

Gas Natural de Lima y Callao S.A.

Financial Statements

As of September 30, 2014 and December 31, 2013

GAS NATURAL DE LIMA Y CALLAO S.A.

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AND DECEMBER 31, 2013

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2014 AND DECEMBER 31, 2013

	<u>30/09/2014</u>	<u>31/12/2013</u>		<u>30/09/2014</u>	<u>31/12/2013</u>
	<u>US\$000</u>	<u>US\$000</u>		<u>US\$000</u>	<u>US\$000</u>
ASSETS			EQUITY AND LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES		
Cash and cash equivalents	58,386	104,958	Other financial Liabilities	-	-
Trade receivables (net)	67,507	62,630	Accounts payable	41,398	49,693
Accounts receivable from related parties	62	697	Accounts payable from related parties	-	-
Inventories	23,843	20,958	Current income tax payable	12,442	22,195
Other receivables	14,445	5,411	Other accounts payable	1,777	3,042
Pre-paid expenses	4,095	7,386			
Other non financial Assets	1,038	415			
Total Current Assets	<u>169,376</u>	<u>202,455</u>	Total current liabilities	<u>55,617</u>	<u>74,930</u>
NON-CURRENT ASSETS			NON CURRENT LIABILITIES		
Trade receivables (net)	10,680	8,261	Other financial Liabilities	318,005	317,863
Property, plant and equipment (net)	9,725	9,756	Deferred tax liabilities	-	291
Intangible assets	456,604	410,928	Provisions	2,807	2,684
Deferred taxes assets	263	-	Deferred income	1,612	632
Other receivables	13,806	16,602	Other accounts payable	9,026	7,386
Total non-current assets	<u>491,078</u>	<u>445,547</u>	Total non-current liabilities	<u>331,450</u>	<u>328,856</u>
			Total liabilities	<u>387,067</u>	<u>403,786</u>
			EQUITY		
			Issued capital	235,583	220,528
			Legal reserve	8,633	6,960
			Retained earnings	29,171	16,728
			Total equity	<u>273,387</u>	<u>244,216</u>
TOTAL	<u>660,454</u>	<u>648,002</u>	TOTAL	<u>660,454</u>	<u>648,002</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>30/09/2014</u>	<u>30/09/2013</u>
	<u>US\$000</u>	<u>US\$000</u>
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	316,107	266,479
Income from the main grid extension	123,490	27,673
Other operational income	4,006	2,613
Total operational income	443,603	296,765
COST OF SALES		
Cost of natural gas sales, transport distributions and associated services	(238,379)	(204,305)
Cost of sales from the main grid extension	(123,490)	(27,673)
Gross profit	81,734	64,787
Administrative expenses	(19,978)	(19,470)
Commercialization expenses	(6,911)	(7,962)
Other (expenses) income	91	174
Operative profit	54,936	37,529
Financial income	504	1,493
Financial expenses	(10,820)	(17,144)
Exchange difference, net	(3,680)	(7,455)
Pre-income tax result	40,940	14,423
Income tax expense	(11,769)	(4,883)
Net profit of the year	29,171	9,540
Other integral result of the year	-	-
Total integral result of the year	29,171	9,540
Net profit per share:		
Basic and diluted (in USD)	0.132	0.056

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	Issued Capital	Legal Reserve	Retained earnings	Total Equity
	US\$000	US\$000	US\$000	US\$000
BALANCE AS OF JANUARY 1, 2013	133,301	4,310	64,877	202,488
Net profit for the year	-	-	9,540	9,540
Other integral result	-	-	-	-
Provision for legal reserve	-	2,650	-2,650	-
Issue of share capital	25,000	-	-	25,000
Retained earnings Capitalization	62,227	-	-62,227	-
BALANCE AS OF SEPTEMBER 31, 2013	<u>220,528</u>	<u>6,960</u>	<u>9,540</u>	<u>237,028</u>
BALANCE AS OF JANUARY 1, 2014	220,528	6,960	16,728	244,216
Net profit for the year	-	-	29,171	29,171
Other integral result	-	-	-	-
Provision for legal reserve	-	1,673	-1,673	-
Issue of share capital	-	-	-	-
Retained earnings Capitalization	15,055	-	-15,055	-
BALANCE AS OF SEPTEMBER 31, 2014	<u>235,583</u>	<u>8,633</u>	<u>29,171</u>	<u>273,387</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CASH FLOW FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>30/09/2014</u>	<u>30/09/2013</u>
	<u>US\$000</u>	<u>US\$000</u>
OPERATING ACTIVITIES:		
Collection corresponding to:		
Income for distribution services	312,626	266,028
Other cash income related to operating activities	-	5,642
Payments corresponding to:		
Suppliers of goods and services	(236,956)	(214,486)
Employee benefits	(16,109)	(16,601)
Income tax	(11,324)	(17,425)
Interests	(14,320)	(30,652)
Other cash payments related to operating activities	(7,519)	(6,664)
Net cash provided by operating activities	<u>26,398</u>	<u>(14,158)</u>
INVESTMENT ACTIVITIES:		
Collection corresponding to:		
Sale of Property, plant and equipment	60	141
Payments corresponding to:		
Investment in concession goods	(62,289)	(49,974)
Software purchase	-	-
Purchase of machinery and equipment and ongoing works	-	-
Net cash provided by operating activities	<u>(992)</u>	<u>(3,078)</u>
Net cash provided by operating activities	<u>(63,221)</u>	<u>(52,911)</u>
FINANCING ACTIVITIES:		
Collection corresponding to:		
Loans received		
Capital contribution	-	320,000
Financial contribution and overcharge	-	25,000
Payments corresponding to:		
Financial contribution and overcharge refund	-	303
Payment of related entity loans	(9,749)	(1,291)
Payment to related entity loans	-	(47,000)
Payment of loan received	-	(152,900)
Net cash provided by operating activities	<u>(9,749)</u>	<u>144,112</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	<u>(46,572)</u>	<u>77,043</u>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		
	<u>104,958</u>	<u>45,186</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>58,386</u>	<u>122,229</u>