

Gas Natural de Lima y Callao S.A.

Financial Statements

As of June 30, 2015 and December 31, 2014

GAS NATURAL DE LIMA Y CALLAO S.A.

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DECEMBER 31, 2014

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2015 AND DECEMBER 31, 2014

| | <u>30/06/2015</u> | <u>31/12/2014</u> | | <u>30/06/2015</u> | <u>31/12/2014</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 | 84,028 | 79,413 | Other financial Liabilities | 16,459 | - |
| Trade receivables (net) | 76,152 | 73,850 | Accounts payable | 51,608 | 49,823 |
| Accounts receivable from related parties | 61 | 92 | Accounts payable from related parties | 3,910 | - |
| Inventories | 19,354 | 21,145 | Current income tax payable | 29,845 | 23,571 |
| Other receivables | 19,430 | 15,276 | Other accounts payable | 14,032 | 13,128 |
| Pre-paid expenses | - | 2,152 | | | |
| Other non financial Assets | 563 | 783 | | | |
| | | | | | |
| Total Current Assets | <u>199,588</u> | <u>192,711</u> | Total current liabilities | <u>115,854</u> | <u>86,522</u> |
| | | | | | |
| NON-CURRENT ASSETS | | | NON CURRENT LIABILITIES | | |
| Trade receivables (net) | 18,432 | 12,474 | Other financial Liabilities | 330,135 | 318,054 |
| Property, plant and equipment (net) | 8,822 | 9,444 | Deferred tax liabilities | 349 | 78 |
| Intangible assets | 499,881 | 472,714 | Provisions | 3,477 | 3,260 |
| Deferred taxes assets | - | - | Deferred income | 1,120 | 765 |
| Other receivables | 50 | 8,371 | Other accounts payable | 7,907 | 7,521 |
| | | | | | |
| Total non-current assets | <u>527,185</u> | <u>503,003</u> | Total non-current liabilities | <u>342,988</u> | <u>329,678</u> |
| | | | | | |
| | | | Total liabilities | <u>458,842</u> | <u>416,200</u> |
| | | | | | |
| | | | EQUITY | | |
| | | | Issued capital | 235,583 | 235,583 |
| | | | Legal reserve | 12,163 | 8,633 |
| | | | Retained earnings | 20,185 | 35,298 |
| | | | | | |
| | | | Total equity | <u>267,931</u> | <u>279,514</u> |
| | | | | | |
| TOTAL | <u>726,773</u> | <u>695,714</u> | TOTAL | <u>726,773</u> | <u>695,714</u> |

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

| | 30/06/2015 | 30/06/2014 |
|---------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | US\$000 | US\$000 |
| OPERATIONAL INCOME | | |
| Income from natural gas sales, transport distributions sales, transport distributions and associated services | 224,835 | 208,233 |
| Income from the main grid extension | 37,274 | 39,472 |
| Other operational income | 3,376 | 2,501 |
| Total operational income | 265,485 | 250,206 |
| COST OF SALES | | |
| Cost of natural gas sales, transport distributions and associated services | (168,734) | (158,117) |
| Cost of sales from the main grid extension | (37,274) | (39,472) |
| Gross profit | 59,477 | 52,617 |
| Administrative expenses | (12,507) | (13,478) |
| Commercialization expenses | (4,405) | (4,544) |
| Other (expenses) income | (43) | 111 |
| Operative profit | 42,522 | 34,706 |
| Financial income | 1,199 | 215 |
| Financial expenses | (7,297) | (7,159) |
| Exchange difference, net | (3,707) | (892) |
| Pre-income tax result | 32,717 | 26,870 |
| Income tax expense | (12,532) | (7,561) |
| Net profit of the year | 20,185 | 19,309 |
| Other integral result of the year | - | - |
| Total integral result of the year | 20,185 | 19,309 |
| Net profit per share: | | |
| Basic and diluted (in USD) | 0.088 | 0.087 |

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

| | <u>Issued Capital</u> US\$000 | <u>Legal Reserve</u> US\$000 | <u>Retained earnings</u> US\$000 | <u>Total Equity</u> US\$000 |
|----------------------------------|----------------------------------|---------------------------------|-------------------------------------|--------------------------------|
| BALANCE AS OF JANUARY 1, 2014 | 220,528 | 6,960 | 16,728 | 244,216 |
| Net profit for the year | - | - | 19,309 | 19,309 |
| 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 JUNE 30, 2014 | <u>235,583</u> | <u>8,633</u> | <u>19,309</u> | <u>263,525</u> |
| BALANCE AS OF JANUARY 1, 2015 | 235,583 | 8,633 | 35,298 | 279,514 |
| Net profit for the year | 0 | - | - | - |
| Other integral result | - | - | - | - |
| Provision for legal reserve | - | 3,530 | -3,530 | - |
| Issue of share capital | - | - | - | - |
| Retained earnings Capitalization | - | - | - | - |
| Dividend Distribution | - | - | -31,768 | -31,768 |
| BALANCE AS OF JUNE 30, 2015 | <u>235,583</u> | <u>12,163</u> | <u>-</u> | <u>247,746</u> |

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CASH FLOW FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

| | 30/06/2015 | 30/06/2014 |
|-----------------------------------------------------------|-------------------|-------------------|
| | US\$000 | US\$000 |
| OPERATING ACTIVITIES: | | |
| Collection corresponding to: | | |
| Income for distribution services | 219,259 | 200,643 |
| Other cash income related to operating activities | 9,156 | 962 |
| Payments corresponding to: | | |
| Suppliers of goods and services | (158,724) | (145,062) |
| Employee benefits | (11,076) | (11,975) |
| Income tax | (891) | (8,228) |
| Interests | (7,169) | (7,259) |
| Other cash payments related to operating activities | (3,620) | (9,918) |
| Net cash provided by operating activities | <u>46,935</u> | <u>19,163</u> |
| INVESTMENT ACTIVITIES: | | |
| Collection corresponding to: | | |
| Sale of Property, plant and equipment | 80 | 49 |
| Payments corresponding to: | | |
| Investment in concession goods | (38,608) | (45,546) |
| Software purchase | - | (50,000) |
| Purchase of machinery and equipment and ongoing works | - | - |
| Net cash provided by operating activities | <u>(94)</u> | <u>(883)</u> |
| Net cash provided by operating activities | <u>(38,621)</u> | <u>(96,380)</u> |
| FINANCING ACTIVITIES: | | |
| Collection corresponding to: | | |
| Loans received | | |
| Capital contribution | 28,441 | - |
| Financial contribution and overcharge | - | - |
| Payments corresponding to: | | |
| Financial contribution and overcharge refund | - | - |
| Payment of related entity loans | (372) | (7,902) |
| Payment to related entity loans | (31,768) | - |
| Payment of loan received | - | - |
| Net cash provided by operating activities | <u>(3,699)</u> | <u>(7,902)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| | <u>4,615</u> | <u>(85,119)</u> |
| CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR | | |
| | <u>79,413</u> | <u>104,958</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | |
| | <u>84,028</u> | <u>19,839</u> |