gains and losses on the sale of that entity.

Goodwill purchased is allocated to cash-generating units to conduct impairment testing. The distribution is made among the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that included goodwill.

Negative goodwill in the acquisition of an investment or business combination is credited directly to the consolidated statement of income by function.

2.13 Impairment of non-current assets

Assets that have an indefinite useful life and that are not subject to depreciation or amortization are tested annually for impairment losses. Depreciable or amortizable assets are tested for impairment provided an event or change in circumstances indicates that the carrying value might not be recoverable or annually in the case of goodwill. The impairment loss is recognized to be the excess carrying value of the asset as compared to its recoverable amount. The recoverable amount is the fair value of an asset less costs of sale or value in use, whichever is higher. Assets are grouped at the lowest level at which there is identifiable separate cash flows (cash-generating units) in order to evaluate impairment losses.

Impairment tests are performed based on the estimates of the evolution of the market in which the generating unit operates and on forecasts of revenues, costs, expenses, investments in property, plant and equipment and working capital needs based on the business plans of each unit. In order to find the recovery value of non-current assets subject to impairment tests, the resulting flows are discounted at a weighted rate of capital cost appropriate to the characteristics of the assessed business.

Goodwill recorded in the acquisition of the investments in Colombia and Peru is evaluated annually to determine whether there is any loss in value of this asset. An impairment provision is made, if there is evidence of a loss in value, which is recognized in income for the corresponding quarter or fiscal year.

2.14 Financial instruments

A financial instrument is any contract that simultaneously creates both a financial asset in one entity and a financial liability or equity instrument in another entity.

The Company recognizes financial assets and financial liabilities at the time that it assumes the obligations or when it acquires the contractual rights of those financial assets and financial liabilities.

2.14.1 Financial assets

a) Cash and cash equivalent

Cash and cash equivalent include cash on hand and other short-term highly liquid investments originally expiring in three months or less.

b) Trade and other accounts receivable

Trade receivables are recognized at their nominal value since their average period for collection is short (generally no longer than 90 days) and there is no material differential in their fair value less the impairment loss provision. An impairment loss provision is established for trade receivables when there is impartial evidence that the Company will be unable to collect all sums owed it according to the original terms of accounts receivable.

When a receivable is considered uncollectible and collection efforts have been exhausted, the respective uncollectible account provision is written off. The subsequent recovery of previously written off amounts is recognized as a credit in the consolidated statement of income by function.

There is no implicit interest attributable to trade receivables and other accounts receivables when accounts expire in less than 90 days.

Loans and accounts receivable that include balances owed by distributors and other business customers are non-derivative financial assets for which there are fixed or determinable payments that are not traded on an active market. They are included in current assets unless the expiration date is longer than 12 months from the closing date of the consolidated financial statements, in which case they are classified as non-current assets.

c) Other non-current financial assets

The Company recognizes restricted availability funds under this item

d) Other current financial assets

This item includes derivative financial instruments that are appraised at their fair value, both at the beginning and subsequently. Accounting changes depend on the following classifications:

(i) Derivatives not qualifying for hedge accounting: When derivatives do not qualify for hedge accounting, they are recognized at their fair value with changes in profit or loss.

(ii) Derivatives qualifying for hedge accounting: Certain derivatives do qualify for hedge accounting and they are recognized at fair value in the consolidated statement of financial situation. Changes in fair value are recognized in other comprehensive income in the consolidated statement of comprehensive income and are accumulated in the cash flow hedge reserve account in equity until the hedge risk materializes. At that time, they are reclassified to income or to the cost of the asset whose acquisition has been hedged, as the case may be. Financial derivatives are contracted to hedge exchange rate risk and price variations under a cash flow hedging strategy according to IFRS 9.

The profit or loss realized in hedge accounting is reclassified, as other comprehensive income, to the hedged items that underlie the hedge (inventories, property, plant and equipment and other non-current non-financial assets). Unrealized profits or losses are kept in the cash flow hedge reserve account.

In this case "realize" means that the risk of the hedged item has occurred, i.e., the hedged asset is received, the advance and/or account payable in the hedged foreign currency is paid or there is a variation in the realizable value of the inventory.

The Company records the relationship between the hedging instruments and hedged items at the start of the transaction, together with the risk management objectives and the strategy to manage several hedge transactions. The Company also records, from the start and continuously, its evaluation of whether the derivatives used in the hedged transactions are highly effective in offsetting changes in the fair value or in the cash flows of the hedged items.

e) Fair value hierarchies

As of December 31, 2018, and 2017, respectively, the Company maintains assets and liabilities related to derivative contracts, which were classified under other current financial liabilities and are recorded at fair value in the statement of financial position. The Company uses the following hierarchy to determine and disclose the fair value of financial instruments:

Level 1: the quoted prices in a market for identical assets and liabilities.
Level 2: assumptions other than quoted prices included in level 1 and that are observable for assets or liabilities, either directly or indirectly.
Level 3: assumptions for assets or liabilities that are not based on observable information directly in the market.

During the fiscal year December 31, 2018, derivative instruments were measured using hierarchy level 2 and short-term investments included under Cash and cash equivalent were measured using level 1.

f) Impairment of financial assets

The Company evaluates whether there is objective evidence on the closing date of the consolidated financial statements that a financial asset or group of financial assets may have suffered impairment losses.

2.14.2 Financial liabilities

a) Other current and non-current financial liabilities

Loans and similar financial liabilities are initially recognized at fair value, net of any costs incurred in the transaction. They are thereafter appraised at the amortized cost while any differential between the funds obtained (net of the cost required to obtain them) and the reimbursement amount is recognized in the consolidated statement of income by function during the life of the debt, using the effective interest rate method.

b) Trade and other accounts payable

Trade and other accounts payable are shown at their nominal value since the average term for payment is short and there is no significant differential compared to their fair value.

2.15 Non-current assets classified as held for sale

The Company appraises non-current assets classified as held for sale at the lower of the carrying value and fair value less costs of sale, as indicated in IFRS 5.

2.16 Inventories

Inventories are appraised at their cost or net realizable value, whichever is lower. The cost is calculated using the average weighted price (AWP).
The cost of products includes costs that are necessary to give them their current status and location, in order for goods to be in a condition to be commercialized; not including interest costs.

2.17 Issued capital

Capital is represented by common shares in one single class and it is recorded at the value of the contributions made by the Company's owners.

2.18 Income tax and deferred taxes

Income tax expense in the fiscal year or period includes the current income tax and deferred tax. Tax is shown in the consolidated statement of income by function unless the items are recognized directly in equity in the consolidated statement of comprehensive income or result from a business combination.

Current income tax debit is calculated based on tax laws governing on the date of the consolidated financial statements.

Deferred taxes are calculated, according to the balance sheet method, based on the differentials between the tax bases of assets and liabilities and their carrying value in the consolidated financial statements. However, no record is made if deferred taxes arise from the initial recognition of a liability or asset in a transaction other than a business combination but there is no impact, at the time of the transaction, on either the carrying profit or loss or the financial profit or loss. A deferred tax is calculated according to regulations and the tax rates approved or about to be approved on the closing date of the consolidated financial statements that are expected to apply when the corresponding deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are shown when it is likely that there will be future tax benefits available that can be used to offset those differentials.

2.19 Provisions

Liabilities existing at the date of the consolidated financial statements, arising as a result of past events which may derive in a probable materialization of equity decreases for the Company, whose payment amount and timing are uncertain, are recorded as provisions in the consolidated statement of financial position for the current value of the most probable amount estimated that the Company will have to pay to settle the liability.

2.20 Employee benefit provisions, current

The Company recognizes expenses by provisioning for bonuses and profit-share. These amounts are recorded at their nominal value.

2.21 Employee benefit provisions, non-current

The Company has liabilities for severance indemnities under collective bargaining agreements and individual employment contracts.

Defined benefit plans stipulate the payment to be received by an employee at the estimated time of enjoyment of the benefit, which usually depends on one or more factors such as the employee's age, turnover, years of employment and compensation.

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit liability, calculated based on actuarial variables. The present value of the defined benefit liability is calculated by discounting the estimated outgoing cash flows using a market interest rate denominated in the same currency as the currency in which the benefits will be paid. The term approximates the term of the severance indemnity obligation until maturity.

The costs of past services are recognized immediately in income. Actuarial gains and losses are recognized immediately in the statement of financial position as a debit or credit to other comprehensive income in the fiscal year or period in which they occur.

The present value of severance indemnity obligations is calculated by discounting estimated future flows using adjustable interest rates in UF on premium corporate bonds (or government bonds) denominated in the currency in which the benefits were paid, a rate differential based on top line companies' risk rating, rated AA+ or more and considering the maturity terms of the obligations.

The rates applied in the valuation of those obligations for the fiscal years ended December 31, 2018 and 2017 are rates established above the variation of the UF (Unidad de Fomento) for the term of the obligation, resulting in annual rates of 2.37% and 2.47% for the mentioned closing dates, respectively.

2.22 Cylinder and tank guarantees

As part of the distribution and sale of LPG system, the Company and two of its subsidiaries receive cash deposits, in exchange for the delivery to clients of cylinders and tanks for storage of liquefied gas, as guaranty for the return of those containers and tanks. Customers have the right to request that this money be reimbursed provided they return the cylinder or tank in good condition, together with supporting documents.

The Company follows IAS 37 - Provisions, Contingent Liabilities and Contingent Assets in appraising this liability, provided the conditions in that standard are met (please also see Note 2.30.4):

(a) the Company has a present obligation (legal or implicit) resulting from a past event;

(b) it is probable (that is, it is more likely than not) that the Company will have to dispose of revenue-generating resources in order to pay the obligation; and

(c) also, the amount of the corresponding debt can be reliably estimated. The standard emphasizes that a debt will not be reliably estimable in extremely rare cases only.

This obligation is shown under non-current liabilities at the present value of the disbursements that are expected to have to be made to pay that liability, discounted at the market interest rate and denominated in the same currency in which the obligation will be paid over a term that approximates the term of the obligations, estimating a maximum period of reimbursement of the guarantee of 40 years.

In the case of Colombia, due to the recent enactment of the brand cylinder regulations, Management believes that there is insufficient information to use the IAS 37 discounting model, which is why the obligation is recorded at its nominal value within non-current liabilities.

Government bonds from each country with maturities equivalent to those of the obligations to be discounted are used to calculate the discount rate.

Discount rates for the fiscal years ended December 31, 2018 and 2017, respectively are: 5.13% and 5.20% annual for Chile; and 6.83% annual for Peru for both fiscal years.

2.23 Classification of balances as current and non-current

Balances are classified in the consolidated statement of financial position by maturity. Balances expiring in 12 months or less from the closing date of the consolidated financial statements are classified as current and those exceeding that expiration are classified as non-current.

Any obligations expiring in less than 12 months but whose long-term refinancing is assured are reclassified as non-current at the Company's discretion.

2.24 Recognition of income

Revenue includes the fair value of the payments received or receivable for the sale of goods and services in the ordinary course of the Company's business, operating mainly in the commercialization of LPG and NG and a smaller percentage comes from other income related to the principal activity. Revenue is shown net of sales tax, reimbursements, refunds and discounts.

The Company recognizes income when it can be valued reliably, it is likely that the future economic benefits will flow to the entity, control is transferred, and the specific conditions are met for each of the Company's activities as described below.

Sales of gas

Sales of gas are recorded based on the effective billing of the consumer period, in addition to including an estimate of gas to be invoiced that has been supplied until the closing date of the period in the case of customers who are billed monthly based on the consumption recorded on a meter.

Sales of other goods and services

Sales of other goods and services are recognized when the Company has delivered the products or customer service and there is no obligation pending fulfillment that may affect the acceptance by the customer of such goods or services. Delivery does not occur until the products have been sent to the actual location, the services have been executed, the risks of obsolescence and loss have been transferred to the customer, the customer has accepted the products or services under the sales agreement, and the acceptance period has ended, or when the Company has objective evidence that the criteria necessary for acceptance have been fulfilled, evidencing that control has been transferred to the customer.

Sales are recognized according to the price fixed in the sales agreement, net of volume discounts and returns estimated as of the date of the sale. It is assumed that there is no implicit financial component, since sales are carried out with a reduced average collection time.

Interest income

Interest income is recognized according to the effective interest rate method.

2.25 Leases

Financial leases

The Company leases certain property, plant and equipment. Leases are classified as financial leases when the Company assumes substantially all the risks and benefits inherent to the property. Financial leases are capitalized at the start of the lease at the fair value of the property or asset leased or at the present value of the minimum payments under the lease, whichever is lower.

Each lease payment is distributed among liabilities and finance charges to obtain a constant interest rate on the outstanding balance of the debt. Lease debt net of finance charges is included in Other financial liabilities. The interest element in the financial cost is charged to the consolidated statement of income by function during the lease period so that there is a constant periodic interest rate on the remaining balance of the liability for each fiscal year or period. The asset acquired under a financial lease is depreciated during its useful life or the duration of the lease, if it is estimated that the Company will not acquire the good.

Operating leases

The Company recognizes an operating lease when substantially no risks and advantages inherent to the ownership of the leased property have been transferred.

2.26 Dividend distribution

Dividends payable to the shareholders are recorded at the liability in the consolidated financial statements in the fiscal year or period when they are declared and approved by the Board or by the Company's shareholders and its subsidiaries.

Pursuant to its bylaws, the Company shall distribute at least 50% of net profits from each fiscal year. In the event that a lower percentage is to be distributed, an agreement by the respective Shareholders' Meeting is required, passed unanimously by voting shares.

Interim, final and eventual dividends are recorded as a reduction in "Total Equity" at the time of approval by the competent body, which is usually the Board of Directors, in the first case, while the Shareholders' Meeting of the Company and its subsidiaries, is responsible for approving final and eventual dividends.

2.27 Earnings per share

Basic earnings (loss) per share are calculated as the quotient between net earnings (loss) attributable to the shareholders of the Company in the fiscal year or period and the weighted average number of common shares in the Company in circulation in that period, excluding the mean number of shares in the Company held by an associate, if any. The Company has not performed any type of potentially diluting transaction that supposes a gain per diluted share other than the basic per-share profit.

2.28 Current prepayments

The Company records operating insurance payments and other expenses accruable in future periods within Other non-financial assets.

2.29 Current tax receivables

The Company records net income tax balances in its favor as current tax receivables.

2.30 Intercompany receivables and payables

The Company records trade accounts as intercompany receivables or payables and the sale of goods or services provided or received by the Company and dividends payable to its shareholders are accounted for as intercompany transactions.

2.31 Management estimates and judgments or critical standards

The Company makes estimations and judgments that have a direct impact on the figures in these financial statements, therefore, changes in assumptions and estimations may cause significant changes in such financial statements.

Estimations and judgments are continuously evaluated and are based on historic experience and other factors, including the expectation of future events believed to be reasonable under the circumstances and the information available at the time the consolidated financial statements are prepared. The most relevant are described below:

2.31.1 Uncollectible provision

A provision is made for impairment losses of trade accounts receivable based on the experience regarding the sales segment behavior and when it is estimated that there is evidence that the Company will not be able to collect all amounts owed to it pursuant to the original terms of the receivables. Some indicators of possible impairment of accounts receivable are financial difficulties of the debtor, the probability of the debtor initiating a bankruptcy process or financial reorganization and default or non-payment.

2.31.2 Calculation of depreciation, amortization and estimation of associated useful lives

The Company determines on technical grounds the estimated useful lives and the corresponding charges for depreciation and amortization of the items in property, plant and equipment and intangible assets. This estimation is based on the forecasted life cycles of the assets allocated to the operation and income-generation associated with the Company’s business. Management reviews the estimated useful lives of property, plant, equipment and intangibles at the close of each reported fiscal year.

2.31.3 Non-current employee benefit provisions

The Company has agreed with certain employees, indemnities at the end of the employee's employment relationship with the Company, as discussed in note 2.21. The amount of remuneration that an employee will receive at the estimated time of benefit is established based on defined benefit plans, which usually depends on one or more factors, such as the age of the employee, rotation, years of service, discount rate and compensation.

2.31.4 Provision for cylinder and tank guarantees

In May 2008, the IFRIC (International Financial Reporting Standards Interpretations Committee) issued a notice on its deliberations regarding the accounting of containers and bottles. The discussions sustained by IFRIC to answer questions contain concept guidance to analyze the accounting of deposits in guaranty for containers.
Those discussions resulted in two theoretical frameworks:

a) Deposits in guarantee are an obligation falling within the purview of IAS 37. Under this approach, there is an obligation to refund the guarantee to customers, but that obligation is subject to a degree of uncertainty as to the time and period of payment because it depends on the customer seeking a refund. Therefore, a record is made of the best estimation of the disbursement that would be required to settle the actual obligation.

b) Deposits in guarantee are a financial liability pursuant to IAS 32 - Financial Instruments: Presentation; and IAS 39 - Financial Instruments: Classification and Measurement. Under this approach, the obligation is considered a financial instrument and is therefore recorded at its fair value, which is, for demand deposits, the same as the amount that would be paid at the time it comes due.

For analysis purposes, guarantee refunds requested by customers totaled the following percentages, measured against the value at the start of the fiscal year or adjusted period, according to the regulations governing in each country:

	Chile	Colombia	Peru	Total
2016	0.4%	0.0%	0.4%	**0.4%**
2017	0.2%	0.0%	0.6%	**0.2%**
2018	0.1%	0.0%	0.4%	**0.1%**

The low percentage of refunds is due to many reasons, such as: the low individual amount of cylinder guarantees, the exchangeability of cylinders among companies in the industry (in the case of Chile and Peru), the continuity of the relationship with customers, etc.

Pursuant to IAS 8, absent any rule applying to a specific transaction, Management must exercise its best judgment in designing and applying an accounting policy that will produce information that is:

a) relevant to the economic decision-making needs of users; and
b) reliable, in terms that the financial statements:

   a. accurately present the entity’s financial position, financial performance and cash flows;
   b. reflect the economic essence of transactions, other events and conditions, and not merely their legal form;
   c. be neutral, i.e. free from prejudice or bias;
   d. be prudent; and
   e. be complete in all its significant ends.

Based on the above information, the Company considers that for Chile and Peru, following IAS 37 in recording the liability for customer guarantees for cylinders and tanks is what best reflects the value of that liability for the users of the information contained in its financial statements, i.e., at the discounted value in non-current liabilities. In the case of Colombia, due to the recent enactment of the brand cylinder regulations in Colombia, Management believes that there is insufficient information to use the IAS 37 discounting model, which is why the obligation is recorded at its undiscounted value within non-current liabilities.

2.31.5 Estimation of the impairment in goodwill purchased

The Company evaluates each year or at any certain time, if there are signs, whether goodwill has experienced impairment, in accordance with the accounting policy described in Note 2.13. The recoverable amounts of cash-generating units have been determined based on their values in use based on the forecasts of generation of future flows.

2.31.6 Estimation of intangible assets identified in a business combination

The Company has made an evaluation to determine the value of intangible assets identified in a business combination according to the requirements in IFRS 3, as discussed in Notes 2.11.2, 2.11.3 and 2.11.4.

2.32 Other non-financial liabilities, current

The Company makes advanced sales of gas to customers. The gas pending delivery to customers at the end of the fiscal year or period is recorded in the statement of financial position under "Other non-financial liabilities, current". Income recognition of these values is realized at the time that the gas sold in advance is supplied to customers and is classified under "Revenue" in the income statement by function.

2.33 Statement of cash flows

The statement of cash flows shows the cash movements during the fiscal year or period, calculated by the direct method.

The following expressions are used in these statements of cash flows as defined below:

- **Cash flows:** receipts and disbursements of cash or cash equivalent, meaning highly liquid term investments out to less than three months with a low risk of any change in value.
- **Operating activities:** are activities constituting the main source of revenue for the Company and other activities that cannot be qualified as an investment or financing.
- **Investing activities:** the acquisition, sale or disposal by other means of non-current assets and other assets not included in cash and cash equivalent.
- **Financing activities:** are activities that cause changes in the size and composition of total equity and of financial liabilities.

2.34 Contract costs

Pursuant to IFRS 15, an entity may recognize a contract cost as an asset, when incurred to obtain or fulfill de contract

The Company has recognized as contract costs, those related to "the expenses necessary to comply with certain contracts with customers that are not items of the “property, plant and equipment” account, as they are necessary for the fulfillment of the contract with regard to the supply of gas. These costs are capitalizable and are depreciated according to the expected duration of the relationship with the customer.

2.35 Reclassifications

For the fiscal year ended December 31, 2017 certain reclassifications between items were performed in the consolidated statement of income by function in order to standardize classification criteria used for the fiscal year ended December 31, 2018. The following is a breakdown of the reclassifications performed:

Account	12.31.2017 Th$ Before reclassifications	Reclassification	12.31.2017 Th$ After reclassifications
Trade and other accounts payable, current	40,499,302	(945,691)	39,553,611
Tax liabilities, current	886,454	945,691	1,832,145
Other financial liabilities, current	7,401,061	2,549,688	9,950,749
Other financial liabilities, non-current	123,132,060	(2,549,688)	120,582,372

3. Cash and cash equivalent

Composition of cash and cash equivalent as of December 31, 2018 and 2017 is the following:

Types of Cash and Cash Equivalent	12.31.2018 Th$	12.31.2017 Th$
Cash on hand	70,104	220,309
Bank balances	7,809,764	5,527,580
Short-term investments (mutual funds and trusts)	6,003,515	1,181,724
Cash and cash equivalent	**13,883,383**	**6,929,613**

The composition of the item by type of currency as of December 31, 2018 and 2017 is the following:

Currency	12.31.2018 Th$	12.31.2017 Th$
CLP	9,208,528	4,442,249
USD	1,003,375	549,220
COP	2,087,450	1,162,641
PEN	1,584,030	775,503
Cash and Cash Equivalent	**13,883,383**	**6,929,613**

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4. Financial instruments

4.1 Financial assets

The current value and fair value of the financial assets are itemized below:

Financial Assets	Note	12.31.2018		12.31.2017	
		Fair Value Th$	Book Value Th$	Fair Value Th$	Book Value Th$
Cash and cash equivalent	3	13,883,383	13,883,383	6,929,613	6.929.613
Trade and other accounts receivable, current and non-current	7	43,707,035	43,707,035	35,654,573	35.654.573
Derivative asset position	4	174,549	174,549	-	-
Other financial assets, non-current	4	786,533	786,533	1,196,237	1.196.237
Total Financial Assets		**58,551,500**	**58,551,500**	**43,780,423**	**43,780,423**

The book value of current receivables, cash and cash equivalent and other financial assets is the same as the fair value, given the nature of the classification of these instruments in current assets (short-term horizon). It is also the fair value for other non-current financial assets since losses due to any uncollectible receivable is already accounted for in the impairment loss provisions discussed in Note 7.

Loans, receivables and trading are included in financial assets according to IFRS 9, except for those designated as cash flow hedges.

The short-term deposit balances within cash and cash equivalent are valued at the fair value and are rated level 1 or lower, according to IFRS 7.

The Company signed a lease and a service contract for the unloading, storage and dispatching of liquefied gas for a period of 25 years at the receiving, storage and dispatching facilities to be built by Oxiquim S.A. for the exclusive use by the Company. The services under that contract began in March 2015.

As of December 31, 2018 and 2017 the Company had receivables for Th$ 18,831,819, and Th$ 18,934,054, respectively, under agreements with Oxiquim S.A. for the construction of facilities. The account is presented discounting the financial lease liability with Oxiquim S.A. because they correspond to values that will be discounted from future payments of that financial lease.

Prepayments to Oxiquim S.A. as of December 31, 2018 for Th$ 18,184,984, offset in Other non-current financial liabilities, and for Th$ 646,835, in Other current financial liabilities, accrue an interest rate based on the restatement of the Unidad de Fomento and will be reimbursed by Oxiquim S.A. simultaneous to payment by the Company of the monthly installments under the lease and service contract for the unloading, storage and dispatching of LPG over a period of 25 years beginning March 2015.

Other non-current financial assets correspond to restricted availability funds related to guaranty deposits in Colombia and the purchase of Limagas Natural Perú S.A.

4.2 Financial liabilities

The Company's financial liabilities currently correspond to instruments with contractual payment flows, adjustable or, in certain cases, subject to a fixed or variable interest rate.

The book values and fair values of the financial liabilities are shown below:

Other financial liabilities	Note	12.31.2018		12.31.2017	
		Fair Value Th$	Book Value Th$	Fair Value Th$	Book Value Th$
Trade and other accounts payable	15	40,757,233	40,757,233	39,743,900	39.743.900
Other financial liabilities	14	165,047,961	163,872,191	132,274,632	130.533.121
Total Other Financial Liabilities		**205,805,194**	**204,629,424**	**172,018,532**	**170,277,021**

The Company classifies all of its financial liabilities according to IFRS 9, except for those designated as hedge instruments, as loans and accounts payable.

4.3 Derivatives

4.3.1 Description of other current financial assets and liabilities

Following its risk management policy, the Company has signed derivative contracts (currency forwards and product price swaps) to hedge against the U.S. dollar exchange rate variations of expected cash flows and the changes in the inventory realization value. Some of those derivatives have been designated as hedges.

The Company's strategy for designated hedge transactions is the following:

a) Hedge the exchange rate risk in the acquisition of items in Property, plant and equipment (cylinders, etc.) from the moment that the purchase order is placed until the asset is received by the Company.

   In this case, fluctuations in the fair value of the hedge instrument are recorded in other comprehensive income and accumulated in equity until the asset is received or ownership is acquired, at which time the corresponding amount accumulated in equity is reclassified as the cost of the good, as provided in IFRS 9.

b) Hedge the exchange rate risk in foreign currency account payable flows (accounts payable for the purchase of items in Property, plant and equipment and accounts payable for the purchase of LPG) from receipt of the asset until payment of the debt.

   Fluctuations in the fair value of the hedge instrument are recorded in other comprehensive income and accumulated in an Equity reserve. The portion of the fluctuation corresponding to the risk hedged that has materialized or accrued is reclassified from the equity reserve to income.

c) Hedge the risk of a variation in the sale price of product inventory stored at the Quintero maritime terminal facilities.

   In this case, changes of fair value of the hedge instrument are recorded in other comprehensive income and accumulated in Equity until the ownership and risks of the product are transferred to customers, at which point the amount allocated to equity reserves is recorded in the cost of sales.

The effects of changes in the fair value of derivatives not yet allocated to hedged items are shown in Equity.

Allocations of the gain or loss in the valuation of financial hedges were as follows for the fiscal years ended December 31, 2018 and 2017:

Cash Flow and inventory price variation hedges	(Profit) Loss at 12.31.2018	(Profit) Loss at 12.31.2017
Other reserves	(267,888)	(505,822)
Total	**(267,888)**	**(505,822)**

The hedge effects are the only ones recycled to income in the short term, of the total of other comprehensive income.

4.3.2 Effectiveness of the hedge

The Company has signed several contracts to hedge against exchange rate variations in the price of inventory realization. The gains or losses realized during 2018 and 2017 have been allocated during the period or fiscal year to hedge the items that made those hedges necessary, as described in the preceding paragraph.

The Company estimates that hedges for cash flow and exchange rate variation in the price of inventory realization have been 100% effective.

5. Risk management

The risk factors inherent to the Company's business are inherent to the markets in which it does business and the activity conducted by the Company. The main risk factors affecting business can be described as follows:

5.1 Credit risk

Credit risk originates in losses that might occur because of a default by counterparties on their contractual obligations regarding the Company's different financial assets.

The Company has credit policies in place to mitigate the risk of uncollectible trade receivables. Those policies establish limits on each customer's credit, based on his financial history and behavior, which are monitored constantly.

The Company's financial assets are comprised of cash and cash equivalent, trade and other accounts receivable and other non-current financial assets.

Credit risk is associated mainly with trade and other accounts receivable. Cash and cash equivalent balances are also exposed, but to a lesser extent. The exposure of cash and cash equivalent to credit risk is limited because the money is deposited in banks with a high credit rating. Deposits of cash surpluses by the Company are diversified among different financial entities that have high credit ratings.

As described in Note 4.1 above, the Company signed an agreement under which it committed to making prepayments to Oxiquim S.A. with which it has signed contracts for the provision of receiving, storage and dispatching of liquefied gas in facilities built at its maritime terminal. The Company has performed a solvency analysis of Oxiquim S.A. and concluded that there is no material risk of uncollectability. Those prepayments are offset against the debt under the financial lease with Oxiquim S.A. given the maritime terminal began operation in March 2015.

The maximum exposure to credit risk is:

Financial Assets	Note	12.31.2018 Th$	12.31.2017 Th$
Cash and cash equivalent	3	13,883,383	6,929,613
Trade and other accounts receivable	7	43,707,035	35,654,573
Other financial assets, current	4	174,549	-
Other financial assets, non-current	4	786,533	1,196,237
Total		**58,551,500**	**43,780,423**

5.1.1 Policy on uncollectible debt

Uncollectible provisions are determined according to the Company's policy on uncollectible debt.

This policy is in accordance with IFRS 9, where the recognition of uncollectible client accounts is based on the expected losses of these, establishing the following criteria to make the provisions:

- Segmentation: clients are grouped by business lines according to the Company’s sales channels.
- Risk Variables: the business line and arrearage are considered.
  - The business line because it groups different segments of clients which are possible to identify and group for risk analysis purposes.
  - Arrearage because it is directly associated with the levels of recovery and maturity of the debt. The longer the payment term, it is considered more difficult to recover.
- Simplified statistical model: the payment period of accounts receivable for this type of business is not more than 12 months, for the same reason we opted for a simplified model, which is one of the alternatives recommended by IFRS 9, when it is regarding under than one-year debts.
- Significant increase of payment risk:
  a. A provision is made, considering partial or total debt, should the Company detect clients are presenting payment inability due to a significant risk increase, even when it has not been classified within the above criteria.
  b. A provision is made, considering partial or total debt, should a client refinance a relevant amount of its debt.

5.2 Liquidity risk

Liquidity risk refers to the possibility that an entity cannot cope with their short-term payment commitments.

Liquidity risk is handled through the proper management of assets and liabilities, optimizing daily cash surplus, investing in top quality financial instruments, thus, ensuring compliance with debt commitments upon maturity.

The Company maintains relationships with major financial institutions in the markets in which it operates, allowing credit lines to deal with particular illiquidity situations.

Periodically, cash flow projections and analysis of the financial situation are performed, to acquire, if necessary new financing or restructuring of existing debts on terms that are consistent with the Company's business cash flow generation.

Note 14 to the consolidated financial statements presents an analysis of the Company’s financial liabilities classified according to their expiration.

5.3 Market risk

It relates to the risk of fluctuation of fair values of financial assets and liabilities due to changes in market prices, and the risks associated with the demand and supply of marketed products. The Company's exposure to market risks regarding financial assets and liabilities are the exchange rate risk and interest rate risk. In addition, the Company is exposed to risks related to commercialized products.

5.3.1 Exchange rate and adjustment unit risk

This risk arises from the probability of loss due to the exchange rate fluctuations of the currencies in which financial assets and liabilities are denominated with respect to currencies other than the Company's functional currency:

- Purchases of goods and future payment commitments expressed in foreign currency: The Company's fund flows are constituted mainly by transactions in the functional currency of the Company and of its subsidiaries. The Company and its subsidiaries cover the risk of purchase operations of liquefied gas and imports of goods or commitments of future payments in foreign currency through forwards.

  As of December 31, 2018 and 2017, the balances of accounts in currencies other than the functional currency of the Company and its subsidiaries were as follows:

Originating transaction currency: US dollar

Current and non-current assets	Assets at 12.31.2018 Th$	Assets at 12.31.2017 Th$
Cash and cash equivalent	1,003,375	549,220
Other financial assets, current	174,549	-
Trade and other accounts receivable, current and non-current	1,786,544	698,267
Other financial assets, non-current	-	594,348

Current and non-current liabilities	Liabilities at 12.31.2018 Th$	Liabilities at 12.31.2017 Th$
Other financial liabilities, current	47,627	196,802
Trade and other accounts payable, current	11,901,570	12,889,601
Other financial liabilities, non-current	-	42,043
Trade accounts and other accounts payable, non-current	45,940	190,289

- Foreign investments: as of December 31, 2018, the Company holds net foreign investments in Colombian pesos for an amount equivalent to Th$ 40,158,154 (Th$29,724,262 as of December 31, 2017) and in Peruvian soles for an amount equivalent to Th$ 48,120,995 (Th$40,376,248 as of December 31, 2017). Fluctuations of the Colombian peso and the Peruvian sol to the Chilean peso would affect the value of these investments.

  In the past, the evolutions of the Colombian peso and the Peruvian sol have been correlated with the Chilean peso. Company management has decided not to cover this risk, continuously monitoring the forecasted evolution for the different currencies.

- Debt securities: The Company's indebtedness for this concept corresponds to the placement of Series E bonds in the Chilean market carried out in April 2015 (mnemonic code BLIPI-E), charged to the 30-year bond line registered in the Securities Register of the Financial Market Commission (CMF) under number 801, for the amount of UF 3,500,000. The placement rate was 3.44% for a face rate of 3.55%. Interest is payable semi-annually and the principal will be amortized in one single installment on February 4, 2040. This liability is denominated in Unidades de Fomento (UF), which is indexed to inflation in Chile and differs from the Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins in Chile are correlated to the variation in the UF.
- Financial lease liabilities: The Company signed a lease agreement with Oxiquim S.A. for a period of 25 years for the use of reception, storage and office facilities to be built by Oxiquim S.A., in the amount of UF 1,572,536. The annual interest rate is 3.0%. The nomination currency of this liability is the Unidad de Fomento (UF), which is indexed to inflation in Chile, and differs from the Company's functional currency (CLP). However, this risk is mitigated since most of the Company's profit margins in Chile are correlated to the variation in the UF.
- Sensitivity analysis regarding exchange rate variations and adjustment units

The Company estimates that a variation in the exchange rates and indexation units would generate the following effects:

Exchange rate Variation (*)	Increase Loss (Gain) Th$	Decrease Loss (Gain) Th$	Allocation
CLP/UF +/- 2.3%	2,676,534	(2,676,534)	Results: Results for Indexation units
CLP/USD +/- 1.9%	59,976	(59,976)	Results: Exchange rate differences
CLP/USD +/- 1.9%	(296,447)	296,447	Equity: Reserves for cash flow hedging
CLP/COP +/- 2.3%	(803,163)	803,163	Equity: Reserves for exchange rate translation differences
CLP/PEN +/- 1.6%	(789,184)	789,184	Equity: Reserves for exchange rate translation differences

*percentages are equivalent to the evolution annual average of the last two years.

5.3.2 Interest rate risk

It refers to the sensitivity to interest rate fluctuations of the value of financial assets and liabilities.

The purpose of interest rate risk management is to achieve a balance in the financing structure, minimizing the cost of the debt with reduced volatility in the income statement.

As of December 31, 2018, 98% of the Group's financial debt is at fixed rates. As a result, the risk of fluctuations in market interest rates regarding cash flows is low. Regarding the portion in variable rates, Management permanently monitors the outlook in terms of the expected evolution of interest rates.

The breakdown of financial liabilities separated between fixed and variable interest rates is presented below as of December 31, 2018 and 2017:

Account	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed interest Th$	Variable interest Th$	Fixed interest Th$	Variable interest Th$	Fixed interest Th$	Variable interest Th$
Other financial liabilities	14	37,047,185	1,389,892	123,698,861	1,736,251	160,746,048	3.126.143
Total as of 12.31.2018		**37,047,185**	**1,389,892**	**123,698,861**	**1,736,251**	**160,746,048**	**3,126,143**

Account	Note	Maturity in less than one year		Maturity in more than one year		Total	
		Fixed interest Th$	Variable interest Th$	Fixed interest Th$	Variable interest Th$	Fixed interest Th$	Variable interest Th$
Other financial liabilities	14	6,754,342	3,196,407	120,562,767	19,605	127,317,109	3,216,012
Total as of 12.31.2017		**6,754,342**	**3,196,407**	**120,562,767**	**19,605**	**127,317,109**	**3,216,012**

5.3.3 Risks relating to commercialized products

a) LPG

The Company participates in the distribution of liquefied gas business in Chile, with coverage that extends between the Region of Arica and Parinacota and the Region of Magallanes, reaching an annual average moving market share of 36.5% as of December 2018 according to information of Chile's Superintendence of Electricity and Fuel (*Superintendencia de Electricidad y Combustible*)

At the end of 2010, the Company entered the Colombian market through the purchase of assets from Grupo Gas País, currently achieving a presence in 24 of the 32 Colombian departments and reaching an annual average moving market share of 13.9% as of December 2018 according to information of the Superintendence of Public Services (*Sistema Único de Información de la Superintendencia de Servicios Públicos*.)

Continuing with its internalization process in the LPG industry, in July 2013, the Company acquired 100% of Lima Gas S.A., a Peruvian LPG distributing company, which as of December 2017, reached an annual average moving market share of 8.4% according to information of by Peru's State Energy and Mines Investment Regulator. (*Organismo Supervisor de la Inversión en Energía y Minería del Perú.)*

a.1) Demand

The demand for residential LPG is not significantly affected by economic cycles since it is a basic consumption good in all countries where the Company operates. However, factors such as temperature, precipitation levels and the price of LPG compared with other substitute energies (natural gas, firewood, diesel, paraffin, electricity, etc.), could affect it. In some regions, demand has a high seasonality resulting from temperature variations.

Given that it participates in a highly competitive market, the business strategy of its competitors may impact the sales volume of the Company.

a.2) Supply

One of the risk factors in the business of commercializing LPG is the supply of LPG.

In the case of Chile, the Company has the ability to minimize this risk through a network of multiple suppliers such as Enap Refinerías S.A., Gasmar S.A., and the management performed when importing this fuel from Argentina and Peru, and by sea.

In order to strengthen its strategic position in terms of LPG supply, in 2012, the Company entered into a series of agreements with Oxiquim S.A. to develop the construction of facilities for the reception, storage and dispatch of LPG at the terminal owned by that company located in the Quintero Bay, allowing the Company to have different seaborne supply sources beginning March 2015. To this end, the Company signed a lease agreement and an agreement for the provision of unloading, storage and dispatch services of LPG for a period of 25 years for the use of the facilities built by Oxiquim S.A. and which are available since March 2015.

For the Colombian market, the risk factor of commercializing LPG in terms of supply is minimized through the establishment of purchase quotas that are agreed upon with Ecopetrol S.A., which ensures the demand of distribution companies through public offerings. In addition to the agreements with Ecopetrol S.A., the Company also has purchase agreements with other local market actors and imports product by sea through facilities located in Cartagena.

For the Peruvian market, LPG supply presents a high concentration in Lima where half of this capacity is located. Since the nation's capital is the area of highest consumption, important supply facilities have been built to provide it with a greater level of reliability. In this sense, agreements have been entered into with PetroPerú (which has two supply plants: Callao and Piura) and Pluspetrol. In addition to these agreements, the Company also has purchase agreements with other local market actors and imports product from Bolivia to supply the south of the country.

a.3) Prices

LPG purchase prices are affected by the variations of international value of fuel prices and exchange rate variation of each local currency with respect to the U.S. dollar. The Company does not foresee significant risks of not being able to transfer the variations of LPG costs to the sales price.

The Company maintains LPG inventories. The realization value of these inventories is affected by the variation of international prices of fuels that are the basis for establishing selling prices to customers. Variation in LPG international prices would produce a variation in the same direction and of similar magnitude in the realization price of inventories. Generally, the Company does not cover this risk, since it considers that the variations of international prices are offsetting over time. The Company permanently monitors the evolution and forecasts of international commodity prices. Since the maritime terminal located at the Quintero Bay began operating, the Company has decided to cover the risk of variation of the price of inventory realization of stored product at the maritime terminal through swaps related to LPG prices and currency forwards to hedge the effect of exchange rate variations of the U.S. dollar (currency used to express the reference price of inventories).

b) Natural gas

The demand for residential natural gas is not significantly affected by economic cycles since it is a basic consumption good. Regarding the risk of product supply for the operations that the Company owns in the north and south of Chile, both are covered with long-term agreements entered into with several suppliers.

In Peru, the subsidiary Limagas Natural Perú S.A. has entered into supply agreements to cover the demands of natural gas distributors in the several regions.

c) Liquefied natural gas

The Company has agreements for the supply of liquefied natural gas (LNG) to industrial clients, including a "take or pay" clause. Such agreements contain formulas to establish the selling price that, in turn, transfer the agreed variation to the price of the agreements with the supplier of the product. To respond to commitments with customers, the Company entered into LNG supply agreements with several suppliers, which include the "take or pay" clause (with similar characteristics as of those signed with customers, mitigating the risk).

4. Other non-financial assets

The composition of this item as of December 31, 2018 and 2017 is as follows:

	Current		Non-Current	
Item	**12.31.2018 Th$**	**12.31.2017 Th$**	**12.31.2018 Th$**	**12.31.2017 Th$**
Prepaid expenses	701,835	311,034	-	-
Contract costs (see Note 6.1)	-	-	13,132,084	-
Employee accounts receivable	-	-	69,946	67,998
Guaranties delivered	-	-	130,727	85,995
Other assets	-	-	706,135	756,871
Total	**701,835**	**311,034**	**14,038,892**	**910,864**

6.1 Contract costs movement

Movement Year 2018	Th$
Beginning balance January 1, 2018	**12,493,302**
Additions	772,128
Transfers	1,424,547
Disposals	(5,717)
Translation difference	41,972
Depreciation (*)	(1,594,148)
Total Changes	**638,782**
Ending balance as of December 31, 2018	**13,132,084**

In accordance with the analysis carried out under IFRS 15, there are expenses that are necessary for contract compliance and are capitalized by: (a) relating directly to the contract; (b) relating to future performance; and (c) obtaining the corresponding recovery of the costs.

Upon first time adoption of IFRS 15, the Company reviewed the depreciation periods of these costs, which are based on the expected duration of the relationship with the customer, which terms did not change regarding the ones that were being used, which implied that there are no impacts on results, only a reclassification of these costs to other non-financial assets.

The following table presents the accumulated depreciation movement of contract costs (classified within the statement of financial position, under other non-financial assets, non-current):

Accumulated depreciation movement	Th$
Accumulated depreciation at January 1, 2018	**10,581,556**
Depreciation (*)	1,594,148
Withdrawals, disposals and transfers	(61)
Translation difference	125,438
Ending balance at December 31, 2018	**12,301,081**

(*) During the fiscal year, the subsidiary Lima Gas S.A. recorded an impact for the adoption of IFRS 15, due to the change in the useful life of contract costs (third-party facilities), increasing it from 5 to 11 years. As of December 31, 2018, this change had an effect of lower depreciation of those components in the amount of Th$47,028.

5. Trade receivables and other accounts receivables

7.1 Composition

7.1.1 Types of trade and other accounts receivable

The composition of this item as of December 31, 2018 and 2017 is as follows:

Trade and other accounts receivable, net	12.31.2018 Th$	12.31.2017 Th$
Trade receivables	38,999,720	33,330,324
Accounts receivable, non-current	2,524,804	1,578,811
Other accounts receivable, current	2,182,511	745,438
Total	**43,707,035**	**35,654,573**

Trade receivables and other accounts receivable, gross	12.31.2018 Th$	12.31.2017 Th$
Trade receivables	41,521,228	35,252,676
Accounts receivable, non-current	2,524,804	1,578,811
Other accounts receivable	2,182,511	745,438
Total	**46,228,543**	**37,576,925**

7.1.2 Impairment of trade receivables and other accounts receivables

The following table presents the impairment of trade receivables as of December 31, 2018 and 2017:

Book value of impaired trade receivables and other accounts receivable	12.31.2018 Th$	12.31.2017 Th$
Provisioned trade receivables	2,521,508	1,922,352
Total	**2,521,508**	**1,922,352**

The details on the movement in the provision because of the impairment in trade receivables and other receivables were:

Provision for trade receivables and other accounts receivable	12.31.2018 Th$	12.31.2017 Th$
Opening balance	1,922,352	1,806,336
Effect of IFRS 9 adoption – 01.01.2018	134,199	-
Collection fees and write-off of uncollectible accounts	(395,941)	(515,600)
Provision for the fiscal year or period	878,903	613,094
Translation difference	(18,005)	18,522
Total	**2,521,508**	**1,922,352**

7.1.3 Portfolio stratification

As of 12.31.2018	Current Th$	Between 1 and 30 days Th$	Between 31 and 60 days Th$	Between 61 and 90 days Th$	Between 91 and 120 days Th$	Between 121 and 150 days Th$	Between 151 and 180 days Th$	Between 181 and 210 days Th$	Between 211 and 250 days Th$	More than 250 days Th$	Total, Debtors Th$	Total current Th$	Total non-current Th$
Trade debtors, current	27,536,810	9,395,682	1,252,666	853,214	317,400	264,465	213,790	150,226	113,539	1,423,436	41,521,228	41,521,228	-
Accounts receivable, non-current	2,182,511	-	-	-	-	-	-	-	-	-	2,182,511	-	2,182,511
Other accounts receivable, current	2,365,586	7,973	-	-	16,061	-	22,785	-	-	112,399	2,524,804	2,524,804	-
Impairment provision	(269,607)	(63,841)	(67,547)	(95,421)	(89,862)	(97,591)	(133,695)	(96,796)	(85,161)	(1,521,987)	(2,521,508)	(2,521,508)	-
Total	**31,815,300**	**9,339,815**	**1,185,119**	**757,793**	**243,599**	**166,874**	**102,880**	**53,429**	**28,378**	**13,848**	**43,707,035**	**41,524,524**	**2,182,511**

7.1.3 Portfolio that has been protested and is in judicial collection

The portfolio that has been protested and is in judicial collection as of December 31, 2018 and 2017 is as follows:

Portfolio in Judicial Collection	12.31.2018 Receivables in Protested Portfolio Th$	12.31.2018 Receivables in Judicial Collection Th$
Portfolio either protested or in judicial collection	10,440	133,509
Total	**10,440**	**133,509**

Portfolio in Judicial Collection	12.31.2017 Receivables in Protested Portfolio Th$	12.31.2017 Receivables in Judicial Collection Th$
Portfolio either protested or in judicial collection	26,605	173,422
Total	**26,605**	**173,422**

8. Intercompany balances and transactions

Intercompany transactions are paid or collected at different terms, and are not subject to special conditions, except in the case of dividend payments that are subject to the terms stipulated by the approving body.

8.1 Intercompany accounts payable and receivable

There are no intercompany accounts payable and receivable as of December 31, 2018 and 2017.

8.2 Intercompany transactions and their effects on results.

Intercompany transactions (except dividends distributions) and their effects on results for the fiscal years ended December 31, 2018 and 2017 are presented as follows:

Company	Type of relationship	Description of the transaction	01.01.2018 through 12.31.2018 Th$	Effect on results (Debit)/Credit Th$	01.01.2017 through 12.31.2017 Th$	Effect on results (Debit)/Credit Th$
Larraín Vial S.A. Corredora de Bolsa	Indirect (Director in common)	Financial investments	54,503	54,503	14,224	14,224
Larraín Vial S.A. Corredora de Bolsa	Indirect (Director in common)	Financial services	17,658	(17,658)	21,474	(21,474)
Acetogen Gas Chile S.A.	Indirect (Director in common)	Sales of gas	31,692	31,692	34,996	34,996

Intercompany transactions are recognized at market value.

8.3 Key employee compensation

Key employee compensation, which includes directors and managers, is comprised of a fixed monthly sum and a variable sum (in the case of managers).

Compensation to the Board of Directors and Directors' Committee for the fiscal years 2018 and 2017 was:

Concept	12.31.2018 Th$	12.31.2017 Th$
Board Compensation	302,000	287,600
Directors' Committee Compensation	40,800	38,400
Total Income	**342,800**	**326,000**

Compensation accrued to managers for the fiscal years 2018 and 2017 was:

Type of income	12.31.2018 Th$	12.31.2017 Th$
Fixed	1,977,457	1,893,205
Variable	630,435	512,606
Total Income	**2,607,892**	**2,405,811**

9. Inventories

The composition of the item as of December 31, 2018 and 2017 is as follows:

Type of Inventory	12.31.2018 Th$	12.31.2017 Th$
LPG/NG	12,608,293	19,975,377
LPG in transit	6,568,946	-
Materials	3,128,066	1,999,124
Total	**22,305,305**	**21,974,501**

9.1 Materials obsolescence provision

The materials obsolescence provision as of December 31, 2018 and 2017 was comprised as follows:

Book Value of Obsolescence Provision	12.31.2018 Th$	12.31.2017 Th$
Materials obsolescence provision	246,608	134,949
Total	**246,608**	**134,949**

The details of the movement in the materials obsolescence provision are:

Movements in Obsolescence Provision	12.31.2018 Th$	12.31.2017 Th$
Opening Balance	134,949	137,815
Increases in the provision	111,659	-
Decreases in the provision	-	(2,866)
Total	**246,608**	**134,949**

There were no inventories delivered in guarantee on the date of these consolidated financial statements.

The cost of inventories recognized as a cost of sale for the fiscal years ended December 31, 2018 and 2017 is as follows:

Inventory Cost	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Inventory cost recognized as a cost of sales	357,033,148	312,934,965

10. Income tax and deferred taxes

10.1 Current tax recoverable (payable)

Itemization	12.31.2018 Th$	12.31.2017 Th$
Provisional income tax monthly payments	3,259,347	973,381
Recoverable income taxes	1,361,690	2,108,089
Other recoverable taxes	1,393,475	543,174
Total current tax assets	**6,014,512**	**3,624,644**

Itemization	12.31.2018 Th$	12.31.2017 Th$
Provisional income tax monthly payments	(1,003,083)	(945,691)
Income tax	(130,570)	(492,157)
Other taxes	(711,147)	(394,297)
Total current tax liabilities	**(1,844,800)**	**(1,832,145)**

10.2 Deferred taxes

Chile

The Tax Reform Law 20,780 published in the *Official Gazette* of the Republic of Chile on September 29, 2014 progressively increased the corporate income tax rate and established two taxation systems:

- An attributed income system in which the income generated by a company is immediately attributed to the company's owners, reaching a 25% tax rate starting in the year 2017.

- A partially integrated income system (which is the one applied by the Company and its subsidiaries in Chile for being publicly held companies and stock corporations, conformed by legal persons, in accordance with the Chile's Law No. 20,899 dated February 8, 2016), in which the income generated by a company is attributed to its owners provided the company distributes its profits, reaching a 27% tax rate starting in the year 2018.

Peru

The affiliated company Lima Gas S.A. and its subsidiary Limagas Natural Perú S.A. are subject to Peruvian tax regime. As of December 31, 2017, the income tax rate on taxable profits was 29.5%.

Dividend distribution to a person domiciled abroad is subject to a tax withholding on dividends remitted. Up to the year 2014, withholding amounted to 4.1%. Dividends to be distributed and generated in the years 2015 and 2016, will be subject to an increased withholding rate from 4.1% to 6.8%. For the years 2017 onward, the rate will be 5%.

Under certain considerations, withholdings of dividends paid in Peru to people domiciled abroad, are computable in the income tax liquidation in Chile.

Colombia

The subsidiaries Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., Chilco Metalmecánica S.A.S., Rednova S.A.S. E.S.P., and Surcolombiana S.A. E.S.P. are subject to the Colombian taxation regime.

Income tax regulations and income tax for equality (CREE) that regulated companies in Colombia until December 31st, 2016, was repealed by the new tax reform implemented by Law 1819 of 2016, whereas beginning January 1st, 2017:

- Tax unification: beginning 2019 there will be a single income tax. CREE and CREE surcharge was eliminated.
- During 2017, income tax rate is 34% plus a 6% surcharge, and for 2018, the rate will be 33% plus a 4% surcharge. The surcharge only applies to companies that have net income payable in excess of 800 million COPs (equivalent to Th$ 176,000).

Law No. 1943 of 2018 or the Financing Law, in effect beginning January 1, 2019; introduced changes to tariffs and income tax depuration.

- Beginning 2019, companies will have a rate of 33%, for 2020 the rate will be 32%, for 2021 the rate will be 31% and from 2022 onwards there will be a single rate of 30%.

The distribution of dividends to people domiciled abroad until the fiscal year 2018 is subject to a 5% withholding of the dividends remitted and from 2019 onwards withholding is 7.5%.

Under certain considerations, withholdings of dividends paid in Colombia to people domiciled abroad, are computable in the income tax liquidation in Chile.

Accumulated balances and movements in deferred tax assets and liabilities as of December 31, 2018 and December 31, 2017 is the following:

Deferred tax asset	Balance 01.01.2018 Th$	(Debit) credit to income	Others(*)	Balance 12.31.2018 Th$
Taxable goodwill	6,823,039	(662,782)	-	6,160,257
Tax losses	1,834,213	(40,479)	1,273	1,795,007
Current provisions	1,067,979	262,591	59,855	1,390,425
Other assets	1,225,269	348,796	404,774	1,978,839
Assets under financial leasing	651,815	373,679	-	1,025,494
Total	**11,602,315**	**281,805**	**465,902**	**12,350,022**

Deferred tax liability	Balance 01.01.2018 Th$	(Debit) credit to income	Others(*)	Balance 12.31.2018 Th$
Property, plant and equipment	(33,905,623)	(2,275,498)	(197,974)	(36,299,835)
Trade receivables and other accounts receivables	(467,276)	127,525	488	(418,523)
Employee benefit provisions	(252,565)	(25,863)	60,380	(218,048)
Other non-financial liabilities	(6,654,973)	(711,101)	(79,652)	(7,445,726)
Intangible assets, other than goodwill	(203,949)	-	-	(203,949)
Other liabilities	(935,713)	(464,723)	(358,969)	(1,759,405)
Total	**(42,420,099)**	**(3,349,660)**	**(575,727)**	**(46,345,486)**

Net deferred tax	**(30,817,784)**	**(3,067,855)**	**(109,825)**	**(33,995,464)**

* Corresponds mainly to effects originating in the acquisition of the subsidiary Surcolombiana S.A.S. E.S.P.

Deferred tax asset	Balance 01.01.2017 Th$	(Debit) credit to income	Others	Balance 12.31.2017 Th$
Taxable goodwill	7,709,455	(886,416)	-	6,823,039
Tax losses	2,313,671	(392,301)	(87,157)	1,834,213
Current provisions	900,601	174,290	(6,912)	1,067,979
Other assets	1,236,769	(24,196)	12,696	1,225,269
Assets under financial leasing	388,941	262,874	-	651,815
Total	**12,549,437**	**(865,749)**	**(81,373)**	**11,602,315**

Deferred tax liability	Balance 01.01.2017 Th$	(Debit) credit to income	Others	Balance 12.31.2017 Th$
Property, plant and equipment	(32,851,894)	(1,280,807)	227,078	(33,905,623)
Trade receivables and other accounts receivables	(519,226)	53,677	(1,727)	(467,276)
Employee benefit provisions	(332,826)	6,478	73,783	(252,565)
Other non-financial liabilities	(6,433,218)	(261,739)	39,984	(6,654,973)
Intangible assets, other than goodwill	(203,949)	-	-	(203,949)
Other liabilities	(712,127)	(208,211)	(15,375)	(935,713)
Total	**(41,053,240)**	**(1,690,602)**	**323,743**	**(42,420,099)**

Net deferred tax	**(28,503,803)**	**(2,556,351)**	**242,370**	**(30,817,784)**

10.3 Income tax recognized in income

Item	12.31.2018 Th$	12.31.2017 Th$
Current tax expense	12,748,743	13,168,841
Current tax adjustment previous fiscal year	(14,126)	276,451
Impact of temporary differentials in deferred taxes and other items	3,067,855	2,556,351
Total debit to income	**15,802,472**	**16,001,643**

The reconciliation of the tax rate is as follows:

Itemization	12.31.2018 Th$	12.31.2017 Th$
Before-tax profit of continued operations	**57,445,084**	**58,660,429**
Income tax (Current rate of 27%/24%)	15,510,173	14,958,409
Tax impact of other jurisdictions' rates	225,808	276,570
Tax adjustment previous fiscal year	(14,126)	276,451
Other effects from permanent differentials	80,617	(490,213)
Income tax recognized in income	**15,802,472**	**16,001,643**

10.4 Deferred tax recognized directly in other comprehensive income

The composition of taxes recognized in other comprehensive income is as follows:

Description	Debit (credit) to equity 12.31.2018 Th$	Debit (credit) to equity 12.31.2017 Th$
Actuarial movements on employee benefits	(60,552)	(76,499)
Movements on cash flow hedges	99,082	187,085
Deferred taxes recognized in equity	**38,530**	**110,586**

10.5 Netting

Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities are related to the income tax imposed by the tax authority on the same entity or different entities that intend to settle the balances on a net basis.

The deferred tax set-off is:

Consolidated

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	12,350,022	(10,805,779)	1,544,243
Liabilities from deferred taxes	(46,345,486)	10,805,779	(35,539,707)
Balance as of 12.31.2018	**(33,995,464)**	-	**(33,995,464)**

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	11,602,315	(10,431,316)	1,170,999
Liabilities from deferred taxes	(42,420,099)	10,431,316	(31,988,783)
Balance as of 12.31.2017	**(30,817,784)**	-	**(30,817,784)**

Parent Company and subsidiaries - Chile

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	9,685,137	(8,140,894)	1,544,243
Liabilities from deferred taxes	(37,903,334)	8,140,894	(29,762,440)
Balance as of 12.31.2018	**(28,218,197)**	-	**(28,218,197)**

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	9,208,962	(8,037,963)	1,170,999
Liabilities from deferred taxes	(34,836,497)	8,037,963	(26,798,534)
Balance as of 12.31.2017	**(25,627,535)**	-	**(25,627,535)**

Subsidiaries - Colombia

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	2,135,896	(2,135,896)	-
Liabilities from deferred taxes	(4,751,271)	2,135,896	(2,615,375)
Balance as of 12.31.2018	**(2,615,375)**	**-**	**(2,615,375)**

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	1,834,214	(1,834,214)	-
Liabilities from deferred taxes	(4,316,204)	1,834,214	(2,481,990)
Balance as of 12.31.2017	**(2,481,990)**	**-**	**(2,481,990)**

Subsidiaries – Peru

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	528,989	(528,989)	-
Liabilities from deferred taxes	(3,690,881)	528,989	(3,161,892)
Balance as of 12.31.2018	**(3,161,892)**	**-**	**(3,161,892)**

Concept	Gross Assets/Liabilities Th$	Netted amounts Th$	Net closing balances Th$
Assets from deferred taxes	559,139	(559,139)	-
Liabilities from deferred taxes	(3,267,398)	559,139	(2,708,259)
Balance as of 12.31.2017	**(2,708,259)**	**-**	**(2,708,259)**

11. Intangible assets other than goodwill

11.1 Account composition

The composition of this account as of December 31, 2018 and December 31, 2017 is as follows:

Type of Intangible Assets, net	12.31.2018 Th$	12.31.2017 Th$
Software	2,773,312	2,165,986
Connection rights, networks and other contracts	2,954,942	1,244,549
Clients and Commercial assets	4,453,798	4,646,535
Trademark	1,356,644	1,356,644
Total intangibles, net	**11,538,696**	**9,413,714**

Type of Intangible Assets, gross	12.31.2018 Th$	12.31.2017 Th$
Software	6,820,507	5,360,667
Connection rights, networks and other contracts	3,336,856	1,471,884
Clients and Commercial assets	8,553,292	8,103,351
Trademark	1,472,928	1,472,928
Total intangibles, gross	**20,183,583**	**16,408,830**

Accumulated amortization of intangible assets	12.31.2018 Th$	12.31.2017 Th$
Software	4,047,195	3,194,681
Connection rights, networks and other contracts	381,914	227,335
Clients and Commercial assets	4,099,494	3,456,816
Trademark	116,284	116,284
Total accumulated amortization, intangible assets	**8,644,887**	**6,995,116**

11.2 Useful lives

The following table shows the estimated useful lives by type of intangibles:

Estimated Useful Lives	Estimated Useful Life in years
Software	4
Connection rights, networks and other contracts	7/Indefinite
Clients and Commercial assets	4 to 20
Trademark	Indefinite

The Company amortizes its intangible assets with finite useful lives by the straight-line method.

11.3 Movement in intangible assets

The movement in intangible assets for the fiscal years ended December 31, 2018 and 2017, respectively is as follows:

Movement in Intangible Assets	Net Software Th$	Net Commercial Assets Th$	Customers, net Th$	Trademarks, net Th$	License and connection rights Th$	Other agreements Th$	Total intangible assets, net Th$
Opening balance at 01.01.2018	**2,165,986**	**1,244,549**	**4,646,535**	**1,356,644**	**9,413,714**	**2,165,986**	**1,244,549**
Additions	1,307,113	1,790,756	459,787	-	**3,557,656**	1,307,113	1,790,756
Additions through business combinations	70,276	-	-	-	**70,276**	70,276	-
Translation adjustment movement	7,758	138,986	33,134	-	**179,878**	7,758	138,986
Amortization	(777,821)	(219,349)	(685,658)	-	**(1,682,828)**	(777,821)	(219,349)
Total changes	**607,326**	**1,710,393**	**(192,737)**	**-**	**2,124,982**	**607,326**	**1,710,393**
Ending balance at 12.31.2018	**2,773,312**	**2,954,942**	**4,453,798**	**1,356,644**	**11,538,696**	**2,773,312**	**2,954,942**

Movement in Intangible Assets	Net Software Th$	Net Commercial Assets Th$	Customers, net Th$	Trademarks, net Th$	License and connection rights Th$	Other agreements Th$	Total intangible assets, net Th$
Opening balance at 01.01.2017	**1,312,655**	**807,848**	**3,844,030**	**1,365,495**	**710,492**	**504,074**	**8,544,594**
Additions	1,431,644	580,344	235,632	-	269,598	-	2,517,218
Translation adjustment movement	(2,606)	-	(102,965)	(8,787)	(34,079)	(88,386)	(236,823)
Amortization	(575,707)	(331,846)	(386,508)	(64)	(46,836)	(70,314)	(1,411,275)
Total changes	**853,331**	**248,498**	**(253,841)**	**(8,851)**	**188,683**	**(158,700)**	**869,120**
Ending balance at 12.31.2017	**2,165,986**	**1,056,346**	**3,590,189**	**1,356,644**	**899,175**	**345,374**	**9,413,714**

12. Goodwill

12.1 Account composition

As of December 31, 2018, and 2017, this account is composed as follows:

Goodwill	12.31.2018 Th$	12.31.2017 Th$
Lima Gas S.A.	2,767,469	2,767,469
Limagas Natural Perú S.A.	10,444,470	9,600,713
Progas Operation	349,371	349,371
Lidergas Operation	777,132	777,132
Ingasoil Operation	26,540	338,084
Surcolombiana S.A. E.S.P.	158,144	-
Marquesa GLP SpA	371	-
Total goodwill	**14,523,497**	**13,832,769**

The following table reflects estimated useful lives:

Estimated useful lives	Estimated useful life
Goodwill	Indefinite

12.2 Goodwill movement table

The movement in goodwill for the fiscal years ended December 31, 2018 and 2017, respectively is as follows:

Goodwill movements	12.31.2018 Th$	12.31.2017 Th$
Opening balance	13,832,769	14,054,987
Reclassification to identified assets (Ingasoil) (note 12.3)	(311,544)	-
Ingasoil additions (Note 12.3)	-	338,084
Marquesa GLP SpA additions	371	-
Surcolombiana de Gas S.A. E.S.P. additions	158,144	
Movement for translation differences and other adjustments	843,757	(560,302)
Ending goodwill balance	**14,523,497**	**13,832,769**

12.3 Breakdown of acquired goodwill

Breakdown of goodwill acquired January 31, 2017 resulting from the acquisition of Ingasoil by the Colombian subsidiary Rednova S.A.S.E.S.P. is the following:

Goodwill Ingasoil	
Value paid at acquisition at 01.31.2017 (a)	**1,373,217**
Balances of acquired assets and recognized identifiable liabilities assumed:	
Current assets	**43,722**
Non-current assets	**991,411**
Total Assets (b)	**1,035,133**
Current assets	-
Non-current assets	-
Total Liabilities (c)	**-**
Equity at fair value (d= b-c)	1,035,133
100% ownership interest (e)	
Equity value (f=d x e)	1,035,133
Acquired goodwill (g= a-f)	**338,084**

Reclassification of assets identified pursuant to IFRS 3

Amounts assignable to Property, plant & equipment	711,655
Total reclassification 2017 fiscal year (=h)	711,655
Amounts assignable to Trademarks	2,575
Total reclassification 2017 fiscal year (=i)	2,575
Amounts assignable to Customers	277,181
Total reclassification 2017 fiscal year (=k)	277,181
Amounts assignable to Inventories	43,722
Total reclassification 2017 fiscal year (=l)	43,722
Final goodwill at 12.31.2017 (m=a-h-i-j-k-l)	338,084
Reclassifications PP&E and Trademarks	(311,544)
Goodwill translation differential as of 12.31.2018	-
Final goodwill at 12.31.2018	26,540

12.4 Impairment tests

Goodwill balances undergo impairment tests on a yearly basis.

Impairment tests are made based on estimates of the evolution of the market in which each generating unit operates and goodwill has been determined. Projections are performed on revenues, costs, expenses, investments in property, plant and equipment and working capital needs based on market growth projections and plans of each business unit. 5-year plans are considered in each case, including consideration of a perpetual flow, if applicable. The resulting flows are discounted at a nominal weighted rate of capital cost suitable to the characteristics of the business under evaluation based on the valuation model of financial assets (Capital Asset Pricing Model) to find the value of recovery of non-current assets subject to impairment test. As of December 31, 2018, the discount rates used were 10.46% for the Colombian operations and 10.62% for the operations in Peru, respectively.

As of December 31, 2018, there is no evidence indicating the need to recognize the impairment of accounted goodwill.

13. Property, plant and equipment

13.1 Account composition

The composition of this account as of December 31, 2018 and 2017 is the following:

Type of Property, plant & equipment, net	12.31.2018 Th$	12.31.2017 Th$
Constructions in progress	20,217,374	20,265,648
Land	25,148,837	24,155,695
Buildings	21,110,380	17,606,898
Storage tanks	4,446,689	4,617,170
PP&E at third-party facilities (*)	78,558,843	87,146,568
Plant and equipment	90,646,996	80,949,115
IT equipment	829,008	711,158
PP&E under financial lease	38,646,758	39,600,822
Motor vehicles	14,277,318	12,464,988
Other property, plant & equipment	2,338,570	2,746,925
Gas distributions networks and equipment	19,363,901	5,328,178
Total Property, plant & equipment, net	**315,584,674**	**295,593,165**

Type of Property, plant & equipment, gross	12.31.2018 Th$	12.31.2017 Th$
Constructions in progress	20,217,374	20,265,648
Land	25,148,837	24,155,695
Buildings	27,955,328	23,259,349
Storage tanks	7,563,503	7,469,214
PP&E at third-party facilities (*)	121,430,617	134,464,613
Plant and equipment	148,271,639	129,951,721
IT equipment	4,600,762	4,012,840
PP&E under financial lease	45,607,453	44,900,846
Motor vehicles	23,122,082	19,124,789
Other property, plant & equipment	7,895,102	7,665,987
Gas distributions networks and equipment	20,332,672	6,061,255
Total Property, plant & equipment, gross	**452,145,369**	**421,331,957**

Accumulated Depreciation and Impairment of Property, plant & equipment	12.31.2018 Th$	12.31.2017 Th$
Constructions in progress	-	-
Land	-	-
Buildings	6,844,948	5,652,451
Storage tanks	3,116,814	2,852,044
PP&E at third-party facilities (*)	42,871,774	47,318,045
Plant and equipment	57,624,643	49,002,606
IT equipment	3,771,754	3,301,681
PP&E under financial lease	6,960,695	5,300,024
Motor vehicles	8,844,764	6,659,801
Other property, plant & equipment	5,556,532	4,919,063
Gas distributions networks and equipment	968,771	733,077
Total Property, plant & equipment and accumulated depreciation	**136,560,695**	**125,738,792**

The subsidiary Limagas Natural Perú S.A. maintains contracts signed to provide certain assets in trust, whose purpose is to serve as a means of payment and as collateral of full and timely payment of financial leasing contracts and of certain obligations with Banco Santander and Pichincha.

(*) As a result of the analysis resulting from the adoption of IFRS 15, expenses which could be capitalized in that item have been reclassified, which were treated under IAS 16 before this standard came into effect. The amounts reclassified to the item Other non-financial assets have been disclosed in note 6.1.

13.2 Movement in property, plant and equipment

The following table provides a reconciliation of changes in property, plant and equipment by type as of December 31, 2018 and December 31, 2017:

2018

Movements in 2018	Construction in progress Th$	Land Th$	Buildings Th$	Storage tanks Th$	PP&E in third-party facilities Th$	Plant and equipment Th$	IT equipment Th$	PP&E in financial lease Th$	Motor vehicles Th$	Other property, plant and equipment Th$	Gas distribution networks and equipment Th$	Total Property, plant and equipment Th$
Opening balance on January 1, 2018	20,265,648	24,155,695	17,606,898	4,617,170	87,146,568	80,949,115	711,158	39,600,822	12,464,988	2,746,925	5,328,178	295,593,165
Contract costs reclassification	-	-	-	-	(12,493,302)	-	-	-	-	-	-	(12,493,302)
Additions	18,530,378	-	1,443,637	128,850	4,565,463	13,856,833	432,431	-	627,527	158,899	7,332,224	47,076,242
Business combination additions	290,172	175,332	85,691	(36,828)	64,745	697,040	45,859	1,156,365	391,162	23,878	2,561,337	5,454,753
Transfers	(16,410,567)	309,084	2,490,242	-	5,013,973	2,257,242	1,806	(724,378)	1,380,562	(120,367)	4,377,856	(1,424,547)
Expropriation	(2,494,095)	-	-	-	(271,726)	(273,041)	(1,965)	-	(111,145)	(1,618)	-	(3,153,590)
Translation differential	35,838	508,726	492,005	2,096	305,010	935,406	3,682	495,037	778,756	90,098	-	3,646,654
Depreciation (*)	-	-	(1,008,093)	(264,599)	(5,771,888)	(7,775,599)	(363,963)	(1,881,088)	(1,254,532)	(559,245)	(235,694)	(19,114,701)
Total Changes	(48,274)	993,142	3,503,482	(170,481)	(8,587,725)	9,697,881	117,850	(954,064)	1,812,330	(408,355)	14,035,723	19,991,509
Ending balance as of December 31, 2018	20,217,374	25,148,837	21,110,380	4,446,689	78,558,843	90,646,996	829,008	38,646,758	14,277,318	2,338,570	19,363,901	315,584,674

(*) During the period, the subsidiary in Peru recorded an impact for the adoption of IFRS 15 in the useful life of PP&E at third-party facilities, increasing it from to 11 years. This change resulted in lower depreciation effect of said components, which meant a one-time credit in the period's depreciation in the amount of Th$ 92,266.

2017

Movements in 2017	Constructions in progress Th$	Land Th$	Buildings Th$	Storage tanks Th$	PP&E in third-party facilities Th$	Plant and equipment Th$	IT equipment Th$	PP&E in financial lease Th$	Motor vehicles Th$	Other property, plant and equipment Th$	Gas distribution networks and equipment Th$	Total Property, plant and equipment Th$
Opening balance on January 1, 2017	16,010,562	23,797,370	15,453,088	4,305,159	84,964,488	75,842,936	819,482	37,850,700	15,144,000	2,694,204	1,412,099	278,294,088
Additions	14,641,928	706,186	1,883,743	5,901	5,207,816	13,851,099	282,739	1,384,306	915,238	347,910	3,503,196	42,730,062
Business combination additions	-	20,456	-	43,671	-	659,303	-	-	-	-	-	723,430
Transfers	(8,677,196)	1,081	1,469,054	610,218	4,860,519	217,916	83,592	2,043,050	(1,386,627)	278,272	500,121	-
Expropriation	(1,614,123)	(2,368)	(33,573)	-	(491,528)	(174,952)	(69,652)	(692,184)	606,088	45,729	-	(2,426,563)
Translation differential	(95,523)	(367,030)	(219,379)	(104,445)	(312,513)	(1,527,179)	(1,733)	(185,555)	(636,665)	(63,775)	-	(3,513,797)
Depreciation (**)	-	-	(946,035)	(243,334)	(7,082,214)	(7,920,008)	(403,270)	(799,495)	(2,177,046)	(555,415)	(87,238)	(20,214,055)
Total Changes	4,255,086	358,325	2,153,810	312,011	2,182,080	5,106,179	(108,324)	1,750,122	(2,679,012)	52,721	3,916,079	17,299,077
Ending balance as of December 31, 2017	20,265,648	24,155,695	17,606,898	4,617,170	87,146,568	80,949,115	711,158	39,600,822	12,464,988	2,746,925	5,328,178	295,593,165

(**) During the fiscal year, the Company changed the estimation of the useful life of the valves of liquefied gas cylinders, reducing it to 10 years. This change in the lifespan of these elements produced an acceleration effect on the depreciation of those components with more than 10 years of useful life, recording a one-time charge in the depreciation of the fiscal year in the amount of Th$ 1,434,000.

13.3 Accumulated depreciation movement

The following table provides accumulated depreciation movement as of December 31, 2018 and 2017:

2018

Accumulated Depreciation Movement	Buildings Th$	Storage tanks Th$	PP&E in third-party facilities Th$	Plant and equipment Th$	IT equipment Th$	PP&E in financial lease Th$	Motor vehicles Th$	Other property, plant and equipment Th$	Gas distribution networks and equipment Th$	Total Property, plant and equipment Th$
Accumulated depreciation as of January 1, 2018	**5,652,451**	**2,852,044**	**47,318,045**	**49,002,606**	**3,301,681**	**5,300,024**	**6,659,801**	**4,919,063**	**733,077**	**125,738,792**
Contract costs reclassifications	-	-	(10,581,556)	-	-	-	-	-	-	**(10,581,556)**
Depreciation in the fiscal year	1,008,093	264,599	5,771,888	7,775,599	363,963	1,881,088	1,254,532	559,245	235,694	**19,114,701**
Depreciation acquired in business combinations	2,854	2,341	(645)	420,860	78,145	345,139	183,123	25,852	-	**1,057,669**
Retirement, expropriations and transfers	34,348	-	(48,314)	(275,563)	(7,552)	(638,130)	332,727	(364)	-	**(602,848)**
Translation differentials	147,202	(2,170)	412,356	701,141	35,517	72,574	414,581	52,736	-	**1,833,937**
Ending balance as of December 31, 2018	**6,844,948**	**3,116,814**	**42,871,774**	**57,624,643**	**3,771,754**	**6,960,695**	**8,844,764**	**5,556,532**	**968,771**	**136,560,695**

2017

Accumulated Depreciation Movement	Buildings Th$	Storage tanks Th$	PP&E in third-party facilities Th$	Plant and equipment Th$	IT equipment Th$	PP&E in financial lease Th$	Motor vehicles Th$	Other property, plant and equipment Th$	Gas distribution networks and equipment Th$	Total Property, plant and equipment Th$
Accumulated depreciation as of January 1, 2017	**4,812,667**	**2,763,061**	**40,915,284**	**41,938,464**	**2,935,482**	**3,894,211**	**5,810,171**	**4,364,149**	**645,838**	**108,079,327**
Depreciation in the fiscal year	946,033	242,023	7,082,588	7,924,404	354,357	1,943,287	1,079,972	554,152	87,239	20,214,055
Depreciation acquired in business combinations	(14,749)	(130,025)	(363,682)	(164,754)	41,914	(390,846)	84,961	15,753	-	(921,428)
Retirement, expropriations and transfers	(91,500)	(23,015)	(316,145)	(695,508)	(30,072)	(146,628)	(315,303)	(14,991)		(1,633,162)
Translation differentials	**5,652,451**	**2,852,044**	**47,318,045**	**49,002,606**	**3,301,681**	**5,300,024**	**6,659,801**	**4,919,063**	**733,077**	**125,738,792**
Ending balance as of December 31, 2017	**4,812,667**	**2,763,061**	**40,915,284**	**41,938,464**	**2,935,482**	**3,894,211**	**5,810,171**	**4,364,149**	**645,838**	**108,079,327**

13.4 Assets under financial leases

Itemization of these accounts as of December 31, 2018 and 2017 is the following:

	12.31.2018 Th$			12.31.2017 Th$		
Property, plant and equipment under financial lease, net	**Gross Value Th$**	**Accumulated depreciation, amortization and impairment Th$**	**Net Value Th$**	**Gross Value Th$**	**Accumulated depreciation, amortization and impairment Th$**	**Net Value Th$**
Plant and equipment under financial lease	40,167,535	5,866,040	34,301,495	39,698,321	4,235,422	35,462,899
Motor vehicles under financial lease	3,892,319	729,274	3,163,045	5,145,573	1,058,911	4,086,662
Other property, plant and equipment under financial lease	1,547,599	365,381	1,182,218	56,952	5,691	51,261
Total	**45,607,453**	**6,960,695**	**38,646,758**	**44,900,846**	**5,300,024**	**39,600,822**

	12.31.2018 Th$			12.31.2017 Th$		
Minimum financial lease payments	**Gross Th$**	**Interest Th$**	**Present Value Th$**	**Gross Th$**	**Interest Th$**	**Present Value Th$**
Within one year	2,790,011	1,208,367	1,581,644	2,683,571	694,023	1,989,548
More than one year and less than 5 years	6,761,373	3,064,013	3,697,360	6,787,230	2,778,274	4,008,956
More than 5 years	27,716,527	11,242,603	16,473,924	29,530,612	12,788,530	16,742,082
Total	**37,267,911**	**15,514,983**	**21,752,928**	**39,001,413**	**16,260,827**	**22,740,586**

13.5 Impairment of property, plant and equipment

The Company has not recognized any impairment losses in property, plant and equipment as of the date of these consolidated financial statements because there were no signs of impairment, as instructed in paragraph 78 of IAS 16.

13.6 Additional information on property, plant and equipment

Additional information disclosable on property, plant and equipment	12.31.2018 Th$	12.31.2017 Th$
Gross carrying value of fully depreciated property, plant and equipment still in use	27,771,111	17,873,651
Carrying value of property, plant and equipment temporarily out of service	101,610	101,610
Carrying value of property, plant and equipment retired and not held for sale	-	-

13.7 Other additional information on property, plant and equipment

The property, plant and equipment at third-party facilities are piping systems, tanks and meters used for residential, industrial and commercial consumption.

14. Other financial liabilities

This account is composed of financial lease liabilities and bank loans, bonds and balances payable resulting from derivative operations.

The closing balances as of December 31, 2018 and 2017 are the following:

Other financial liabilities	12.31.2018		12.31.2017	
	Current	Non-Current	Current	Non-Current
	Th$	Th$	Th$	Th$
Bank loans	,413,070	7,373,694	6,403,414	4,648,070
Bonds interests payable	1,374,663	-	1,336,381	-
Bond surcharge	67,699	1,409,869	65,101	1,389,774
Financial leases	1,581,647	20,171,284	1,989,548	20,751,038
Bonds payable	-	96,480,265	-	93,793,490
Derivative liability position	-	-	156,305	-
Total Other Financial Liabilities	**38,437,079**	**125,435,112**	**9,950,749**	**120,582,372**

14.1 Bank loans and financial leases – Breakdown of currencies and maturities.

Bank loans and financial leases by currency and maturity as of December 31, 2018 and 2017 are itemized below:

Bank loans as of December 31, 2018:

Country	Tax ID	Lender	Tax ID	Debtor	Currency	Type of Amortization	Annual effective rate	Annual nominal reate	Current				Non-Current					
									Maturity			Total Current at 12.31.2018 Th$	Maturity					Total Non-Current at 12.31.2018 Th$
									Up to 1 month Th$	1 to 3 months Th$	3 to 12 months Th$		1 to 2 years Th$	2 to 3 years Th$	3 to 4 years Th$	4 to 5 years Th$	more than 5 years Th$	
Chile	97036000-K	Santander	96928510-K	Empresas Lipigas S.A.	CLP	Upon maturity	2.88%	2.88%	-	-	30,225,360	**30,225,360**	-	-	-	-	-	-
Colombia	890903938	Bancolombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.03%	9.03%	-	17,063	5,688	**22,751**	-	-	-	-	-	-
Colombia	890903938	Bancolombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.81%	8.81%	-	5,250	15,750	**21,000**	-	-	-	-	-	-
Colombia	890903938	Bancolombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.61%	9.61%	-	13,230	39,690	**52,920**	52,920	52,920	52,920	17,640	-	**176,400**
Colombia	890903938	Bancolombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.61%	9.61%	-	13,470	40,411	**53,881**	53,882	53,882	53,882	53,882	248,300	**463,828**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	6,681	20,044	**26,725**	-	-	-	-	-	-
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	7,875	28,543	**36,418**	7,632	-	-	-	-	**7,632**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	4,375	13,125	**17,500**	7,424	-	-	-	-	**7,424**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	3,500	10,500	**14,000**	12,832	-	-	-	-	**12,832**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	3,750	11,250	**15,000**	15,000	15,000	4,789	-	-	**34,789**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	4,500	13,500	**18,000**	18,000	18,000	10,998	-	-	**46,998**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	3,525	10,575	**14,100**	14,100	14,100	9,983	-	-	**38,183**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	6,750	20,250	**27,000**	27,000	27,000	24,370	-	-	**78,370**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	6,750	20,250	**27,000**	27,000	27,000	27,000	2,612	-	**83,612**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	1,312	3,937	**5,249**	5,250	5,250	5,250	1,021	-	**16,771**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	1,500	4,500	**6,000**	6,000	6,000	6,000	1,749	-	**19,749**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	3,000	9,000	**12,000**	12,000	12,000	2,665	-	-	**26,665**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	6,000	18,000	**24,000**	24,000	24,000	7,656	-	-	**55,656**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	413	1,238	**1,651**	1,650	1,650	1,650	1,123	-	**6,073**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	8,750	26,250	**35,000**	35,000	35,000	35,000	12,669	-	**117,669**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	4,113	12,338	**16,451**	16,450	16,450	16,450	8,773	-	**58,123**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	2,319	6,956	**9,275**	9,275	9,275	9,275	4,947	-	**32,772**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	2,321	6,962	**9,283**	9,283	9,283	9,283	5,841	-	**33,690**
Colombia	891180213	Instituto Financiero para el Desarrollo del Huila	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	7.63%	7.63%	-	5,999	17,997	**23,996**	23,996	23,996	23,996	23,996	148,955	**244,939**
Colombia	860002964	Banco de Bogotá	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	29.20%	29.20%	-	-	-	-	-	-	-	-	-	-
Peru	20100047218	BPC	20100007348	Lima Gas S.A.	PEN	Quarterly	7.10%	7.10%	-	24,737	47,791	**72,528**	-	-	-	-	-	-
Peru	20100053455	Interbank	20100007348	Lima Gas S.A.	PEN	Monthly	6.85%	6.85%	7,336	14,794	68,635	**90,765**	47,689	-	-	-	-	**47,689**
Peru	20100130204	Banco Continental	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	9,697	19,394	87,273	**116,364**	116,364	38,788	-	-	-	**155,152**
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Monthly	7.20%	7.20%	10,043	20,191	93,240	**123,474**	132,380	69,796	-	-	-	**202,176**
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	4.70%	4.70%	-	294,449	3,947,672	**4,242,121**	-	-	-	-	-	-
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	4.70%	4.70%	1,824	11,525	35,964	**49,313**	129,826	-	-	-	-	**129,826**
Peru	20100043140	Scotiabank	20100007348	Lima Gas S.A.	PEN	Annual	5.05%	5.05%	3,945	-	-	**3,945**	5,276,676	-	-	-	-	**5,276,676**
								Total	**32,845**	**517,536**	**34,862,689**	**35,413,070**	**6,081,629**	**459,390**	**301,167**	**134,253**	**397,255**	**7,373,694**

Financial leases as of December 31, 2018:

Creditor	Tax ID	Country	Tax ID	Debtor	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2018 Th$	Up to 1 month Th$	1 to 3 months Th$	3 to 12 months Th$	Current at 12.31.2018 Th$	1 to 2 years Th$	2 to 3 years Th$	3 to 4 years Th$	4 to 5 years Th$	more than 5 years Th$	Non-current at 12.31.2018 Th$
Oxiquim S.A.	80326500-3	Chile	96.928.510-K	Empresas Lipigas S.A	UF	Monthly in arrears	U.F + 3%	U.F + 3%	38,722,593	110,836	221,672	998,365	1,330,873	1,330,035	1,330,035	1,330,035	1,330,035	32,071,580	37,391,720
Prepayment compensation Oxiquim S.A.	80326500-3	Chile	96.928.510-K	Empresas Lipigas S.A	UF	0.00%	0.00%	0.00%	(18,831,819)	(53,903)	(107,806)	(485,126)	(646,835)	(646,832)	(646,832)	(646,832)	(646,832)	(15,597,656)	(18,184,984)
Leasing De Occidente	890300279	Colombia	900396759	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	COP	Monthly in arrears	11.66%	11.66%	19,579	1,657	5,056	12,866	19,579	-	-	-	-	-	-
Leasing Helm Bank	890903937	Colombia	900396759	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	COP	Monthly in arrears	14.12%	14.12%	-	-	-	-	-	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.81%	8.81%	5,841	-	1,460	4,381	5,841	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.81%	8.81%	1,520	-	380	1,140	1,520	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.81%	8.81%	29,589	-	7,397	22,192	29,589	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.81%	8.81%	11,044	-	2,761	8,283	11,044	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.43%	9.43%	9,495	-	2,374	7,121	9,495	-	-	-	-	-	-
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	10.83%	10.83%	66,387	-	5,618	16,853	22,471	22,470	21,446	-	-	-	43,916
Occidente	890300279	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	10.51%	10.51%	8,029	-	420	1,259	1,679	1,679	1,679	1,679	1,313	-	6,350
Bancolombia	890903938	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.78%	9.78%	9,546	-	959	2,878	3,837	3,837	1,872	-	-	-	5,709
Bancolombia	890903938	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.78%	9.78%	16,507	-	1,659	4,976	6,635	6,635	3,237	-	-	-	9,872
Bancolombia	890903938	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.46%	8.46%	125,267	-	9,552	28,657	38,209	38,210	38,210	10,638	-	-	87,058
Bancolombia	890903938	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	8.46%	8.46%	11,233	-	829	2,488	3,317	3,318	3,318	1,280	-	-	7,916
Bancolombia	890903938	Colombia	830510717	Surcolombiana de Gas S.A.E.S.P.	COP	Monthly	9.93%	9.93%	17,951	-	1,174	3,522	4,696	4,697	4,697	3,861	-	-	13,255
BCP	20100047218	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	5.00%	5.00%	4,783	4,783	-	-	4,783	-	-	-	-	-	-
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	5.70%	5.70%	18,958	951	1,917	8,882	11,750	7,208	-	-	-	-	7,208
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	6.60%	6.60%	759,146	18,939	38,223	177,822	234,984	252,608	271,554	-	-	-	524,162
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	25,546	840	1,695	7,888	10,423	11,204	3,919	-	-	-	15,123
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	353,359	8,816	17,791	82,773	109,380	117,580	126,399	-	-	-	243,979
Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	USD	Monthly	8.70%	8.70%	47,627	11,783	23,813	12,031	47,627	-	-	-	-	-	-
Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	9.25%	9.25%	8,266	1,352	2,735	4,179	8,266	-	-	-	-	-	-
BanBif	20101036813	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.50%	8.50%	83,551	9,033	18,251	56,267	83,551	-	-	-	-	-	-
BanBif	20101036813	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.50%	8.50%	54,107	5,850	11,819	36,438	54,107	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	60,873	19,230	41,643	-	60,873	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	2,651	2,651	-	-	2,651	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	5,698	1,801	3,897	-	5,698	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	9,331	9,331	-	-	9,331	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	17,011	2,719	5,496	8,796	17,011	-	-	-	-	-	-
Banco Pichincha	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.85%	8.85%	22,860	3,131	6,329	13,400	22,860	-	-	-	-	-	-
Banco Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	9.25%	9.25%	56,402	6,846	13,844	35,712	56,402	-	-	-	-	-	-
								Total	21,752,931	166,646	340,958	1,074,043	1,581,647	1,152,649	1,159,534	700,661	684,516	16,473,924	20,171,284

Bank loans as of December 31, 2017:

Country	Tax ID	Lender	Tax ID	Debtor	Currency	Type of Amortization	Annual effective rate	Annual nominal reate	Current				Non-Current					
									Maturity			Total Current at 12.31.2017 Th$	Maturity					Total Non-Current at 12.31.2017 Th$
									Up to 1 month	1 to 3 months	3 to 12 months		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	
									Th$	Th$	Th$		Th$	Th$	Th$	Th$	Th$	
Colombia	900666144-5	Itaú	900396759	Chilco Distribuidora de Gas y Ene	COP	Quarterly	8.95%	8.95%	-	145,005	3,032,591	3,177,596	-	-	-	-	-	-
Colombia		Bancolombia Tarjetas de credito	900396759	Chilco distribuidora de gas y ene	COP	Monthly	0.2877	0.2877	-	-	-	-	-	-	-	-	-	-
Colombia		Banco Davivienda Tarjetas de credito	900396759	Chilco distribuidora de gas y ene	COP	Monthly	0.2877	0.2877	-	-	-	-	-	-	-	-	-	-
Colombia		Helm Bank Tarjetas de credito	900396759	Chilco distribuidora de gas y ene	COP	Monthly	0.2881	0.2881	-	-	-	-	-	-	-	-	-	-
Colombia		Banco de Bogota	900396759	Chilco distribuidora de gas y ene	COP	Monthly	0.2881	0.2881	-	-	-	-	-	-	-	-	-	-
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	7.10%	7.10%	-	20,492	63,748	**84,240**	63,832	-	-	-	-	**63,832**
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	6.90%	6.90%	-	23,697	73,511	**97,208**	-	-	-	-	-	**-**
Peru	20100053455	Interbank	20100007348	Lima Gas S.A.	PEN	Monthly	6.85%	6.85%	6,311	12,728	59,046	**78,085**	83,433	43,836	-	-	-	**127,269**
Peru	20100130204	Banco Continental	20100007348	Lima Gas S.A.	PEN	Quarterly	7.50%	7.50%	8,914	17,827	80,223	**106,964**	106,964	106,964	35,655	-	-	**249,583**
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	7.20%	7.20%	8,716	17,341	79,758	**105,815**	113,498	121,685	64,158	-	-	**299,341**
Peru	20100047218	BCP	20100007348	Lima Gas S.A.	PEN	Quarterly	4.70%	4.70%	-	273,928	821,785	**1,095,713**	3,908,045	-	-	-	-	**3,908,045**
Peru	20516711559	Santander	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	9.25%	9.25%	13,597	27,496	114,130	**155,223**	-	-	-	-	-	**-**
Peru	20101036813	BanBif	20516556561	Limagas Natural Perú S.A.	PEN	Quarterly	4.25%	4.25%	323,454	-	-	**323,454**	-	-	-	-	-	**-**
Peru	20100047218	BCP	20516556561	Limagas Natural Perú S.A.	PEN	Quarterly	4.10%	4.10%	307,628	-	-	**307,628**	-	-	-	-	-	**-**
Peru	20100047218	BCP	20516556561	Limagas Natural Perú S.A.	PEN	Quarterly	3.85%	3.85%	379,194	-	-	**379,194**	-	-	-	-	-	**-**
Peru	20100130204	Banco Continental	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	3.84%	3.84%	414,830	-	-	**414,830**	-	-	-	-	-	**-**
Peru	20100130204	Banco Continental	20516556561	Limagas Natural Perú S.A.	USD	Monthly	7.00%	7.00%	77,464	-	-	**77,464**	-	-	-	-	-	**-**
								Total	**1,540,108**	**538,514**	**4,324,792**	**6,403,414**	**4,275,772**	**272,485**	**99,813**	**-**	**-**	**4,648,070**

Financial leases as of December 31, 2017:

Creditor	Tax ID	Country	Tax ID	Debtor	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Balance at 12.31.2017 Th$	Up to 1 month Th$	1 to 3 months Th$	3 to 12 months Th$	Current at 12.31.2017 Th$	1 to 2 years Th$	2 to 3 years Th$	3 to 4 years Th$	4 to 5 years Th$	more than 5 years Th$	Non-current at 12.31.2017 Th$
Oxiquim S.A.	80326500-3	Chile	96.928.510-K	Empresas Lipigas S.A	UF	Monthly in arrears	U.F + 3%	U.F + 3%	**38,898,998**	104,569	313,707	836,553	**1,254,829**	1,254,829	1,254,829	1,254,829	1,254,829	32,624,852	**37,644,169**
Prepayment compensation Oxiquim S.A.	80326500-3	Chile	96.928.510-K	Empresas Lipigas S.A	UF	-	-	-	**(18,934,054)**	**(50,855)**	**(152,564)**	**(406,837)**	**(610,257)**	**(610,257)**	**(610,257)**	**(610,257)**	**(610,257)**	**(15,882,770)**	**(18,323,797)**
Leasing De Occidente	890300279-4	Colombia	900396759-5	Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	COP	Monthly in arrears	11.66%	11.66%	**38,416**	1,494	4,561	12,756	**18,811**	19,605	-	-	-	-	**19,605**
Banco de Crédito del Peru	20100047218	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	5.00%	5.00%	**55,758**	4,172	8,439	38,750	**51,361**	4,397	-	-	-	-	**4,397**
Scotiabank Peru SA	20100043140	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	5.70%	5.70%	**39,738**	3,228	6,501	30,009	**39,738**	-	-	-	-	-	**-**
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	6.60%	6.60%	**27,558**	820	1,653	7,659	**10,132**	10,800	6,626	-	-	-	**17,426**
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	**898,749**	16,195	32,684	152,052	**200,931**	216,001	232,201	249,616	-	-	**697,818**
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	**32,394**	718	1,450	6,744	**8,912**	9,581	10,299	3,602	-	-	**23,482**
Interbank	20100053455	Peru	20100007348	Lima Gas S.A.	PEN	Monthly	7.50%	7.50%	**418,337**	7,538	15,213	70,775	**93,526**	100,541	108,082	116,188	-	-	**324,811**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	7.95%	7.95%	**872**	289	583	-	**872**	-	-	-	-	-	**-**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.00%	8.00%	**1,094**	216	436	442	**1,094**	-	-	-	-	-	**-**
Banco Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	USD	Monthly	8.70%	8.70%	**161,381**	9,569	19,339	90,430	**119,338**	42,043	-	-	-	-	**42,043**
Banco Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	9.25%	9.25%	**21,822**	1,138	2,301	10,785	**14,224**	7,598	-	-	-	-	**7,598**
BanBif	20101036813	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.50%	8.50%	**172,160**	7,653	15,463	72,243	**95,359**	76,801	-	-	-	-	**76,801**
BanBif	20101036813	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.50%	8.50%	**111,489**	4,956	10,013	46,784	**61,753**	49,736	-	-	-	-	**49,736**
BanBif	20101036813	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.35%	8.35%	**134,855**	11,854	23,947	99,054	**134,855**	-	-	-	-	-	**-**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.70%	8.70%	**12,663**	3,133	6,331	3,199	**12,663**	-	-	-	-	-	**-**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	**260,781**	16,246	32,837	155,743	**204,826**	55,955	-	-	-	-	**55,955**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.70%	8.70%	**12,352**	1,728	3,492	7,132	**12,352**	-	-	-	-	-	**-**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	**26,862**	1,958	3,957	18,510	**24,425**	2,437	-	-	-	-	**2,437**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	**24,224**	1,522	3,076	14,388	**18,986**	5,238	-	-	-	-	**5,238**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	**96,265**	7,028	14,205	66,454	**87,687**	8,578	-	-	-	-	**8,578**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.80%	8.80%	**44,296**	2,297	4,643	21,720	**28,660**	15,636	-	-	-	-	**15,636**
Banco Financiero	20100105862	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	8.85%	8.85%	**54,006**	2,644	5,344	25,006	**32,994**	21,012	-	-	-	-	**21,012**
Banco Santander	20516711559	Peru	20516556561	Limagas Natural Perú S.A.	PEN	Monthly	9.25%	9.25%	**129,570**	5,718	11,563	54,196	**71,477**	57,914	179	-	-	-	**58,093**
								Total	**22,740,586**	**165,828**	**389,174**	**1,434,547**	**1,989,548**	**1,348,445**	**1,001,959**	**1,013,978**	**644,572**	**16,742,082**	**20,751,038**

(*) The Company signed a long-term lease with Oxiquim S.A. for the construction of storage and dispatching facilities at Quintero Bay so that it could receive LPG by sea. This lease is a financial lease according to the interpretation of IFRIC 4 and IAS 17 and has been recorded as a financial lease beginning March 2015 since the terminal began operating on that date.

(**) Prepayments made by the Company to Oxiquim S.A. under the previously mentioned agreement are shown discounting the lease debt pursuant to paragraph 42 of IAS 32.

Financial covenants - subsidiaries

The only subsidiary subject to covenant compliance is Limagas Natural Perú S.A., that has contracted loans with the following banks: BanBif and Pichincha, whose clauses require compliance of certain covenants based on financial ratios. Said ratios are in compliance as of December 31, 2018.

14.2 Bonds payable

Bonds payable correspond to UF bonds issued by the Company on the Chilean market on April 23, 2015.
Closing balances for this instrument as of December 31, 2018 and 2017 are as follows:

As of December 31, 2018

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current				Non-Current		
					Maturity			Total Current at 12.31.2018	Maturity		Total Non-Current at 12.31.2018
					Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 or more years	
					Th$	Th$	Th$	Th$	Th$	Th$	Th$
BLIPI- E	3,500,000	UF	3.44%	3.55%	-	-	-	-	-	96,480,265	96,480,265
Bond surcharge					5,642	11,283	50,774	67,699	388,929	1,020,940	1,409,869
					5,642	**11,283**	**50,774**	**67,699**	**388,929**	**97,501,205**	**97,890,134**

As of December 31, 2017

Bond	Face Amount	Indexation Unit	Annual Effective Rate	Annual Face Rate	Current				Non-Current		
					Maturity			Total Current at 12.31.2017	Maturity		Total Non-Current at 12.31.2017
					Within 1 month	1 to 3 months	3 to 12 months		1 to 5 years	5 or more years	
					Th$	Th$	Th$	Th$	Th$	Th$	Th$
BLIPI- E	3,500,000	UF	3.44%	3.55%	-	-	-	**-**	-	93,793,490	**93,793,490**
Bond surcharge					5,425	10,850	48,826	**65,101**	383,386	1,006,388	**1,389,774**
					5,425	**10,850**	**48,826**	**65,101**	**383,386**	**94,799,878**	**95,183,264**

Risk Rating

As of December 31, 2018, the bond issued on the Chilean market was rated as follows:

AA: by Compañía Clasificadora de Riesgo Humphreys Ltda.
AA-: by Feller Rate Clasificadora de Riesgo Limitada

Covenants

The covenants binding upon the Company related to the bond issued in 2015, are explained below:

- Minimum equity: Th$110,000,000
- Indebtedness <=1.5 x (net financial debt-to-equity ratio)

Covenant Status

The covenant status binding upon the Company as of December 31, 2018 is shown below:

Covenants	Amount	Compliance
Minimum equity (Th$)	157,722,547	Yes
Indebtedness	0.95	Yes

- Minimum equity used: Total equity disclosed in the statement of financial position.
- Indebtedness used: ((Other current financial liabilities + other non-current financial liabilities) - cash and cash equivalent) / total equity.

14.3 Reconciliation of financial liabilities with cash flow statement

Reconciliation as of December 31, 2018 and 2017, respectively is as follows:

Current	Balance as of 01.01.2018	Cash Flows			Other Non-Cash Flow movements			Balance as of 12.31.2018
		Capital Obtained	Capital Paid	Paid interest	Accrued interest	Adjustment	Others	
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Bank loans	6,403,414	47,309,135	(20,275,966)	(767,183)	1,627,886	-	1,115,784	35,413,070
Bonds	1,401,482	-	-	(3,370,000)	3,253,566	16,775	140,359	1,442,362
Financial leases	1,989,548	353,929	(2,161,170)	(805,797)	793,400	18,734	1,393,003	1,581,647
Derivative liabilities	156,305	-	(27,243)	-	4,730	-	(133,792)	-
Other financial liabilities, current	**9,950,749**	**47,363,064**	**(22,464,379)**	**(4,942,980)**	**5,679,582**	**35,509**	**2,515,534**	**38,437,079**

Non-Current	Balance as of 01.01.2018	Cash Flows			Other Non-Cash Flow movements			Balance as of 12.31.2018
		Capital Obtained	Capital Paid	Paid interest	Accrued interest	Adjustment	Others	
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Bank loans	4,648,070	5,454,430	-	-	-	-	(2,728,806)	7,373,694
Bonds	95,183,264	-	-	-	-	2,805,143	(98,273)	97,890,134
Financial leases	20,751,038	-	-	-	-	544,765	(1,124,519)	20,171,284
Other financial liabilities, non-current	**120,582,372**	**5,454,430**	**-**	**-**	**-**	**3,349,908**	**(3,951,598)**	**125,435,112**

Current	Balance as of 01.01.2017	Cash Flows			Other Non-Cash Flow movements			Balance as of 12.31.2017
		Capital Obtained	Capital Paid	Paid interest	Accrued interest	Adjustment	Others	
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Bank loans	6,556,169	9,318,978	(9,270,958)	(432,050)	718,120	13,369	(500,214)	6,403,414
Bonds	1,377,510	-	-	(3,474,147)	3,200,812	99,415	197,892	1,401,482
Financial leases	3,136,475	-	(2,482,615)	(340,404)	1,419,826	28,384	227,882	1,989,548
Derivative liabilities	626,989	-	-	-	(9,121)	39,379	(500,942)	156,305
Other financial liabilities, current	**11,697,143**	**9,318,978**	**(11,753,573)**	**(4,246,601)**	**5,329,637**	**180,547**	**(575,385)**	**9,950,749**

Non-Current	Balance as of 01.01.2017	Cash Flows			Other Non-Cash Flow movements			Balance as of 12.31.2017
		Capital Obtained	Capital Paid	Paid interest	Accrued interest	Adjustment	Others	
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Bank loans	4,469,495	-	-	-	-	-	178,575	4,648,070
Bonds	93,607,847	-	-	-	-	1,575,417	-	95,183,264
Financial leases	20,005,530	-	-	-	-	(43,710)	789,218	20,751,038
Other financial liabilities, non-current	**118,082,872**	**-**	**-**	**-**	**-**	**1,531,707**	**967,792**	**120,582,372**

14.4 Guarantees

To date, the Company has not granted guarantees that are framed within the prohibitions provided in the ninth clause of the bond issuance contract that governs the outstanding E series.

14.5 Bond lines not issued

The Company has three bond lines without issuing, which are listed below:

Bond line CMF Securities Registry No. 800

On April 23, 2015, the Company proceeded to register in the securities registry of Chile's Superintendence of Securities and Insurance (SVS – currently Financial Market Commission -CMF-) the following bond lines directed to the general market: (i) bond line registered in the CMF Securities Registry under No. 800, for a maximum amount of UF 3.5 million with a maturity period of 10 years from the date of registration in the aforementioned registry.

Bond lines CMF Securities Registry N° 880 and No. 881

On December 29, 2017 the Company proceeded to register in the Securities Registry of Chile's Superintendence of Securities and insurance (SVS – currently Financial Market Commission -CMF-) the following two bond lines directed to the general market: (i) bond line registered in the Securities Registry of the CMF under No 880, for a maximum amount of UF 4 million with a maturity period of 10 years from the date of its registration in the aforementioned Registry; and (ii) bond line registered in the Securities Registry of the CMF under No 881, for a maximum amount of UF 4 million and with a maturity period of 30 years from the date of registration in the aforementioned Registry.

15. Trade accounts and other accounts payable

15.1 Trade accounts and other accounts payable, current

Type of Supplier	12.31.2018 Th$	12.31.2017 Th$
LPG	10,798,593	15,032,063
Other suppliers	25,819,312	20,411,859
Withholdings	4,093,388	4,109,689
Total trade payables and other accounts payable	**40,711,293**	**39,553,611**

Trade accounts and other accounts payable include commitments to third parties mainly for the purchase of gas, acquisition of property, plant and equipment, services and the purchase of materials and spare parts.

Average payment period of LPG supplier accounts payable as of December 31, 2018 and 2017, is 21 and 19 days, respectively.

Average payment period of other supplier accounts payable as of December 31, 2018 and 2017, is 35 and 32 days, respectively.

15.2 Maturity and classification of Trade Accounts and Other Accounts Payable, Current:

As of 12.31.2018

Suppliers with up-to-date payments

Type of supplier	Amounts per payment term						Total Th$	Average payment period (days)
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 and more		
Goods	10,685,150	-	-	-	-	-	**10,685,150**	21
Services	23,763,644	1,085,289	229,515	50,139	85,139	35,597	**25,249,323**	35
Others	4,017,756	-	28,522	-	47,110	-	**4,093,388**	30
Total Th$	**38,466,550**	**1,085,289**	**258,037**	**50,139**	**132,249**	**35,597**	**40,027,861**	**29**

Suppliers with overdue payments

Type of supplier(*)	Amounts per payment term						Total Th$
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 180	181 and more	
Goods	-	109,781	1,873	-	-	1,789	**113,443**
Services	123,601	76,724	42,918	16,734	168,278	141,734	**569,989**
Others	-	-	-	-	-	-	**-**
Total Th$	**123,601**	**186,505**	**44,791**	**16,734**	**168,278**	**143,523**	**683,432**

As of 12.31.2017

Suppliers with up-to-date payments

Type of supplier	Amounts per payment term						Total Th$	Average payment period (days)
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 and more		
Goods	13,452,406	1,540,723	-	-	24,028	-	**15,017,157**	19
Services	15,395,620	3,277,571	660,504	-	-	-	**19,333,695**	32
Others	4,109,689	-	-	-	-	-	**4,109,689**	30
Total Th$	**32,957,715**	**4,818,294**	**660,504**	**-**	**24,028**	**-**	**38,460,541**	**27**

Suppliers with overdue payments

Type of supplier(*)	Amounts per payment term						Total Th$
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 180	181 and more	
Goods	1,294	2,268	-	441	833	10,070	**14,906**
Services	102,332	801,306	30,903	9,066	20,376	114,181	**1,078,164**
Others	-	-	-	-	-	-	**-**
Total Th$	**103,626**	**803,574**	**30,903**	**9,507**	**21,209**	**124,251**	**1,093,070**

(*)Balances more than 31 days overdue correspond to provisions pending backups

15.3 Trade accounts and other accounts payable, non-current

Type of Supplier	12.31.2018 Th$	12.31.2017 Th$
Other creditors	45,940	190,289
Total non-current trade payables and other accounts payable	**45,940**	**190,289**

16. Other provisions, current

As of December 31, 2018 and 2017, this account is itemized as follows:

Type of Provision	12.31.2018 Th$	12.31.2017 Th$
Lawsuits	106,951	78,191
Business combinations	1,081,267	993,917
Total other provisions	**1,188,218**	**1,072,108**

17. Provisions for employee benefits

17.1 Current provisions

As of December 31, 2018 and 2017, this account is itemized as follows:

Type of Provision	12.31.2018 Th$	12.31.2017 Th$
Personnel liabilities (bonuses, profit-share and others)	1,241,211	2,105,527
Total accumulated liabilities	**1,241,211**	**2,105,527**

17.2 Non-current provisions

Actuarial assumptions

The Company recorded a liability for employment benefits, which is valued based on the actuarial method, for which the following actuarial assumptions are used:

Actuarial Assumptions	12.31.2018	12.31.2017
Mortality table	RV-2009	RV-2009
Real annual interest rate	2.37%	3.78%
Voluntary retirement turnover rate, men and women respectively	0.8%	0.7% - 1.30%
Salary increase, men and women, respectively	2.2%	2.3% - 1.70%
Retirement age, men	65 yrs.	65 yrs.
Retirement age, women	60 yrs.	60 yrs.

Balances and movement of this account as of December 31, 2018 and 2017 are as follows:

Provision for severance payment for years of service	12.31.2018 Th$	12.31.2017 Th$
Opening Balance	2,439,890	2,071,061
Actuarial variables	224,266	(83,068)
Payments	(85,755)	(101,455)
Accrual	211,848	246,344
Total	**2,790,249**	**2,132,882**

17.3 Contingent liability

The Company has agreed with a group of its officers from the different countries where it operates, a long-term incentive plan related to the generation of results of the 2017-2020 period. This plan implies a bonus payment to the selected officers who remain as employees of the Company as of December 31, 2020 and which depends on the results obtained and the evolution of the value of the share during that period. Since such liability will only be confirmed if certain uncertain future events occur which are not entirely under its control, the Company has considered such liability as contingent.

18. Other non-current, non-financial liabilities (cylinder and tank guarantees)

Balances and movement of this account for the fiscal years ended December 31, 2018 and 2017 are as follows:

Other non-current liabilities	12.31.2018 Th$	12.31.2017 Th$
Opening Balance	34,664,790	34,294,591
Deposits	1,277,423	917,074
Translation differentials movement	297,505	(460,172)
Returns	(52,134)	(150,293)
Adjustment to present value	(335,378)	63,590
Total	**35,852,206**	**34,664,790**

The liability for customer guarantees for cylinders and tanks as of December 31, 2018 totaled Th$ 64,362,388 (Th$ 62,119,635 at December 31, 2017), considering current values, as adjusted according to the regulations of each country.

19. Other provisions, non-current

The balance for the fiscal years 2018 and 2017 is as follows:

Other liabilities, non-current	12.31.2018 Th$	12.31.2017 Th$
Administrative proceeding in Peru	1,113,258	1,023,324
Total	**1,113,258**	**1,023,324**

Movements for the fiscal years 2018 and 2017 were as follows:

Type of provision	12.31.2018 Th$	12.31.2017 Th$
Opening balance	1,023,324	-
Increase (decrease)	-	1,023,324
Translation difference	89,934	-
Total	**1,113,258**	**1,023,324**

20. Equity

20.1 Subscribed and paid-in capital

As of December 31, 2018, the Company's subscribed and paid-in capital totaled Th$ 129,242,454.

As of December 31, 2018, issued capital totaled Th$ 192,339,407 as a result of the issuance of 12,619,391 shares approved by the Special Shareholders Meeting held July 29, 2015 equivalent to Th$63,096,956. Since no shares of said capital increase were subscribed, as of July 29, 2018 the Company's capital was reduced of full right in accordance with article 18 of the Regulations of Chile's Corporation Law. The General Manager's Statement provided for in article 56 of Chile's Corporation Law was filed as a public deed on August 13, 2018.

The Company aims to manage capital to protect the capacity to continue as an ongoing business and generate returns for shareholders, benefits to other stakeholders and an optimal capital structure that will reduce capital costs.

The Company monitors its capital by the leverage ratio. This ratio is calculated by dividing net debt by total equity plus net debt. Net debt corresponds to all indebtedness (both current and non-current), less cash and cash equivalent. Total capital corresponds to equity as shown in the classified consolidated statement of financial position.

20.2 Number of subscribed and paid-in shares

As of December 31, 2018 and 2017 the Company's capital is represented by 113,574,515 shares without par value.

On July 29, 2015, the Special Shareholders' Meeting decided to issue 12,619,391 new shares, which have not been subscribed after three years of the Shareholders' Meeting have not been subscribed and since no shares of said capital increase were subscribed, as of July 29, 2018 the Company's capital was reduced of full right in accordance with article 18 of the Regulations of Chile's Corporation Law. The General Manager's Statement provided for in article 56 of Chile's Corporation Law was filed as a public deed on August 13, 2018.

On November 24, 2016, the Company's shares began trading on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*).

20.3 Dividends

During the period ended December 31, 2018, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th$ 33,845,206 as follows:

Interim

Date	Th$
03.08.2018	7,041,620
06.13.2018	7,041,620
08.29.2018	7,041,620
11.28.2018	7,041,620
Sub total	**28,166,480**

Final

Date	Th$
04.26.2018	5,678,726
Sub-total	**5,678,726**

Total	**33,845,206**

During the fiscal year ended December 31, 2017, the Company's Board of Directors and Shareholders' Meeting agreed to distribute dividends totaling Th$ 32,255,163 as follows:

Interim

Date	Th$
03.08.2017	7,041,620
06.13.2017	7,041,620
08.30.2017	7,041,620
11.29.2017	7,041,620
Sub total	**28,166,480**

Final

Date	Th$
04.27.2017	4,088,683
Sub total	**4,088,683**

Total	**32,255,163**

20.4 Non-controlling interests

As of December 31, 2018 and 2017, this account is itemized as follows:

Subsidiary	Country of Origin	Non-controlling percentage interest in subsidiary		12.31.2018		12.31.2017	
				Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests	Non-controlling interests in equity	Earnings (loss) attributable to non-controlling interests
		2018	2017	Th$	Th$	Th$	Th$
Norgas S.A.	Chile	42.00%	42.00%	1,176,952	123,439	1,331,688	103,231
Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.	Colombia	0.00%	0.00%	3	-	9	-
Marquesa GLP SpA	Chile	35.00%	0.00%	791,420	(18,463)	-	-
Surcolombiana de Gas S.A. E.S.P.	Colombia	48.93%	0.00%	2,815,204	257,946	-	-
Total				**4,783,579**	**362,922**	**1,331,697**	**103,231**

20.5 Reconciliation of the movement in other comprehensive income reserves

Movements as of December 31, 2018:

Movement in other comprehensive income as of 12.31.2018	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th$	Net Amount Th$	Net Amount Th$
After-tax gain (loss)	41,279,690	362,922	41,642,612
Gains (losses) from translation differentials, before taxes	3,452,264	-	3,452,264
Other comprehensive income, actuarial gains (losses) from defined benefits plans, before taxes	(224,266)	-	(224,266)
Gains (losses) on cash flow hedges, before taxes	366,970	-	366,970
Total movement in the fiscal year	**3,594,968**	**-**	**3,594,968**
Income tax on the components of other comprehensive income	**(38,530)**	**-**	**(38,530)**
Total comprehensive income	**44,836,128**	**362,922**	**45,199,050**

Movements as of December 31, 2017:

Movement in other comprehensive income as of 12.31.2017	Equity attributable to owners of the controller	Portion attributable to the non-controlling interests	Total
	Net Amount Th$	Net Amount Th$	Net Amount Th$
After-tax gain (loss)	42,555,555	103,231	42,658,786
Gains (losses) from translation differentials, before taxes	(4,533,594)	-	(4,533,594)
Other comprehensive income, actuarial gains (losses) from defined benefits plans, before taxes	(283,328)	-	(283,328)
Gains (losses) on cash flow hedges, before taxes	692,907	-	692,907
Total movement in the fiscal year	**(4,124,015)**	**-**	**(4,124,015)**
Income tax on the components of other comprehensive income	**(110,586)**	**-**	**(110,586)**
Total comprehensive income	**38,320,954**	**103,231**	**38,424,185**

20.6 Earnings per share

The earnings per basic share shown in the consolidated statement of income by function are calculated as the quotient between the profit (loss) for the fiscal year or period and the average number of shares outstanding the same period.

Earnings per share used to calculate the basic share and diluted share as of December 31, 2018 and 2017 is the following:

Per-share profit	01.01.2018 through 12.31.2018	01.01.2017 through 12.31.2017
Profit attributable to shareholders (Th$)	41,279,690	42,555,555
Weighted average number of shares	113,574,515	113,574,515
Earnings per basic and diluted share (in pesos)	**363.46**	**374.69**

21. Revenue and other income by function

21.1 Revenue from ordinary activities

For the fiscal years ended December 31, 2018 and 2017, the itemization of revenue is as follows:

Revenue	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Revenue from gas sales (LPG-NG-LNG-CNG)	507,185,535	460,860,186
Revenue from the sale of other fuels	1,204,846	2,463,664
Revenue from the sale of facilities	1,656,872	1,158,093
Revenue from meter leases	2,002,366	2,453,406
Revenue from power market business	1,725,568	0
Revenue from other sales and services	2,100,669	1,419,928
Total revenue	**515,875,856**	**468,355,277**

The Company has not accounted for income by product line since revenue comes primarily from LPG, which represents more than 92% of total revenue.

21.2 Other income by function

For the fiscal years ended December 31, 2018 and 2017, the itemization of other income is as follows:

Other income by function	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Commercial interest	294,004	257,403
Total other income by function	**294,004**	**257,403**

22. Costs and expenses by function broken down by nature

For the fiscal years ended December 31, 2018 and 2017, the itemization of the Company's main costs and expenses is as follows:

Description	Cost of Sales Th$	Administrative Expenses Th$	Other Expenses, by Function Th$	Distribution Costs Th$	Total as of 12.31.2018 Th$
Gas purchases(*)	308,345,687	-	-	-	308,345,687
Power market business costs	1,254,312	-	-	-	1,254,312
Depreciation (**)	18,419,180	424,553	122,960	1,742,156	20,708,849
Amortization	601,247	934,112	147,469	-	1,682,828
Wages and salaries	3,862,847	7,230,193	7,248,709	4,450,036	22,791,785
Benefits	819,738	3,221,411	1,047,738	561,962	5,650,849
Mandatory expenses	278,384	702,499	1,149,392	461,852	2,592,127
Cylinder and tank maintenance	15,270,387	-	-	-	15,270,387
Other expenses	7,767,882	16,036,207	10,001,003	3,386,315	37,191,407
Advertising	-	-	2,355,731	-	2,355,731
Freight	413,484	17,659	7,031	32,096,051	32,534,225
Promotional campaigns	-	-	2,435,940	-	2,435,940
Balances as of 12.31.2018	**357,033,148**	**28,566,634**	**24,515,973**	**42,698,372**	**452,814,127**

Description	Cost of Sales Th$	Administrative Expenses Th$	Other Expenses, by Function Th$	Distribution Costs Th$	Total as of 12.31.2017 Th$
Gas purchases (*)	269,541,709	-	-	-	269,541,709
Depreciation	17,992,753	434,311	73,790	1,713,201	20,214,055
Amortization	518,829	746,905	145,541	-	1,411,275
Wages and salaries	3,487,161	7,093,057	7,179,936	4,104,296	21,864,450
Benefits	801,689	2,962,034	975,962	624,639	5,364,324
Mandatory expenses	226,503	679,622	1,346,914	453,797	2,706,836
Cylinder and tank maintenance	13,611,827	-	-	-	13,611,827
Other expenses	6,299,875	15,553,459	9,387,871	3,038,956	34,280,161
Advertising	-	2,013	1,271,967	-	1,273,980
Freight	454,619	18,827	13,569	28,777,063	29,264,078
Promotional campaigns	-	84,497	3,121,735	-	3,206,232
Balances as of 12.31.2017	**312,934,965**	**27,574,725**	**23,517,285**	**38,711,952**	**402,738,927**

(*) Gas purchases reflect the result between purchases plus beginning inventories, less ending inventories.

(**) Depreciation includes items from "Property, plant and equipment" and "Contract costs."

23. Financial Income and other gains and losses

23.1 Financial Income

For the fiscal years ended December 31, 2018 and 2017, the itemization of financial income is as follows:

Financial Income	01.01.2018 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Financial income		
Interest on financial instruments	359,150	282,020
Other financial income	735,385	711,971
Restatement of other non-current liabilities(*)	335,378	-
Total financial income	**1,429,913**	**993,991**
Financial costs		
Bank loans expenses	(1,664,718)	(848,523)
Financial lease expenses	(1,344,263)	(1,419,826)
Bond interest	(3,253,566)	(3,200,812)
Other financial expenses	(139,343)	(52,683)
Adjustment of other non-current liabilities(*)	-	(63,590)
Total financial costs	**(6,401,890)**	**(5,585,434)**
Exchange differentials		
Positive	237,468	45,627
Negative	(170,351)	(48,330)
Total exchange differentials	**67,117**	**(2,703)**
Profit (loss) on adjustment units		
Bond debt	(2,821,918)	(1,674,832)
Financial leases	(563,499)	(323,090)
Monetary restatement	176,830	89,665
Total profit (loss) on adjustment units	**(3,208,587)**	**(1,908,257)**
Total Financial Income	**(8,113,447)**	**(6,502,403)**

23.2 Other gains (losses)

Other Gains (Losses)	01.01.2017 through 12.31.2018 Th$	01.01.2017 through 12.31.2017 Th$
Retirement of property, plant and equipment	(204,538)	(605,269)
Profit (loss) on the sale of property, plant & equipment	683,004	25,364
Other gains (losses)	1,724,332	(131,016)
Total other gains (losses)	**2,202,798**	**(710,921)**

24. Number of employees and payroll cost

The average number of employees for the fiscal years ended December 31, 2018 and 2017 was 1,847 and 1,705 respectively

As of December 31, 2018 and 2017, the Company has a staff of 1,850 and 1,709 employees respectively, distributed according to the following table:

Employees	12.31.2018	12.31.2017
Executives	27	24
Professionals and technicians	865	816
Others	958	869
Total Employees	**1,850**	**1,709**

The cost of the salaries of the employees included in the above table was:

Item	12.31.2018 Th$	12.31.2017 Th$
Wages and salaries	22,791,785	21,864,450
Benefits	5,650,849	5,364,324
Mandatory expenses	2,592,127	2,706,836
Total payroll cost	**31,034,761**	**29,935,610**

25. Financial information by segment

The Company discloses financial items by operating segment based on the geographic area of the countries where activities are developed: Chile, Colombia and Peru. This is consistent with the management, allocation of resources and performance assessments in the Company's decision-making process,

Results, assets, liabilities and allocations to each segment are measured directly and not through a factor that allocates on the basis of a standard that must be explained.

LPG generates more than 92% of revenue and 100% corresponds to external clients, and no inter-segment revenue was generated.

At the close of these consolidated financial statements, there was no customer that represented more than 10% of the Group's revenue.

Below is an itemization of this disclosure as of December 31, 2018 and 2017 for the statement of financial position, statement of income and statement of direct cash flow (figures in Th$):

25.1 Statement of financial position by segment

2018	Segments			Total Lipigas Group
	Chile	Colombia	Peru	
Total Operating Assets	290,253,931	53,685,848	86,992,840	430,932,619
Total Operating Liabilities	90,093,611	13,493,225	19,634,426	123,221,262
Total Investment by segment	200,160,320	40,192,623	67,358,414	307,711,357
Net financing (cash and cash equivalent)				149,988,810
Total net investment				157,722,547
Equity:				
Issued Capital				129,242,454
Other reserves				(4,848,045)
Gains (accumulated losses)				28,544,559
Non-controlling interests				4,783,579
Total Equity				157,722,547

2017	Segments			Total Lipigas Group
	Chile	Colombia	Peru	
Total Operating Assets	266,429,243	42,773,041	74,537,334	383,739,618
Total Operating Liabilities	88,314,395	10,982,928	17,461,529	116,758,852
Total Investment by segment	178,114,848	31,790,113	57,075,805	266,980,766
Net financing (cash and cash equivalent)				123,603,507
Total net investment				143,377,259
Equity:				
Issued Capital				129,242,454
Other reserves				(8,404,483)
Gains (accumulated losses)				21,207,590
Non-controlling interests				1,331,697
Total Equity				**143,377,258**

25.2 Statement of income by segment

(figures in Th$)

Statement of Income by Function	Chile		Colombia		Peru		Total Lipigas Group	
	01.01.2018 through 12.31.2018	01.01.2017 through 12.31.2017	01.01.2018 through 12.31.2018	01.01.2017 through 12.31.2017	01.01.2018 through 12.31.2018	01.01.2017 through 12.31.2017	01.01.2018 through 12.31.2018	01.01.2017 through 12.31.2017
Revenue	380,705,087	336,789,920	49,669,419	43,576,538	85,501,350	87,988,819	515,875,856	468,355,277
Purchases allocated to cost of sales	(218,570,024)	(183,763,490)	(29,516,751)	(24,131,581)	(61,513,224)	(61,646,638)	(309,599,999)	(269,541,709)
Cost of sales (excluding depreciation and amortization)	(19,509,341)	(16,769,909)	(3,937,619)	(3,411,422)	(4,965,762)	(4,700,343)	(28,412,722)	(24,881,674)
Other income by function	294,004	257,403	-	-	-	-	294,004	257,403
Other operating expenses	(67,223,941)	(61,773,884)	(9,709,930)	(9,276,137)	(15,475,858)	(15,640,193)	(92,409,729)	(86,690,214)
Depreciation and amortization	(17,160,096)	(16,527,000)	(2,305,283)	(2,011,770)	(2,926,298)	(3,086,560)	(22,391,677)	(21,625,330)
Operating profit	**58,535,689**	**58,213,040**	**4,199,836**	**4,745,628**	**620,208**	**2,915,085**	**63,355,733**	**65,873,753**
Non-operating profit (loss)							**(5,910,649)**	**(7,213,324)**
Profit (loss) before taxes							**57,445,084**	**58,660,429**
Income tax							**(15,802,472)**	**(16,001,643)**
Profit (loss)							**41,642,612**	**42,658,786**

25.3 Statement of direct cash flow by segment

(Figures in Th$)

Statement of direct cash flow by segment as of December 2018

	Segments			Total Lipigas Group
	Chile	Colombia	Peru	
Net cash flow from (used in) operating activities	59,784,644	6,792,318	1,658,811	**68,235,773**
Net cash flow from (used in) investing activities	(39,021,314)	(6,537,283)	(7,387,852)	**(52,946,449)**
Net cash flow from (used in) financing activities	(9,036,989)	(1,049,047)	1,672,782	**(8,413,254)**
Effects of the variation of the exchange rate on cash and cash equivalent				**77,700**
Net increase (decrease) in cash and cash equivalent				**6,953,770**
Cash and cash equivalent at the beginning of the fiscal year				**6,929,613**
Cash and cash equivalent at the end of the fiscal year				**13,883,383**

Statement of direct cash flow by segment as of December 2017

	Segments			Total Lipigas Group
	Chile	Colombia	Peru	
Net cash flow from (used in) operating activities	62,480,075	6,047,531	5,683,747	**74,211,353**
Net cash flow from (used in) investing activities	(36,625,623)	(5,106,404)	(4,461,871)	**(46,193,898)**
Net cash flow from (used in) financing activities	(37,138,108)	(697,199)	(1,215,507)	**(39,050,814)**
Effects of the variation of the exchange rate on cash and cash equivalent				**(159,004)**
Net increase (decrease) in cash and cash equivalent				**(11,192,364)**
Cash and cash equivalent at the beginning of the fiscal year				**18,121,977**
Cash and cash equivalent at the end of the fiscal year				**6,929,613**

26. Foreign currency balances

Foreign currency balances are shown below for the fiscal years ended December 31, 2018 and 2017, respectively:

Foreign Currency Summary	Currency of origin	Total assets 12.31.2018 Th$	Total assets 12.31.2017 Th$
Current assets	USD	2,964,468	1,247,487
Current assets	COP	9,493,956	5,840,950
Current assets	PEN	11,953,236	9,998,795
Non-current assets	COP	46,273,629	38,084,663
Non-current assets	PEN	65,209,305	54,999,221
Non-current assets	USD	-	594,348
Total assets		**135,894,594**	**110,765,464**

Foreign Currency Summary	Currency of origin	Total liabilities 12.31.2018 Th$	Total liabilities 12.31.2017 Th$
Current liabilities	USD	11,949,197	13,086,403
Current liabilities	COP	5,698,911	6,407,317
Current liabilities	PEN	13,847,089	11,444,498
Non-current liabilities	COP	9,910,520	7,794,034
Non-current liabilities	PEN	15,194,457	13,177,270
Non-current liabilities	USD	45,940	232,332
Total liabilities		**56,646,114**	**52,141,854**

Balances for current and non-current assets in a foreign currency are shown below for the fiscal years ended December 31, 2018 and 2017, respectively:

Current assets in a foreign currency	Currency of origin	Total current assets 12.31.2018 Th$	Total current assets 12.31.2017 Th$
Cash and cash equivalent	USD	1,003,375	549,220
Cash and cash equivalent	COP	2,087,450	1,162,641
Cash and cash equivalent	PEN	1,584,030	775,503
Other financial assets	USD	174,549	-
Other financial assets	COP	-	38,216
Assets classified as held for sale	COP	11,097	56,068
Trade and other accounts receivable	USD	1,786,544	698,267
Trade and other accounts receivable	COP	6,119,893	3,310,387
Trade and other accounts receivable	PEN	7,481,896	7,457,590
Inventories	COP	1,028,206	953,064
Inventories	PEN	926,492	872,241
Tax assets	COP	83,486	287,009
Tax assets	PEN	1,702,713	797,601
Other non-financial assets	COP	163,824	33,565
Other non-financial assets	PEN	258,105	95,860
Total current assets		**24,411,660**	**17,087,232**

26. Foreign currency balances (continued)

Non-current assets in a foreign currency	Currency of origin	Total non-current assets 12.31.2018 Th$	Total non-current assets 12.31.2017 Th$
Other financial assets	USD	-	594,348
Other financial assets	COP	548,821	599,260
Other financial assets	PEN	237,712	2,629
Accounts receivable	PEN	810,950	745,438
Accounts receivable	COP	963,010	-
Investments accounted for using the equity method	COP	1,752	1,050
Intangible assets other than goodwill	COP	2,687,429	2,828,419
Intangible assets other than goodwill	PEN	2,825,495	1,079,241
Property, plant and equipment	COP	40,704,783	33,191,347
Property, plant and equipment	PEN	49,735,013	43,571,200
Goodwill	COP	1,311,187	1,464,587
Goodwill	PEN	10,444,471	9,600,713
Deferred tax assets	PEN	528,989	-
Other non-financial assets	COP	56,647	
Other non-financial assets	PEN	626,675	-
Total non-current assets		**111,482,934**	**93,678,232**
Total assets		**135,894,594**	**110,765,464**

Balances for current and non-current liabilities in a foreign currency are shown below for the fiscal years ended December 31, 2018 and 2017, respectively:

Current liabilities in a foreign currency	Currency of origin	Total current liabilities 12.31.2018 Th$	Total current liabilities 12.31.2017 Th$
Other financial liabilities	USD	47,627	196,802
Other financial liabilities	COP	650,605	3,224,673
Other financial liabilities	PEN	5,391,940	4,346,520
Trade and other accounts payable	USD	11,901,570	12,889,601
Trade and other accounts payable	COP	3,687,492	3,050,922
Trade and other accounts payable	PEN	6,709,809	5,451,459
Other provisions	COP	29,925	28,130
Other provisions	PEN	1,158,293	1,043,977
Tax liabilities	COP	481,478	-
Tax liabilities	PEN	251,575	103,137
Other non-financial liabilities	COP	763,785	903
Other non-financial liabilities	PEN	142,815	43,269
Employee benefits provisions	COP	85,726	102,689
Employee benefits provisions	PEN	192,657	456,136
Total current liabilities		**31,495,197**	**30,938,218**

26. Foreign currency balances (continued)

Non-Current liabilities in a foreign currency	Currency of origin	Total non-current liabilities 12.31.2018 Th$	Total non-current liabilities 12.31.2017 Th$
Other financial liabilities	USD	-	42,043
Other financial liabilities	COP	1,736,248	-
Other financial liabilities	PEN	6,601,994	6,017,087
Trade and other accounts payable	USD	45,940	190,289
Deferred tax liabilities	COP	2,672,022	2,481,990
Deferred tax liabilities	PEN	3,690,881	2,708,259
Other non-financial liabilities	COP	5,502,250	5,312,044
Other non-financial liabilities	PEN	3,788,324	3,428,600
Other provisions	PEN	1,113,258	1,023,324
Total non-current liabilities		**25,150,917**	**21,203,636**

Total liabilities	**56,646,114**	**52,141,854**

27.Contingencies, lawsuits and other similar events

Considering the information handled by Company management and in accordance with the opinion of its Legal Department, outlined below are the main claims against the Company, which should not cause any material liability to the same, except for those discussed in Notes 16 and 19, for which a provision has been made.

27.1 Empresas Lipigas S.A.

JUDICIAL

Lawsuit: "Joint and several liability of Empresas Lipigas S.A."
Court: Santiago Court
Subject: Indemnity for damages sought from the sub distributor Hodde y Hodde Hermanos Limitada and from the Company as a jointly and severally liable party.
Amount: Th$ 928,000
Status: The insurance company is defending the case. Contingency is covered by the insurance policy, except for the insurance deductible amounting to UF 3,000; equivalent to Th$ 82,697. Conviction in solidarity for Th$ 40,000, pending notification.

Lawsuit: "Joint and several liability of Empresas Lipigas S.A."
Court: Viña del Mar Court
Subject: Indemnity for damages sought from gas explosion and from the Company as a jointly and severally liable party.
Amount: Th$ 167,280.

Status: The insurance company is defending the case. Contingency is covered by the insurance policy, except for the insurance deductible amounting to UF 3,000; equivalent to Th$ 82,697.

Lawsuit: "Abastecedora de Combustibles S.A. (Abastible) vs. Empresas Lipigas S.A."
Court: Santiago Civil Court
Subject: Reimbursement of guarantees for cylinders returned pursuant to Chile's Electricity and Fuels Commission (SEC) Memorandum No. 13,228
Amount: Th$ 7,010,715
Status: Sentencing stage

On December 2, 2014, Chile's Superintendence of Electricity and Fuels issued Memorandum N°13,228 ordering the application of the rule established by decree 194, of the year 1989 on the issue that distributing companies may not retain cylinders of other distributors that they may have received in exchange of cylinders of other brands delivered by customers, above a maximum allowed percentage.

Consequently, during 2015, other LPG distribution companies returned to the Company a number of cylinders that they were unilaterally holding.

Abastecedora de Combustibles S.A. (Abastible) initiated a lawsuit against the Company unjustifiably claiming the return of guarantees for the cylinders returned pursuant to SEC's Circular N°13,228. The plaintiff claims the repayment for guarantees given by customers to the Company amounting Th$ 5,962,112, as well as alleged costs for storage/custody of such cylinders amounting UF 38,040 (Th$ 1,048,603). The claim was answered, and the reply and counter-suit were filed and is in the status of receiving proof. According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

On the other hand, the Company filed a counter lawsuit against Abastecedora de Combustibles S.A. (Abastible) for damages incurred in the purchase and re-inspection of cylinders. The lawsuit is at the stage of sentencing.

Lawsuit: "Abastecedora de Combustibles S.A. (Abastible) contra Empresas Lipigas S.A."
Court: Santiago Civil Court
Subject: Reimbursement of guarantees for cylinders returned pursuant to Chile's Electricity and Fuels Commission (SEC) Circular No. 13,228
Amount: Th$ 8,073,847
Status: Sentencing stage

On August 10, 2016, the Company was notified of a new lawsuit initiated by Abastecedora de Combustibles S.A. (Abastible) against the Company, unreasonably claiming the return of guarantees for the cylinders returned pursuant to SEC Circular N°13,228. The plaintiff claims the repayment for guarantees given by customers to the Company amounting to Th$ 7,427,595, as well as alleged costs for storage/custody of such cylinders amounting UF 23,444 (Th$ 646,252). The claim was answered and is in the stage of sentencing. According to the Company's lawyers, the claim has no legal grounds. Therefore, based on the available information and the procedure instance. Management estimates that it is not possible to determine contingent liabilities as of this date for this lawsuit.

27.2 Lima Gas S.A.

ADMINISTRATIVE PROCEEDING

Proceeding:	"National Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi) against Lima Gas S.A."
Court:	National Institute for the Defense of Competition and Intellectual Property of Lima.
Subject:	"Alleged infringement of the anti-Competitive Behavior Suppression Act".
Amount:	2,018.75 Unidades Impositivas Tributarias (ITU) (equivalent to ThPEN 8,378 and Th$ 1,677,443).
Contingency:	Probable in an estimated amount of 1,300 ITU (equivalent to ThPEN 5,395 and Th $ 1,113,258)
Status:	Appeal filed with the Chamber Specialized in Defense of Competition of the Court of Defense of Competition and Protection of Intellectual property.

On July 31, 2015, the Technical Secretariat of the Free Competition Commission of the National Institute for the Defense of Competition and Protection of Intellectual Property of Peru initiated an administrative procedure to investigate an alleged price agreement in five LPG importing and/or bottling companies in Peru, focused on a period prior to 2011, including the subsidiary Lima Gas S.A. The facts investigated are prior to the acquisition of the subsidiary by the Company in the year 2013.

On December 20, 2017, Lima Gas was notified of the Final Resolution issued by the Commission, by which it resolved to declare a lack of responsibility for Lima Gas regarding certain imputations and, in turn, decided to charge Lima Gas and two other LPG distributing companies with participating in certain practices that would constitute infringements of the law of suppression of anticompetitive conducts. In this regard, the Commission ordered the sanctioning of Lima Gas with a fine in the amount of 2,018.75 ITU and the implementation of a program to comply with the Peruvian rules of free competition.

Since, in the opinion of the subsidiary's Management, the Resolution has not adequately assessed the arguments and evidence presented, on January 15, 2018, Lima Gas filed an appeal against the previously described extremes of the Resolution, which was admitted by Indecopi's Free Competition Commission, sending the dossier to the Specialized Chamber for review. The Chamber's Resolution may be appealed before higher instances.

27.3 Chilco Distribuidora de Gas y Energía S.A.S. E.S.P.

JUDICIAL

Lawsuit:	"Treasure Department of Ibagué against Chilco Distribuidora de Gas y Energía S.A.S. E.S.P."
Subject:	Official liquidation of industry and trade tax for the fiscal year 2014. Received on October 18, 2017.
Amount:	Th$ 467,058
Contingency:	possible.
Status:	Waiting for the secretary's office to decide the reconsideration of the appeal presented on December 19, 2017. The special request for file was settled on June 6, 2018.

28. Administrative penalties

No material administrative penalties have been imposed on the Company, its Board of Directors or its managers by regulatory agencies during the fiscal years ended December 31, 2018 and 2017, except for the one mentioned in note 27.2 above corresponding to the administrative procedure of the National Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi) against Lima Gas S.A., which been appealed by the subsidiary, as described in the note.

29. Guarantees committed to third parties

The Company held guaranty receipts and surety bonds issued by different banks and insurance companies to third parties at the close of the fiscal years ended December 31, 2018 and 2017, respectively, itemized below:

Country	Currency	12.31.2018 Th$	12.31.2017 Th$
Chile	CLP	202,550	215,664
Chile	UF	1,309,387	1,208,591
Chile	USD	132,006	61,475
Peru	PEN	1,426,471	1,510,529
Peru	USD	8,543,307	7,901,458
Colombia	COP	966,000	73,500

30. Environment

Empresas Lipigas S.A. has been a leader in the LPG industry in Chile regarding environmental standards and it is committed to complying with governing regulations. Proof of this is the certification of its Environmental Management System according to ISO 14,001:2004 awarded to its LPG plant in Antofagasta in 2008/2009. Currently four plants of the Company are certified according to that standard: the plants in Antofagasta, Concón, Coquimbo and Rancagua,

Since 2011, Empresas Lipigas S.A. has also been measuring its carbon footprint and the planning of mitigating measures for implementation shortly.

The tables below include the disbursements made regarding environmental standards for the fiscal years ended December 31, 2018 and 2017, respectively:

Dec-18

Disbursing Company Identification	Name of the project	Disbursement concept	Disbursement Investment /Expense	Investment / Expense Description	Disbursement amount	Exact or estimated date of future disbursements
Empresas Lipigas S.A.	Liquid industrial waste system	Mud removal and liquid industrial waste system maintenance	Expense	Operating expense	16,850	12.31.2018
Empresas Lipigas S.A.	Liquid industrial waste sampling	Liquid industrial waste sampling	Expense	Operating expense	16,000	12.31.2018
Empresas Lipigas S.A.	Household residue removal	Hazardous residue and mud removal	Expense	Operating expense	2,400	12.31.2018
Empresas Lipigas S.A.	Household residue removal	Hazardous residue removal	Expense	Operating expense	7,200	12.31.2018
Empresas Lipigas S.A.	Isokinetic sampling	Isokinetic sampling	Expense	Operating expense	7,600	12.31.2018
Empresas Lipigas S.A.	Liquid industrial waste analysis	Lab analysis	Expense	Operating expense	400	12.31.2018
Empresas Lipigas S.A.	Recertification transversal M.A. ISO14001 Audit	System audit	Expense	Operating expense	1,475	12.31.2018
Limagas S.A.	Environmental monitoring	Environmental monitoring	Expense	Operating expense	14,496	12.31.2018
				Total	**66,421**	

Dec-17

Disbursing Company Identification	Name of the project	Disbursement concept	Disbursement Asset/Expense	Investment or expense description	Disbursement amount	Exact or estimated date of future disbursements
Empresas Lipigas S.A.	Liquid industrial waste control system	Mud removal and liquid industrial waste maintenance system	Expense	Operating expenses	16,850	12.31.2017
Empresas Lipigas S.A.	Liquid industrial waste sampling	Liquid industrial waste sampling	Expense	Operating expenses	16,000	12.31.2017
Empresas Lipigas S.A.	Household waste disposal	Household waste removal	Expense	Operating expenses	2,400	12.31.2017
Empresas Lipigas S.A.	Household waste disposal	Household waste removal	Expense	Operating expenses	7,200	12.31.2017
Empresas Lipigas S.A.	Liquid industrial waste analysis	Lab analysis	Expense	Operating expenses	400	12.31.2017
Empresas Lipigas S.A.	Isokinetic sampling	Liquid industrial waste sampling	Expense	Operating expenses	7,600	12.31.2017
Empresas Lipigas S.A.	Recertification transversal M.A. ISO14001 Audit	System Audit	Expense	Operating expenses	1,475	12.31.2017
Limagas S.A.	Environmental monitoring	Environmental monitoring	Expense	Operating expenses	34,753	12.31.2017
				Total	**86,678**	

31. Events occurring after the closing date of the consolidated financial statements

Between December 31, 2018, closing date of these consolidated financial statements, and the date when their publication was authorized, the following material events regarding the Company's business have occurred.

31.1 Lease and service provision agreement

On February 1, 2019, the Company, through its subsidiary Trading de Gas SpA, signed a lease and service provision agreement with Terminal Marítimo Oxiquim Mejillones S.A., a subsidiary of Oxiquim S.A., under which Terminal Marítimo Oxiquim Mejillones S.A. will provide the Company with services of unloading, storage and dispatch of liquefied gas. The provision of services will require a total investment of approximately USD 27 million of which 50% will be financed by Lipigas during the construction period. It is estimated that the commencement of operations will occur at the end of the year 2020.

With this agreement, Lipigas will be able to supply directly by sea about 60 thousand tons of LPG per year, which can increase up to 90 thousand tons per year, thus allowing to improve its operations with customers in the northern zone of Chile.

The lease agreement of those facilities will be accounted for upon commencement of operations, which will be classified as a financial lease pursuant to IFRS 16.

Between December 31, 2018, the closing date of the consolidated financial statements, and the date when their publication was authorized, no other significant events have occurred regarding the Company's business.

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