

## **EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2019**

Santiago, Chile, August 28, 2019 – Empresas Lipigas S.A. (“Lipigas” or “the Company”), energy company, leader in commercializing and distributing gas in Chile with operations in Colombia and Peru, announced today its consolidated financial results for the second quarter ended June 30, 2019. All figures are set according to IFRS-International Financial Reporting Standards- in Chilean pesos (CLP). All variation comparisons refer to the same period of the previous year, unless otherwise indicated.

Important note: For the year 2019, Empresas Lipigas has adopted the amendments established by the International Financial Reporting Standard No.16 (IFRS 16), implying that the distinction between financial and operating leases disappears, thus practically all leases follow the same recording model. A more detailed description of the effects of adopting IFRS 16 is included in note 2.2 of the interim consolidated financial statements as of June 30, 2019. This causes the comparison between periods to be difficult because the results of 2018 do not incorporate the above-mentioned effect. To facilitate the understanding of the Company's results, the figures in this report have been prepared excluding the effects associated with IFRS 16 for both 2018 and 2019, unless explicitly stated.

### **Lipigas increased its EBITDA by 6.7% as of June 30, excluding the effects of IFRS 16**

#### **Highlights last 6 months:**

- EBITDA (excluding the effects of IFRS 16) reached CLP 42,197 million, 6.7% higher than the previous year (CLP 39,562 million).
- Consolidated LPG sales volume increases by 1.5%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) increases by 2.5%.
- Income after taxes (excluding the effects of IFRS 16) increases by 5.8%.

#### **Highlights 2Q 2019:**

- EBITDA (excluding the effects of IFRS 16) reached CLP 26,387 million, 6.7% higher than the previous year (CLP 24,737 million).
- Consolidated LPG sales volume increases by 1.5%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) increases by 1.6%.
- Income after taxes (excluding the effects of IFRS 16) decreases by 0.2%.

## **Comments of the General Manager – Ángel Mafucci**

“As of June 30 of this year we have had good results, with a 16.6% increase of the company's EBITDA compared to 2018 and a final result that grew 7.1%, which to a large extent is due to the growth strategy we are implementing and to the future vision of our company. We have made great progress in the digital transformation of the company's processes, which has allowed us to gain important efficiencies and get to know our clients more thoroughly. In this way we have been able to continuously improve our service and increase our LPG sales volumes, especially in Chile. The constant increase in our direct delivery capacity has been fundamental to achieve all of this. Only in bottled gas, today this distribution system represents 37% of total sales volume, which reaches 700 thousand orders per month. We will continue on this path, which is leveraged in the use of technological tools and brings enormous advantages for the company. At the same time, we have had good results in Peru and we have enhanced the company's growth in Colombia thanks to the investments made in that country.

Although the company's good results as of June 2019 were impacted by the adoption of IFRS 16 on financial leases, discounting the effects of this standard, accumulated figures show an EBITDA generation of CLP 42,197 million, with a 6.7% increase compared to the same period of the previous year.

The operations in the three countries where we are present show positive results as of June 30. Chile's EBITDA was 5.2% higher. Gross margin grew 9.8% due to the good performance of the direct selling strategy. In Colombia, EBITDA increased 18.9%, associated with higher LPG volumes and the incorporation since the last quarter of 2018 of the Surgas operation, a network gas distribution company. Peru records an EBITDA growth of 13.0%.

We will continue developing our growth strategy, driven by digital transformation, generating value for our shareholders and customers. At the same time, in our three operations we are implementing plans adapted to each market to take advantage of their versatility and transversal consumer acceptance. In Chile, we are just beginning to participate in the electricity commercialization market, delivering solutions to industrial clients and adapting to the needs of each one.

These steps are due to our vision of the future as a solid, efficient and sustainable company in time, present in the most attractive Latin American markets due to their high growth potential. Relying on our widely recognized brand image, we will continue working to get closer to millions of residential, commercial and industrial clients in Chile, Colombia and Peru.”

### **2Q19-Consolidated Results**

EBITDA reached CLP 26,387 million with an increase of 6.7% regarding the same period of the previous year, resulting from higher EBITDA in the quarter in both Chile and Colombia. Chile presented an increase in EBITDA compared to 2Q18, mainly due to an increase in bottled sales volume and better unit margins that offset the lower consumption of industrial customers. Colombia presented higher LPG sales volume and higher unit margins. Peru, despite showing a higher level of LPG sales and better unit margins, presents a decrease in EBITDA associated with lower results from

the natural gas business. Considering the effect of adopting IFRS 16, EBITDA amounts to CLP 28,352 million with an increase of 14.6% over the second quarter of 2018. Added to the aforementioned increases is the lower operating expense associated with recognition as financial leases of contracts that were previously classified as operating expenses.

Consolidated revenues reached CLP 134,404 million, reflecting an increase of 0.1%. In Chile, revenues decreased by CLP 3,434 million (3.4%), mainly due to the decrease in raw material prices. In Colombia, revenues increased CLP 2,258 million (19.7%) compared to the previous year due to higher sales volume, including the effect of consolidation since 4Q18 of the Surgas operation. Peru presents higher revenues of CLP 1,252 million (6.0%) compared to 2Q18, which are mainly generated by higher LPG sales volume. The prices of oil by-products have continued to decline since the end of 4Q18, which means that average sales prices for the quarter have been lower when compared against price levels recorded in 2Q18.

Gross margin reached CLP 60,711 million, increasing by 9.3%. Chile's gross margin increased by 9.2% compared to 2Q18, mainly due to higher unit gross margins. In Colombia, gross margin increased by 11.5% due to greater LPG and NG volumes, in addition to higher unit margins. In Peru, gross margin increased by 7.9% mainly due to higher sales and higher unit margins in the LPG business. In the quarter, both Chile and Colombia are affected by a negative effect on gross margin resulting from lower reference prices.

Operating expenses increased by CLP 3,504 million (11.3%). Chile's expenses increased CLP 2,642 million (11.7%), mainly due to higher expenses in remuneration, freight and marketing, which increase is partly related to the development of strategies for integrating the distribution chain to the final customer. There are also increases in the cost of external consulting and tank re-inspection. In Colombia, expenses increased CLP 342 million (9.6%) due to higher salary and lease expenses, and additionally due to the incorporation of the Surgas operations. In Peru, expenses increased by CLP 520 million (10.8%), mainly due to higher expenses in cylinder maintenance and freight associated with natural gas sales. Considering the effect of IFRS 16, operating expenses increased by CLP 1,574 million (+5.1%), mainly due to lower freight and lease expenses associated with the recognition of these lease contracts as a right of use.

Negative non-operating income increased by CLP 1,266 million (+68.8%) mainly resulting from higher losses in adjustment units due to higher inflation in Chile (CLP 590 million), lower revenues related to the adjustment of guaranty liabilities received from customers (CLP 344 million) and lower non-operating income compared to 2Q18 (CLP 339 million), which includes lower net income from the sale of property, plant and equipment items for CLP 296 million. Considering the effect of IFRS 16, negative non-operating income increased to a lesser extent (CLP 1,140 million), mainly because the variation in income by adjustment units is smaller (since certain restatements that were previously treated as financial income, with the new standard, are now capitalized), which in turn is offset with a higher financial cost associated with new financial liabilities for right of use.

Earnings after taxes decreased slightly by 0.2%, impacted by higher negative non-operating income, which offset the improved operating income for the quarter, which increased by 6.2%. Considering the effects of adopting IFRS 16, earnings after taxes increased by 2.8%.

## **Analysis by Country**

**Chile:** In Chile EBITDA reached CLP 23,442 million, increasing 6.5% compared to 2Q18.

Revenues for the Chilean operation reached CLP 98,546 million, 3.4% lower than 2Q18, mainly explained by the drop in raw material prices. LPG volumes decreased by 1.1% with an increase in bottled volume and a lower consumption of certain industrial customers. Sales volume in equivalent LPG tons decreases slightly by 1.3%, with a 1.9% increase in the volume of customers of natural gas networks given the connections of new clients, offsetting lower LNG volume of -4.6%.

Gross margin reached CLP 48,529 million, 9.2% higher than in 2Q18 and is mainly generated by higher unit margins, offset by a negative effect on inventories in the second quarter, which comparatively to the same period of the previous year, there is a negative variation of CLP 1,193 million. In terms of bottled volume, there is an increase in the proportion in direct sales to end-customers as a percentage of total sales. This impacts the increase in unit margins. Additionally, lower consumption of industrial customers occurred in large volume clients, which has smaller margins.

Operating expenses in Chile increased by CLP 2,642 million (11.7%), mainly in remuneration, freight and marketing expenses, which largely relate to the implementation of integration strategies of the distribution chain to the end-customer. Additionally, there is an increase in the expenses of external consultancies and tank reinspection.

**Colombia:** EBITDA in Colombia reached CLP 2,075 million, representing a 15.3% increase compared to 2Q18, mainly due to higher sales volume.

Revenues for the Colombian operation reached CLP 13,704 million, 19.7% higher than 2Q18, mainly due to a 10% increase in LPG sales and the sale of 1.9 million m<sup>3</sup> of natural gas. This revenue includes the Surgas subsidiary operation, which has been consolidated since 4Q18 and was not considered in 2Q18.

Colombia's gross margin in Chilean currency has a positive variation of 11.5%, mainly due to higher sales volume. The higher margin is partially offset by a negative effect on inventories, which produces a negative variation of CLP 884 million, comparatively to the same period of the previous year.

Operating expenses increased by CLP 342 million (9.6%) due to higher salary and lease expenses, also including expenses corresponding to the Surgas operation.

The Colombian peso devalued 4.2% compared to the Chilean peso when comparing 2Q19 with 2Q18.

**Peru:** EBITDA in Peru amounted to CLP 869 million, representing a 6.8% decrease regarding 2Q18, mainly due to lower results in the natural gas business although volumes were greater in the quarter, and due to improved unit margins in the LPG business.

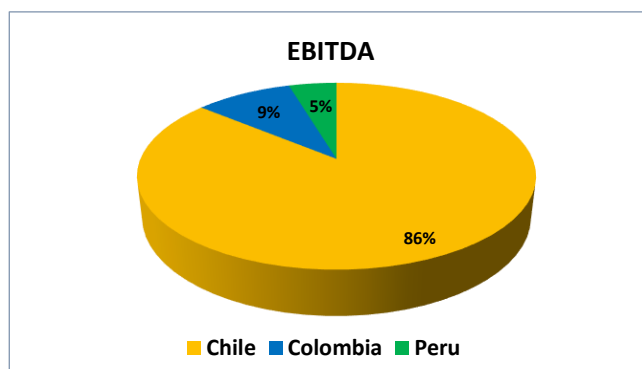
Revenues for the Peruvian operation reached CLP 22,154 million, 6.0% higher than 2Q18, mainly due to higher LPG sales volume, which increased by 6.5%. The strong price competition, especially from informal competitors, is reduced in the quarter due to lower raw material prices, allowing better unit margins in LPG. NG sales decreased slightly by 3.6% compared to 2Q18, mainly due to lower consumption of some customers and a shorter fishing season that affected the consumption of customers in this segment. Consequently, sales volume in equivalent LPG tons increased by 3.4% in the quarter.

Gross margin increased by 7.9% mainly influenced by higher unit margins and higher volumes in the LPG business, which continue to show a recovery from 4Q18. NG volumes of the clients of the fishing sector were offset with an increase in the volume of other high consumption industrial customers, but with smaller unit margins.

Operating expenses increased by CLP 520 million (10.8%), mainly due to higher expenses in maintenance of cylinders and freight associated with NG sales and due to the revaluation of the Peruvian sol against the Chilean peso.

The Peruvian sol revalued by 8.1% against the Chilean peso when comparing 2Q19 with 2Q18.

### **Accumulated Consolidated Results as of 06.30.2019**



EBITDA reached CLP 42,197 million with an increase of 6.7% over the same period of the previous year, given that the three countries show increases in their cash flow generation. Chile presented increased EBITDA mainly due to an increase in LPG unit margins, while Colombia presented higher sales volume and higher unit margins. Peru closes a positive first half, recording a significant growth in EBITDA associated with an increase in LPG unit margins and a higher level of natural gas sales. Considering the effects of adopting IFRS 16, EBITDA reached CLP 46,124 million (increasing by

16.6%), mainly due to the lower operating expenses associated with the recognition as financial leases of contracts that were previously classified as operating expenses.

Consolidated revenues reached CLP 242,784 million, reflecting a 2.2% increase. In Chile, revenues decreased by CLP 2,318 million (1.3%), mainly due to the decrease in the cost of raw materials, offset by an increase in unit prices due to a greater proportion of direct sales to end-customers. In Colombia, revenues increased by CLP 4,303 million (+19.1%) compared to the previous year due to higher sales volume, including the effect of consolidation since 4Q18 of the Surgas operation. Revenues in Peru increased by CLP 3,157 million (8.1%) compared to 2Q18, which is generated by higher sales volume.

Gross margin reached CLP 107,612 million, increasing by 10.8%. Chile's gross margin increased by 9.8% compared to the same period of the previous year, mainly due to higher gross unit margins. In Colombia, gross margin increased by 14.0% due to higher LPG and NG volumes, in addition to higher unit margins. In Peru, gross margin increased by 14.7% due to higher LPG and NG sales and higher unit margins in the LPG business. Chile and Colombia are impacted by the negative effects on gross margin resulting from lower reference prices.

Operating expenses increased by CLP 7,861 million (13.6%). Chile's expenses increased by CLP 5,688 million (13.6%), mainly due to higher salaries, freight expenses, central operating services, call centers and electronic transactions and marketing, which increase mostly relates to the development of integration strategies of the distribution chain to the end-customer. Other expenses that increase relate to marketing, consulting, tank reinspection and remuneration, as well as expenses associated with the incorporation of new clients to natural gas networks, which amounted to CLP 366 million. In Colombia, expenses increased by CLP 778 million (11.6%) due to higher salaries and cylinder maintenance expenses, and additionally due to the incorporation of the Surgas operations. In Peru, expenses increased by CLP 1,395 million (15.0%), mainly due to higher freight expenses resulting from an increase in NG sales volume. Considering the effects of adopting IFRS 16, operating expenses increased by CLP 3,985 million (+6.9%), mainly due to lower freight and lease expenses associated with the recognition of these lease contracts as a right of use.

Negative non-operating income increased by CLP 1,100 million mainly due to lower income due to the restatement of guaranty liabilities received from clients (CLP 385 million), higher interest for financial liabilities for CLP 259 million and lower non-operating income mainly because in the first half of the previous year, a customer penalty was charged in Peru for the early termination of a contract, which is not repeated this year. Considering the effect of IFRS 16, negative non-operating income increased by CLP 1,341 million, mainly due to higher financial costs associated with new right-of-use financial liabilities.

Earnings after taxes increased by 5.8%, mainly due to higher operating income. In addition, earnings benefit from a lower income tax because the effective tax rate for the first half of 2018 was higher than the one recorded in the first half of 2019.



## **Analysis by Country**

**Chile:** EBITDA in Chile reached CLP 36,284 million, with an increase of 5.2% over the first half of 2018.

Revenue for the Chilean operation reached CLP 173,814 million, 1.3% lower than the same period of the previous year. Although the proportion of direct sales to end-customers was higher than the previous year, the decline in reference prices of oil products offset that price increase. LPG sales volume decreased by 0.3%, with a 4.8% increase in the sales volume of bottled LPG, which was offset by lower consumption of industrial customers. Sales volume in equivalent LPG tons decreases slightly by 0.7%, with a 14.5% increase in the volume of customers of natural gas networks given the connections of new customers, which offset the -8.1% lower volume of LNG due to lower consumption of industrial customers.

Gross margin reached CLP 83,554 million, 9.8% higher than the previous year and is mainly generated by higher unit margins, influenced by the higher proportion of bottled LPG sales to end-customers and lower consumption of industrial customers. These better margins offset the negative effect on inventories given the drop in international prices that are a reference for setting sales prices. This effect, compared to the same period of the previous year, produces a negative variation of CLP 1,455 million.

Operating expenses in Chile increased by CLP 5,688 million (13.6%) mainly in freight, plant operation services, call center and sales transactions, which expenses relate to the implementation of integration strategies of the distribution chain to the end-customer. Additionally, there are increased marketing and consulting expenses, tank reinspection and remuneration, as well as expenses related to connecting new customers to natural gas networks in the amount of CLP 366 million.

**Colombia:** EBITDA in Colombia reached CLP 3,962 million, an increase of 18.9% over the previous year, mainly due to higher sales and greater LPG unit margins.

Revenues in the Colombian operation reached CLP 26,782 million, 19.1% higher than the previous year, mainly due to the 9.1% increase in LPG sales and the sale of 3.8 million m<sup>3</sup> of natural gas. This revenue includes the Surgas subsidiary operation, which has been consolidated since 4Q18 and was not considered in the first half of the previous year.

Colombia's gross margin shows a positive variation of 14.0%, mainly due to higher sales volume.

Operating expenses increased by CLP 778 million (11.6%) due to higher salary expenses and maintenance of cylinders, also including the expenses of the Surgas operation (CLP 495 million).

The Colombian peso devalued 1.7% against the Chilean peso.

**Peru:** EBITDA in Peru reached CLP 1,952 million, representing a 13.0% increase compared to the first half of 2018, mainly due to greater unit margins of the LPG business and higher sales volume.

Revenues in the Peruvian operation reached CLP 42,188 million, 8.1% higher than the previous year, mainly due to greater LPG and NG sales volume, which increased 3.1% and 9.4%, respectively. NG sales increase mainly due to CNG and LNG sales to an industrial customer that began in the middle of the previous year. Consequently, during the first half, sales volume in equivalent LPG tons increased by 4.9%.

Gross margin increased by 14.7% mainly influenced by sales and better LPG unit margins, which have shown a recovery from 4Q18.

Operating expenses increased by CLP 1,395 million (15.0%), mainly due to higher freight expenses in the NG business associated with higher volumes, and the revaluation effect of the Peruvian sol regarding the Chilean peso.

The Peruvian sol revalued 8.0% against the Chilean peso.

### **News for the second quarter and until the issuance date of this release**

- On April 25, 2019, the General Shareholders Meeting agreed upon the following matters:
  - Approval of the Annual Report, Balance Sheet, Consolidated Income Statement and the opinion of external auditors, corresponding to the fiscal year ended December 31, 2018.
  - Approval of the distribution of a final dividend charged against distributable net earnings of the 2018 fiscal year in the amount of CLP 42 per share.
  - Approval of the appointment of PwC as external auditors of the Company for the 2019 fiscal year.
  - Other matters pertaining to the General Shareholders' Meeting were also addressed.
- On May 14, 2019, the resignation of director Mario Vinagre Muñoz was reported.
- On May 22, 2019, the Consolidated Results for the First Quarter of 2019 were reported.
- On May 30, 2019, it was reported the Board of Directors approved an interim dividend charged against 2019 earnings in the amount of CLP 65 per share, which was paid on June 26, 2019.

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*Empresas Lipigas S.A. is an energy company that contributes to the sustainable development by improving the quality of life through the commercialization of energy solutions in Latin America. In Chile, it is a leader in the LPG field through the largest network of nationwide coverage. It services residential, industrial, real estate sectors and vehicular gas from Arica to Punta Arenas. It is present in the LPG distribution market in Colombia since 2010 and in Peru since 2013. It is also present in the distribution of natural gas in Chile through the distribution of network natural gas and LNG and in Peru through the distribution of CNG.*

For more information visit: [www.lipigas.com](http://www.lipigas.com)

**Forward looking statements**

The statements contained in this press release, including those regarding forecasts for the Company's business, the projections of operation, financial results, the growth potential of the Company, the market and macroeconomic estimates are merely projections and are based on management expectations regarding the future of the Company. These expectations are highly dependent on changes in the market, the overall economic performance of Latin America, particularly of the countries where the Company has operations, the industry and international markets, and are therefore subject to change. Statements about expectations relate only as of the date they are made, and the Company is not responsible for publicly updating any of them in light of new information, future events or others. The Company's annual report, its financial statements, and the analysis of them include more information about risks associated with the business and are available on the web site: [www.lipigas.com](http://www.lipigas.com).

In the following tables, figures for the year 2019 do not include the effects derived from the adoption of the amendments established by the International Financial Reporting Standard No. 16 (IFRS 16).

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

	2Q19	2Q19	Var. Y/Y (%)	Acum.2019	Acum.2018	Var. Y/Y (%)
<b>LPG Sales Volume (tons)</b>	<b>188,421</b>	<b>185,596</b>	<b>1.5 %</b>	<b>341,274</b>	<b>336,268</b>	<b>1.5 %</b>
<b>NG Sales Volume (M3)</b>	<b>22,390,588</b>	<b>21,152,777</b>	<b>5.9 %</b>	<b>44,070,963</b>	<b>36,769,618</b>	<b>19.9 %</b>
<b>LNG Sales Volume (M3)</b>	<b>9,592,891</b>	<b>10,058,530</b>	<b>(4.6)%</b>	<b>18,637,545</b>	<b>20,276,705</b>	<b>(8.1)%</b>
<b>LPG Sales Volume (equivalent tons) <sup>1</sup></b>	<b>213,208</b>	<b>209,785</b>	<b>1.6 %</b>	<b>389,873</b>	<b>380,478</b>	<b>2.5 %</b>
<b>Revenues</b>	<b>134,404</b>	<b>134,329</b>	<b>0.1 %</b>	<b>242,784</b>	<b>237,643</b>	<b>2.2 %</b>
Cost of goods sold	(73,693)	(78,760)	(6.4)%	(135,172)	(140,490)	(3.8)%
<b>Gross margin<sup>2</sup></b>	<b>60,711</b>	<b>55,569</b>	<b>9.3 %</b>	<b>107,612</b>	<b>97,154</b>	<b>10.8 %</b>
Other revenues by function	78	66	18.2 %	163	125	30.6 %
-Freight	(8,996)	(8,401)	7.1 %	(16,806)	(14,609)	15.0 %
-Remuneration, salaries, benefits and mandatory expenses	(8,339)	(7,792)	7.0 %	(16,681)	(14,971)	11.4 %
-Maintenance	(5,309)	(4,104)	29.4 %	(9,358)	(7,898)	18.5 %
-Others	(11,758)	(10,601)	10.9 %	(22,732)	(20,239)	12.3 %
<b>EBITDA <sup>3</sup></b>	<b>26,387</b>	<b>24,737</b>	<b>6.7 %</b>	<b>42,197</b>	<b>39,562</b>	<b>6.7 %</b>
Depreciation and amortization	(5,898)	(5,439)	8.4 %	(11,669)	(10,863)	7.4 %
<b>Operating Income</b>	<b>20,489</b>	<b>19,298</b>	<b>6.2 %</b>	<b>30,528</b>	<b>28,699</b>	<b>6.4 %</b>
Financial costs	(1,679)	(1,647)	1.9 %	(3,466)	(3,048)	13.7 %
Financial income	(20)	261	(107.8)%	730	927	(21.3)%
Exchange rate difference	(48)	(24)	100.9 %	(21)	54	(138.7)%
Income by adjustment unit	(1,421)	(831)	71.1 %	(1,419)	(1,562)	(9.2)%
Other gains (losses)	63	401	(84.4)%	331	884	(62.5)%
<b>Non-Operating Income</b>	<b>(3,106)</b>	<b>(1,840)</b>	<b>68.8 %</b>	<b>(3,844)</b>	<b>(2,744)</b>	<b>40.1 %</b>
<b>Earnings before taxes</b>	<b>17,382</b>	<b>17,458</b>	<b>(0.4)%</b>	<b>26,684</b>	<b>25,955</b>	<b>2.8 %</b>
-Income Tax	(4,884)	(4,939)	(1.1)%	(7,381)	(7,708)	(4.3)%
<b>Earnings after taxes</b>	<b>12,499</b>	<b>12,519</b>	<b>(0.2)%</b>	<b>19,304</b>	<b>18,247</b>	<b>5.8 %</b>
<i>Earnings per share (CLP/share)</i>	<i>108.54</i>	<i>110.02</i>	<i>-1.3%</i>	<i>167.05</i>	<i>160.19</i>	<i>4.3 %</i>

**Breakdown by country (in million CLP)**

<b>Chile</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (CLP/USD)	683.9	620.9	10.1 %	675.5	611.4	10.5 %
<b>LPG Sales Volume (tons)</b>	<b>129,103</b>	<b>130,574</b>	<b>(1.1)%</b>	<b>228,948</b>	<b>229,593</b>	<b>(0.3)%</b>
<b>NG Sales Volume (M3)</b>	<b>1,199,211</b>	<b>1,176,591</b>	<b>1.9 %</b>	<b>2,014,679</b>	<b>1,760,292</b>	<b>14.5 %</b>
<b>LNG Sales Volume (M3)</b>	<b>9,592,891</b>	<b>10,058,530</b>	<b>(4.6)%</b>	<b>18,637,545</b>	<b>20,276,705</b>	<b>(8.1)%</b>
<b>LPG Sales Volume (equivalent tons) <sup>1</sup></b>	<b>137,466</b>	<b>139,282</b>	<b>(1.3)%</b>	<b>244,954</b>	<b>246,672</b>	<b>(0.7)%</b>
<b>Revenues</b>	<b>98,546</b>	<b>101,980</b>	<b>(3.4)%</b>	<b>173,814</b>	<b>176,133</b>	<b>(1.3)%</b>
Cost of goods sold	(50,017)	(57,521)	(13.0)%	(90,260)	(100,013)	(9.8)%
<b>Gross margin <sup>2</sup></b>	<b>48,529</b>	<b>44,459</b>	<b>9.2 %</b>	<b>83,554</b>	<b>76,120</b>	<b>9.8 %</b>
Other revenues by function	76	66	15.4 %	160	125	28.0 %
Operating expenses	(25,163)	(22,521)	11.7 %	(47,430)	(41,742)	13.6 %
<b>EBITDA <sup>3</sup></b>	<b>23,442</b>	<b>22,005</b>	<b>6.5 %</b>	<b>36,284</b>	<b>34,502</b>	<b>5.2 %</b>
Depreciation and amortization	(4,370)	(4,271)	2.3 %	(8,646)	(8,390)	3.1 %
<b>Operating Income</b>	<b>19,073</b>	<b>17,734</b>	<b>7.5 %</b>	<b>27,637</b>	<b>26,113</b>	<b>5.8 %</b>
<b>Colombia</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (COP/USD)	3,256	2,831	15.0%	3,195	2,843	12.4%
<b>LPG Sales Volume (tons)</b>	<b>22,399</b>	<b>20,355</b>	<b>10.0%</b>	<b>43,141</b>	<b>39,540</b>	<b>9.1%</b>
<b>NG Sales Volume (M3)</b>	<b>1,938,127</b>	<b>0</b>	<b>0.0%</b>	<b>3,763,926</b>	<b>0</b>	<b>0.0%</b>
<b>LPG Sales Volume (equiv. ton)<sup>1</sup></b>	<b>23,901</b>	<b>20,355</b>	<b>17.4%</b>	<b>46,058</b>	<b>39,540</b>	<b>16.5%</b>
<b>Revenues</b>	<b>13,704</b>	<b>11,447</b>	<b>19.7 %</b>	<b>26,782</b>	<b>22,479</b>	<b>19.1 %</b>
Cost of goods sold	(7,736)	(6,096)	26.9 %	(15,357)	(12,461)	23.2 %
<b>Gross margin <sup>2</sup></b>	<b>5,968</b>	<b>5,350</b>	<b>11.5 %</b>	<b>11,425</b>	<b>10,019</b>	<b>14.0 %</b>
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,893)	(3,551)	9.6 %	(7,464)	(6,686)	11.6 %
<b>EBITDA <sup>3</sup></b>	<b>2,075</b>	<b>1,800</b>	<b>15.3 %</b>	<b>3,962</b>	<b>3,333</b>	<b>18.9 %</b>
Depreciation and amortization	(654)	(556)	17.7 %	(1,302)	(1,101)	18.3 %
<b>Operating Income</b>	<b>1,421</b>	<b>1,244</b>	<b>14.2 %</b>	<b>2,660</b>	<b>2,232</b>	<b>19.2 %</b>
<b>Peru</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (PEN/USD)	3.32	3.26	1.9 %	3.32	3.25	2.3 %
<b>LPG Sales Volume (tons)</b>	<b>36,919</b>	<b>34,667</b>	<b>6.5 %</b>	<b>69,185</b>	<b>67,134</b>	<b>3.1 %</b>
<b>NG Sales Volume (M3)</b>	<b>19,253,250</b>	<b>19,976,186</b>	<b>(3.6)%</b>	<b>38,292,359</b>	<b>35,009,326</b>	<b>9.4 %</b>
<b>LPG Sales Volume (equiv. ton)<sup>1</sup></b>	<b>51,840</b>	<b>50,148</b>	<b>3.4 %</b>	<b>98,861</b>	<b>94,266</b>	<b>4.9 %</b>
<b>Revenues</b>	<b>22,154</b>	<b>20,902</b>	<b>6.0 %</b>	<b>42,188</b>	<b>39,031</b>	<b>8.1 %</b>
Cost of goods sold	(15,940)	(15,144)	5.3 %	(29,555)	(28,016)	5.5 %
<b>Gross margin <sup>2</sup></b>	<b>6,214</b>	<b>5,759</b>	<b>7.9 %</b>	<b>12,632</b>	<b>11,015</b>	<b>14.7 %</b>
Other revenues by function	2	0	0.0 %	3	0	0.0 %
Operating expenses	(5,346)	(4,826)	10.8 %	(10,684)	(9,288)	15.0 %
<b>EBITDA <sup>3</sup></b>	<b>869</b>	<b>933</b>	<b>(6.8)%</b>	<b>1,952</b>	<b>1,727</b>	<b>13.0 %</b>
Depreciation and amortization	(874)	(612)	42.8 %	(1,720)	(1,373)	25.3 %
<b>Operating Income</b>	<b>-5</b>	<b>321</b>	<b>(101.5)%</b>	<b>231</b>	<b>354</b>	<b>(34.7)%</b>

**Empresas Lipigas S.A.  
Financial Indicators -Evolution**

Million CLP	2T19	1T19	4T18	3T18	2T18
Investment in property, plant & equip. <sup>4</sup>	10,628	11,700	17,121	12,802	10,950
Cash and cash equivalents	12,080	8,595	13,883	14,036	12,196
Dividends payable <sup>5</sup>	0	0	0	0	0
Net cash and cash equivalents <sup>6</sup>	12,080	8,595	13,883	14,036	12,196
Total financial debt	167,207	161,946	163,872	159,655	162,522
-Short term financial debt	47,324	43,021	38,437	38,538	41,509
-Long term financial debt	119,883	118,925	125,435	121,118	121,014
EBITDA LTM	88,383	86,732	85,747	82,425	86,170
Financial Ratios (times)					
-Financial debt/EBITDA <sup>7</sup>	1.8	1.8	1.7	1.8	1.7
-Indebtedness <sup>8</sup>	1.0	1.0	1.0	1.0	1.0

Note: For comparison purposes, ratios do not include the effect associated with the adoption of IFRS 16.

In the following tables, figures for the year 2019 include the effects derived from the adoption of the amendments established by the International Financial Reporting Standard No. 16 (IFRS 16). Figures for the year 2018 do not include the effects of the standard.

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

	2Q19	2Q19	Var. Y/Y (%)	Acum.2019	Acum.2018	Var. Y/Y (%)
LPG Sales Volume (tons)	188,421	185,596	1.5 %	341,274	336,268	1.5 %
NG Sales Volume (M3)	22,390,588	21,152,777	5.9 %	44,070,963	36,769,618	19.9 %
LNG Sales Volume (M3)	9,592,891	10,058,530	(4.6)%	18,637,545	20,276,705	(8.1)%
LPG Sales Volume (equivalent tons) <sup>1</sup>	213,208	209,785	1.6 %	389,873	380,478	2.5 %
<b>Revenues</b>	<b>134,404</b>	<b>134,329</b>	<b>0.1 %</b>	<b>242,784</b>	<b>237,643</b>	<b>2.2 %</b>
Cost of goods sold	(73,659)	(78,760)	(6.5)%	(135,122)	(140,490)	(3.8)%
<b>Gross margin<sup>2</sup></b>	<b>60,745</b>	<b>55,569</b>	<b>9.3 %</b>	<b>107,663</b>	<b>97,154</b>	<b>10.8 %</b>
Other revenues by function	78	66	18.2 %	163	125	30.6 %
-Freight	(8,413)	(8,401)	0.1 %	(15,597)	(14,609)	6.8 %
-Remuneration, salaries, benefits and mandatory expenses	(8,339)	(7,792)	7.0 %	(16,681)	(14,971)	11.4 %
-Maintenance	(5,124)	(4,104)	24.9 %	(8,999)	(7,898)	13.9 %
-Others	(10,595)	(10,601)	(0.1)%	(20,425)	(20,239)	0.9 %
<b>EBITDA <sup>3</sup></b>	<b>28,352</b>	<b>24,737</b>	<b>14.6 %</b>	<b>46,124</b>	<b>39,562</b>	<b>16.6 %</b>
Depreciation and amortization	(7,697)	(5,439)	41.5 %	(15,250)	(10,863)	40.4 %
<b>Operating Income</b>	<b>20,654</b>	<b>19,298</b>	<b>7.0 %</b>	<b>30,873</b>	<b>28,699</b>	<b>7.6 %</b>
Financial costs	(2,022)	(1,647)	22.7 %	(4,175)	(3,048)	37.0 %
Financial income	(20)	261	(107.8)%	730	927	(21.3)%
Exchange rate difference	(48)	(24)	100.9 %	(21)	54	(138.7)%
Income by adjustment unit	(952)	(831)	14.7 %	(950)	(1,562)	(39.2)%
Other gains (losses)	63	401	(84.4)%	331	884	(62.5)%
<b>Non-Operating Income</b>	<b>(2,980)</b>	<b>(1,840)</b>	<b>62.0 %</b>	<b>(4,085)</b>	<b>(2,744)</b>	<b>48.9 %</b>
<b>Earnings before taxes</b>	<b>17,674</b>	<b>17,458</b>	<b>1.2 %</b>	<b>26,789</b>	<b>25,955</b>	<b>3.2 %</b>
-Income Tax	(4,802)	(4,939)	(2.8)%	(7,246)	(7,708)	(6.0)%
<b>Earnings after taxes</b>	<b>12,872</b>	<b>12,519</b>	<b>2.8 %</b>	<b>19,542</b>	<b>18,247</b>	<b>7.1 %</b>
<i>Earnings per share (CLP/share)</i>	<i>111.82</i>	<i>110.02</i>	<i>1.6%</i>	<i>169.15</i>	<i>160.19</i>	<i>5.6 %</i>

**Breakdown by country (in million CLP)**

<b>Chile</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (CLP/USD)	683.9	620.9	10.1 %	675.5	611.4	10.5 %
<b>LPG Sales Volume (tons)</b>	<b>129,103</b>	<b>130,574</b>	<b>(1.1)%</b>	<b>228,948</b>	<b>229,593</b>	<b>(0.3)%</b>
<b>NG Sales Volume (M3)</b>	<b>1,199,211</b>	<b>1,176,591</b>	<b>1.9 %</b>	<b>2,014,679</b>	<b>1,760,292</b>	<b>14.5 %</b>
<b>LNG Sales Volume (M3)</b>	<b>9,592,891</b>	<b>10,058,530</b>	<b>(4.6)%</b>	<b>18,637,545</b>	<b>20,276,705</b>	<b>(8.1)%</b>
<b>LPG Sales Volume (equivalent tons)<sup>1</sup></b>	<b>137,466</b>	<b>139,282</b>	<b>(1.3)%</b>	<b>244,954</b>	<b>246,672</b>	<b>(0.7)%</b>
<b>Revenues</b>	<b>98,546</b>	<b>101,980</b>	<b>(3.4)%</b>	<b>173,814</b>	<b>176,133</b>	<b>(1.3)%</b>
Cost of goods sold	(50,017)	(57,521)	(13.0)%	(90,260)	(100,013)	(9.8)%
<b>Gross margin<sup>2</sup></b>	<b>48,529</b>	<b>44,459</b>	<b>9.2 %</b>	<b>83,555</b>	<b>76,120</b>	<b>9.8 %</b>
Other revenues by function	76	66	15.4 %	160	125	28.0 %
Operating expenses	(23,652)	(22,521)	5.0 %	(44,377)	(41,742)	6.3 %
<b>EBITDA<sup>3</sup></b>	<b>24,953</b>	<b>22,005</b>	<b>13.4 %</b>	<b>39,337</b>	<b>34,502</b>	<b>14.0 %</b>
Depreciation and amortization	(5,822)	(4,271)	36.3 %	(11,545)	(8,390)	37.6 %
<b>Operating Income</b>	<b>19,131</b>	<b>17,734</b>	<b>7.9 %</b>	<b>27,793</b>	<b>26,113</b>	<b>6.4 %</b>
<b>Colombia</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (COP/USD)	3,256	2,831	15.0%	3,195	2,843	12.4%
<b>LPG Sales Volume (tons)</b>	<b>22,399</b>	<b>20,355</b>	<b>10.0%</b>	<b>43,141</b>	<b>39,540</b>	<b>9.1%</b>
<b>NG Sales Volume (M3)</b>	<b>1,938,127</b>	<b>0</b>	<b>0.0%</b>	<b>3,763,926</b>	<b>0</b>	<b>0.0%</b>
<b>LPG Sales Volume (equiv. ton)<sup>1</sup></b>	<b>23,901</b>	<b>20,355</b>	<b>17.4%</b>	<b>46,058</b>	<b>39,540</b>	<b>16.5%</b>
<b>Revenues</b>	<b>13,704</b>	<b>11,447</b>	<b>19.7 %</b>	<b>26,782</b>	<b>22,479</b>	<b>19.1 %</b>
Cost of goods sold	(7,718)	(6,096)	26.6 %	(15,338)	(12,461)	23.1 %
<b>Gross margin<sup>2</sup></b>	<b>5,986</b>	<b>5,350</b>	<b>11.9 %</b>	<b>11,444</b>	<b>10,019</b>	<b>14.2 %</b>
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,687)	(3,551)	3.8 %	(7,063)	(6,686)	5.6 %
<b>EBITDA<sup>3</sup></b>	<b>2,299</b>	<b>1,800</b>	<b>27.8 %</b>	<b>4,380</b>	<b>3,333</b>	<b>31.4 %</b>
Depreciation and amortization	(827)	(556)	48.8 %	(1,641)	(1,101)	49.1 %
<b>Operating Income</b>	<b>1,472</b>	<b>1,244</b>	<b>18.4 %</b>	<b>2,739</b>	<b>2,232</b>	<b>22.7 %</b>
<b>Peru</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Var. Y/Y (%)</b>	<b>Acum.2019</b>	<b>Acum.2018</b>	<b>Var. Y/Y (%)</b>
Average exchange rate (PEN/USD)	3.32	3.26	1.9 %	3.32	3.25	2.3 %
<b>LPG Sales Volume (tons)</b>	<b>36,919</b>	<b>34,667</b>	<b>6.5 %</b>	<b>69,185</b>	<b>67,134</b>	<b>3.1 %</b>
<b>NG Sales Volume (M3)</b>	<b>19,253,250</b>	<b>19,976,186</b>	<b>(3.6)%</b>	<b>38,292,359</b>	<b>35,009,326</b>	<b>9.4 %</b>
<b>LPG Sales Volume (equiv. ton)<sup>1</sup></b>	<b>51,840</b>	<b>50,148</b>	<b>3.4 %</b>	<b>98,861</b>	<b>94,266</b>	<b>4.9 %</b>
<b>Revenues</b>	<b>22,154</b>	<b>20,902</b>	<b>6.0 %</b>	<b>42,188</b>	<b>39,031</b>	<b>8.1 %</b>
Cost of goods sold	(15,924)	(15,144)	5.2 %	(29,524)	(28,016)	5.4 %
<b>Gross margin<sup>2</sup></b>	<b>6,230</b>	<b>5,759</b>	<b>8.2 %</b>	<b>12,664</b>	<b>11,015</b>	<b>15.0 %</b>
Other revenues by function	2	0	0.0 %	3	0	0.0 %
Operating expenses	(5,132)	(4,826)	6.3 %	(10,261)	(9,288)	10.5 %
<b>EBITDA<sup>3</sup></b>	<b>1,099</b>	<b>933</b>	<b>17.9 %</b>	<b>2,406</b>	<b>1,727</b>	<b>39.3 %</b>
Depreciation and amortization	(1,048)	(612)	71.2 %	(2,064)	(1,373)	50.4 %
<b>Operating Income</b>	<b>51</b>	<b>321</b>	<b>(84.1)%</b>	<b>342</b>	<b>354</b>	<b>(3.5)%</b>



**Empresas Lipigas S.A.**
**Financial Indicators -Evolution**

Million CLP	2T19	1T19	4T18	3T18	2T18
Investment in property, plant & equip. <sup>4</sup>	11,310	48,411	17,121	12,802	10,950
Cash and cash equivalents	12,080	8,595	13,883	14,036	12,196
Dividends payable <sup>5</sup>	0	0	0	0	0
Net cash and cash equivalents <sup>6</sup>	12,080	8,595	13,883	14,036	12,196
<b>Total financial debt</b>	<b>200,871</b>	<b>197,062</b>	<b>163,872</b>	<b>159,655</b>	<b>162,522</b>
-Short term financial debt	53,701	49,237	38,437	38,538	41,509
-Long term financial debt	147,171	147,825	125,435	121,118	121,014
<b>EBITDA LTM</b>	<b>92,309</b>	<b>88,693</b>	<b>85,747</b>	<b>82,425</b>	<b>86,170</b>
<b>Financial Ratios (times)</b>					
-Financial debt/EBITDA <sup>7</sup>	2.0	2.1	1.7	1.8	1.7
-Indebtedness <sup>8</sup>	1.2	1.2	1.0	1.0	1.0

**Definitions:**

<sup>1</sup>LPG sales volume (equivalent tons): Addition of LPG sales in tons plus sales of network NG, CNG and LNG measured in equivalent LPG tons based on calorific value

<sup>2</sup>Gross margin: Revenues from ordinary activities less the costs of purchase of products and services sold (without deducting expenses, depreciation or amortization)

<sup>3</sup>EBITDA: Revenues from ordinary activities and other revenues by function less costs and expenses (excluding depreciation and amortization)

<sup>4</sup>Gross additions of the quarter due to investment in property, plant and equipment and to business combinations

<sup>5</sup>Dividends payable correspond to dividends payable as of reported quarter

<sup>6</sup>Net cash and cash equivalents, correspond to available cash discounting liability for dividends pending of payment

<sup>7</sup>Financial debt less cash and cash equivalents / EBITDA LTM

<sup>8</sup>Net financial debt / total equity