

## 1. Significant Developments

- Cálidda has a client base of 317,387 customers, which represents a 35% increase compared to third quarter of 2014.
- The invoiced volume increased 4% compared to third quarter of last year, explained by an increase in the power generation segment.
- Total Revenues from third quarter 2015 increased 4% and Total Adjusted Revenues increased 5% compared to similar period of the last year.
- EBITDA and Adjusted EBITDA margin grew mostly driven by: i) higher volumes, ii) an increase in the new distribution tariff, iii) extra revenues from relocation services and iv) new contracts with our main contractors at lower prices

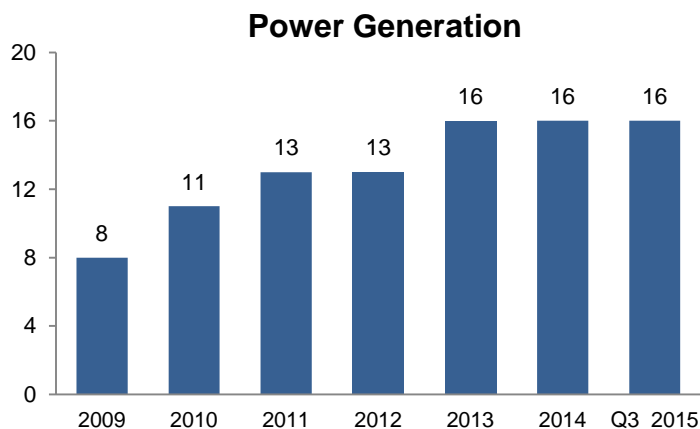
## 2. Natural Gas Market

In Q3 2015, the monthly average total volume of natural gas produced in Peru was 1,070 MMCFD (million cubic feet per day), showing a decrease of -14.46% when it's compared to the monthly average total volume produced in Q3 2014 of 1,251 MMCFD.

Out of the average monthly production in Q3, the local natural gas consumption represented 67% (714 MMCFD), whereas the remaining 33% (356 MMCFD) was exported to foreign markets.

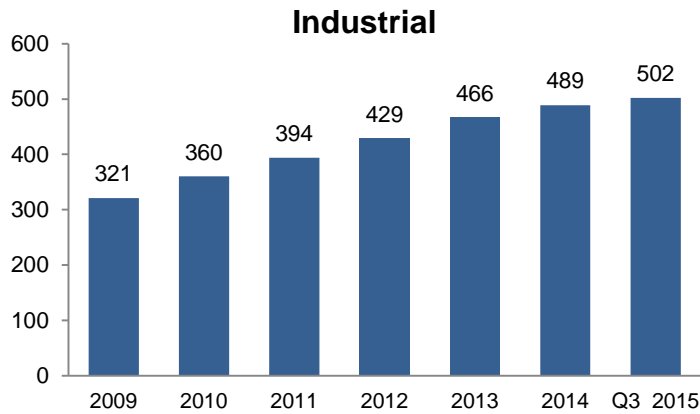
## 3. Commercial Performance

### 3.1 Client Base

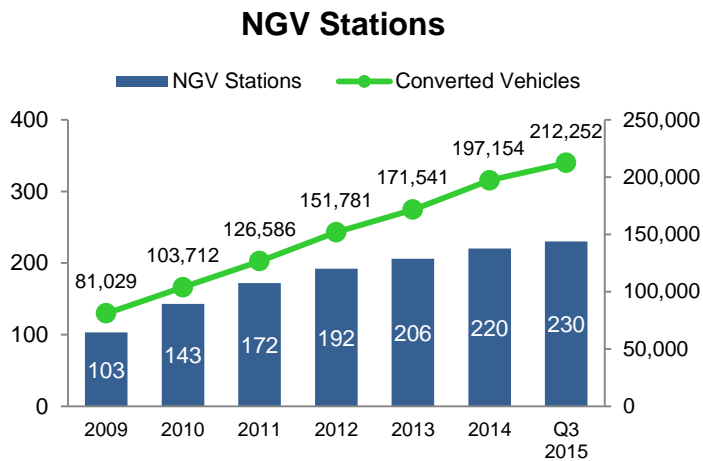


No new power generators were connected during 2015.

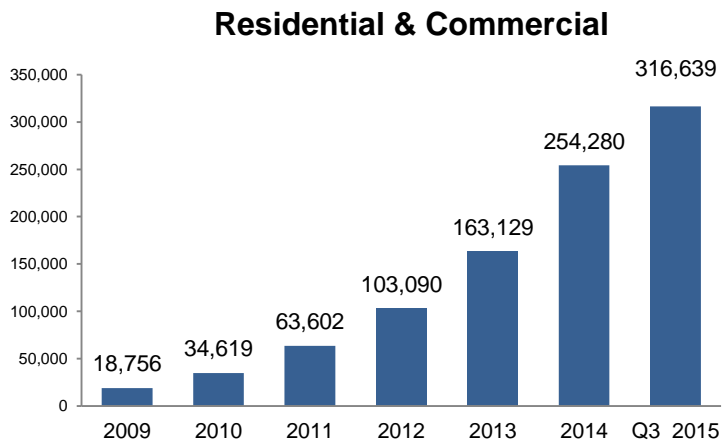
### 3.1. Client Base



13 new industrial plants were connected during 2015.



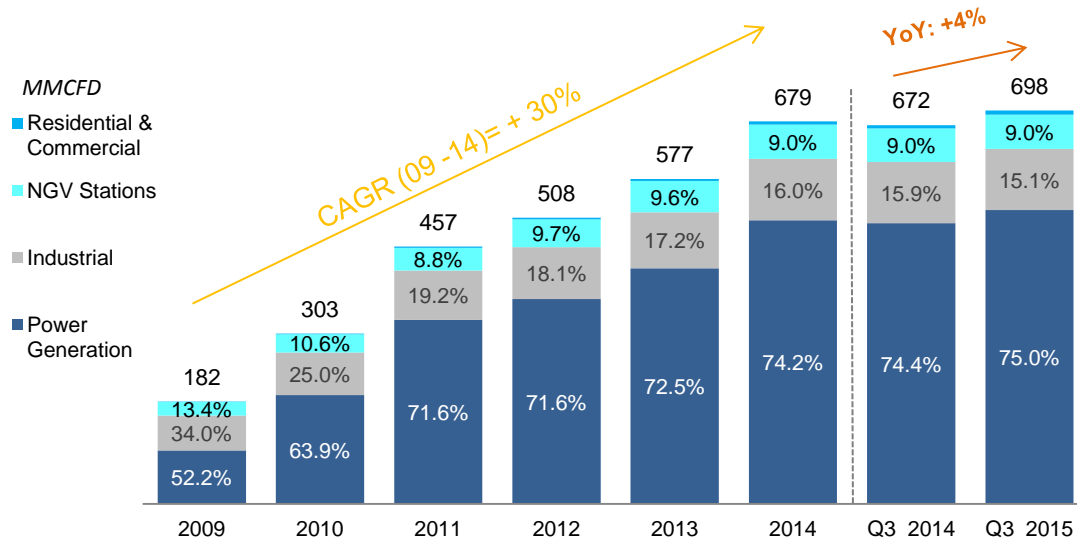
10 new NGV stations were connected to Cálidda's distribution system and more than 212,000 converted vehicles are attended in the cities of Lima and Callao.



During 2015, Cálidda added 61,473 clients in the Residential segment and 886 clients in the Commercial segment.

### 3.1. Volume

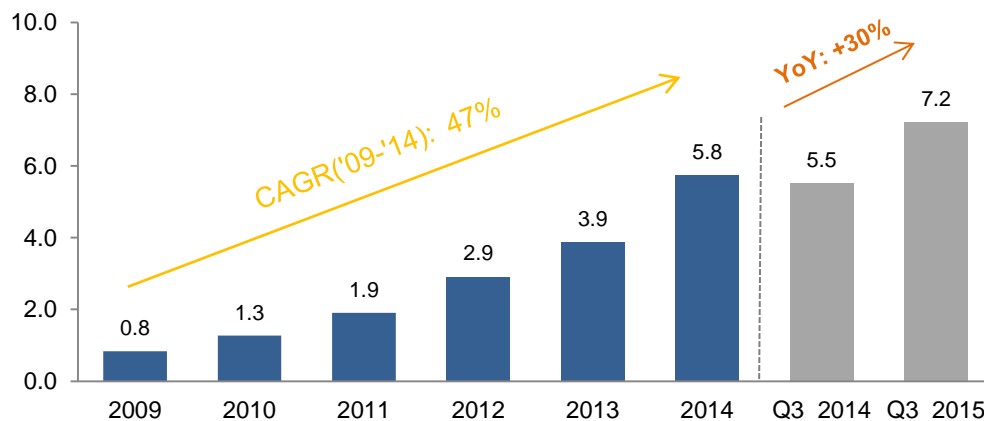
Cálidda has experienced a sustained increase in volume sold over the last few years, as shown in the next chart:



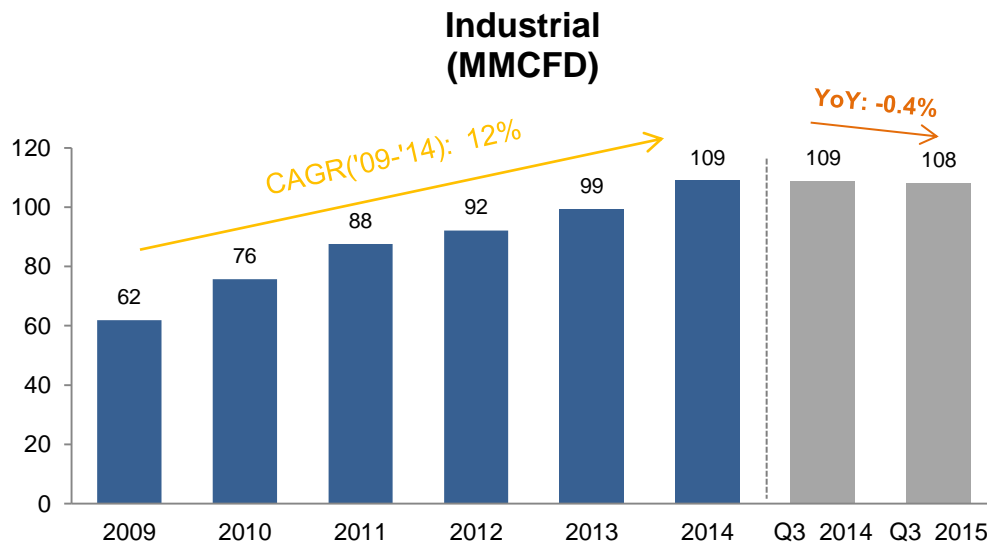
In Q3 2015 the volume sold increased 4% compared to Q3 2014, due to an increase of volumes mostly explained by the Power Generation segment. As of September 2015, Take or Pay contracts amounted 543 MMCFD (513 MMCFD Power Generation + 30 MMCFD Industrial), 78% of total invoiced volume.

The volume breakdown by client segments is shown in the following charts:

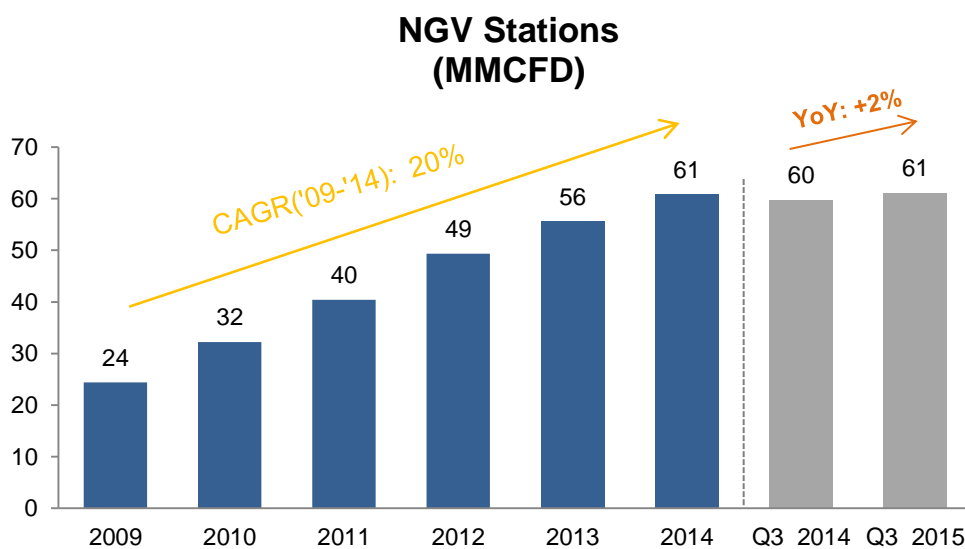
#### Residential & Commercial (MMCFD)



The Residential & Commercial segment shows an increase explained by the successful addition of new customers in the districts where Cálidda already has operations.



During to 2015 the industrial sector showed a slight decrease compared to similar period of 2014, this reduction is mostly explained by a lower consumption of the industrial customer Cementos Lima because of a programmed maintenance procedure.

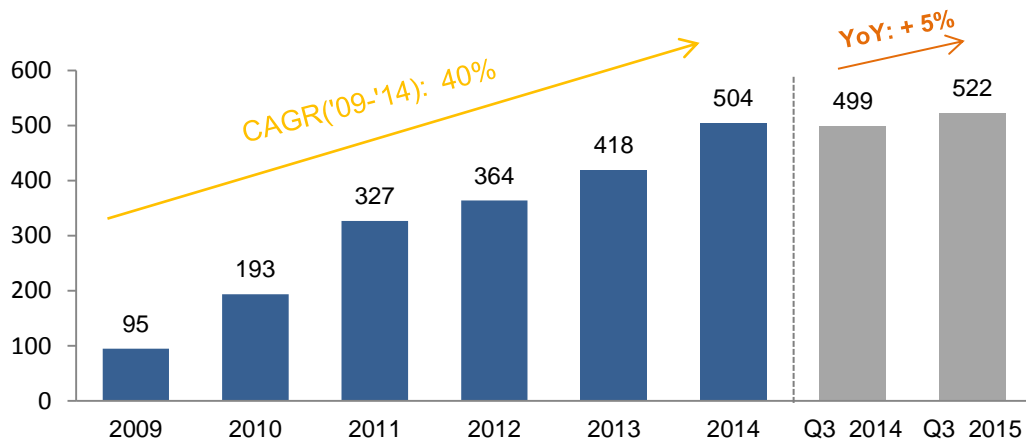


The NGV segment shows an increase mostly explained by the addition of new customers.



In the power generation segment the invoiced volume is higher because Kallpa, Enersur and Termochilca increased their firm contracted capacity (Take or Pay).

### Power Generation (MMCFD)



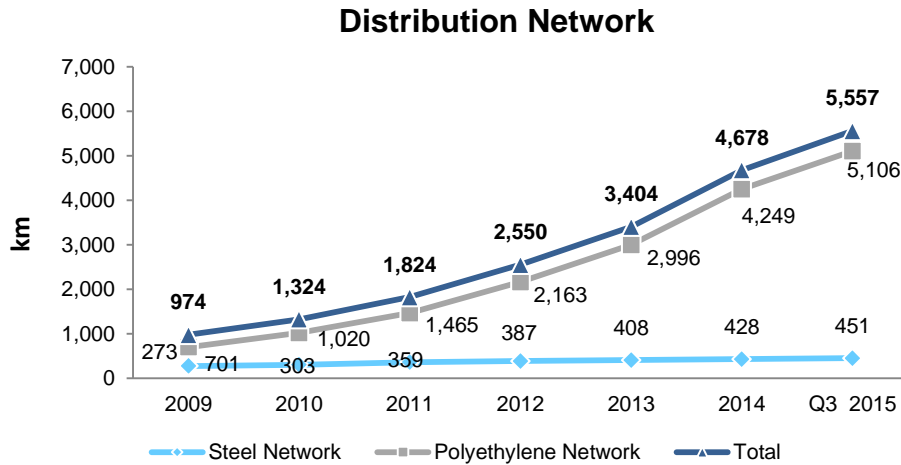
#### 4. Operational Performance

During the year, Cálidda connected 61,473 customers in the Residential segment and has operations in 17 out of the 49 districts from the metropolitan area of Lima and Callao: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, Villa María del Triunfo, Ate and Callao. Likewise, in the Industrial and NGV Stations segments, Cálidda has operations in more than 34 districts.

##### 4.1. Distribution Network

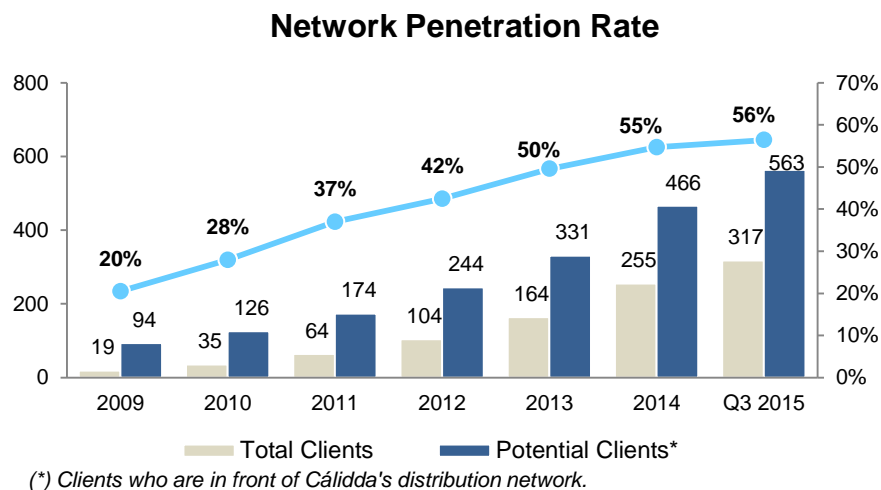
During the year, Cálidda has built 879 km, out of which 23 km were steel high pressure network while the remaining 856 km were polyethylene pipelines. The total network now reaches 5,557 km of underground pipelines.

The next chart shows the evolution of the length of the distribution system:



#### 4.2. Network Penetration Rate

The network penetration rate is measured as the number of connected clients over the number of potential clients that are located in front of Cálidda's distribution network. As of 2015, Cálidda estimated that over 563,000 potential clients (among households and other types of clients) were in front of its distribution network, out of which 317,387 are currently connected. Therefore, the network penetration rate is 56%.



As it can be observed, the network penetration rate has increased over the years due to Cálidda's commercial strategy to focus in low income districts where the savings produced by the use of natural gas against other alternative fuels are more appreciated.

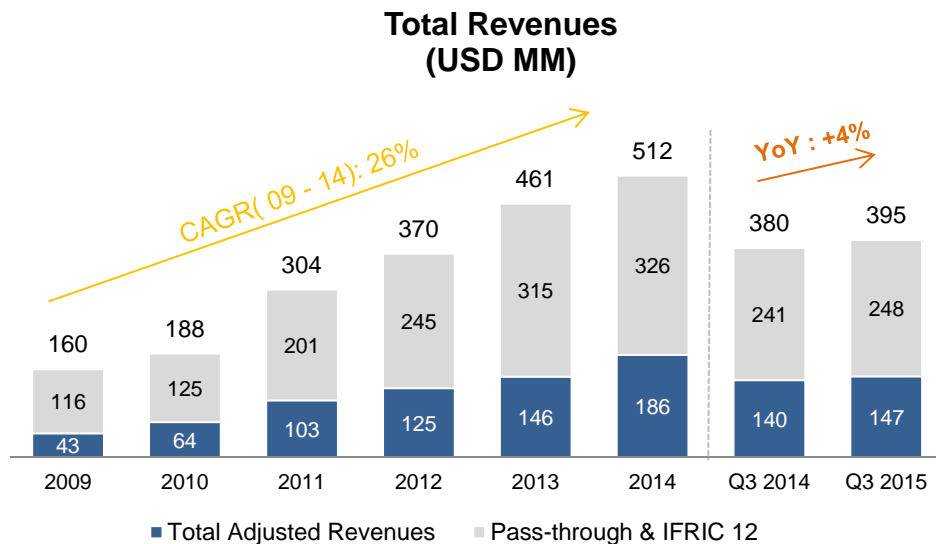
## 5. Financial Performance

### 5.1. Revenues

Cálidda's revenues are comprised of five items, namely:

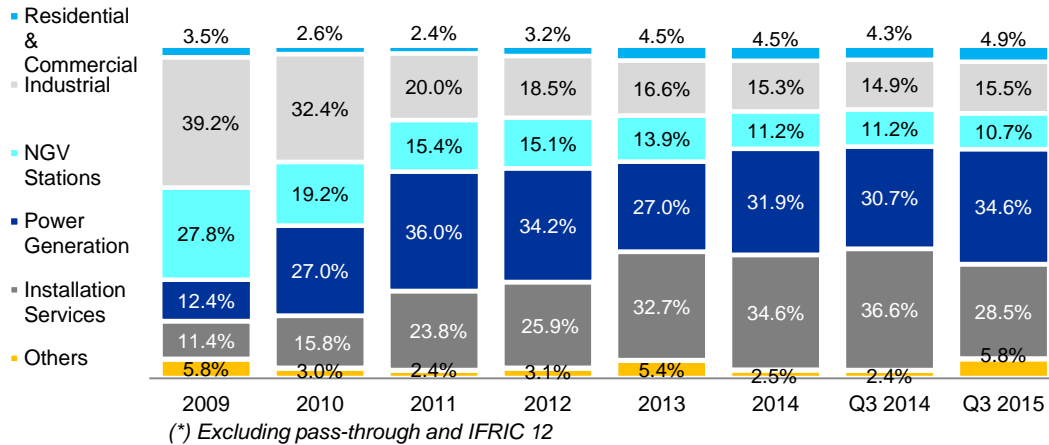
- i) Distribution revenues, containing sales of distribution of natural gas.
- ii) Installation services, represented mainly by the construction of the network of natural gas within households (these revenues include connection fees and financial income derived from funding clients' installations).
- iii) Pass-through revenues, which are derived from gas supply and gas transportation services (which also represent cost of sales, without a margin).
- iv) IFRIC 12, which represents an accounting standard to book concession investments.
- v) Other revenues, comprising relocation services, maintenance and other non-recurrent services.

Total revenues for Q3 2015 were US\$ 395mm (including pass-through and IFRIC 12 revenues), it shows a 4% increased vs. Q3 2014.



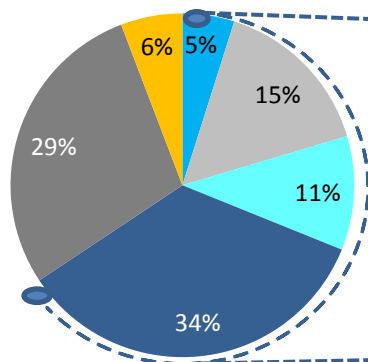
The next chart shows Cálidda's Total Adjusted Revenues by segment (excluding pass-through and IFRIC 12 revenues)

### Revenues\* Composition by Client Segment

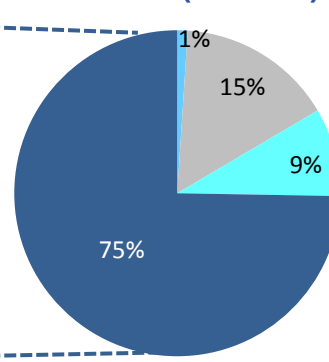


As of Q3 2015, 65% of Adjusted Revenues are volume related and 35% comes from installation services revenues and other revenues.

#### Q3 2015 Total Adjusted Revenues



#### Q3 2015 Total Volume (MMCFD)



■ Residential & Commercial   ■ Industrial   ■ NGV Stations  
 ■ Power Generation   ■ Installation Services   ■ Others

- 1) Total Adjusted Revenues exclude Pass-through and IFRIC 12 revenues.
- 2) Installation Services include revenues from connection fees and financing.
- 3) Others: mainly derived from network relocation and other non-recurrent services.

During 2015 is important to mention that revenues that came from "other revenues" have increased substantially compared to previous years because of extraordinary services like pipeline relocation (as of Q3 2015 it was US\$ 8.5mm compared to US\$ 3.3 mm of Q3 2014).

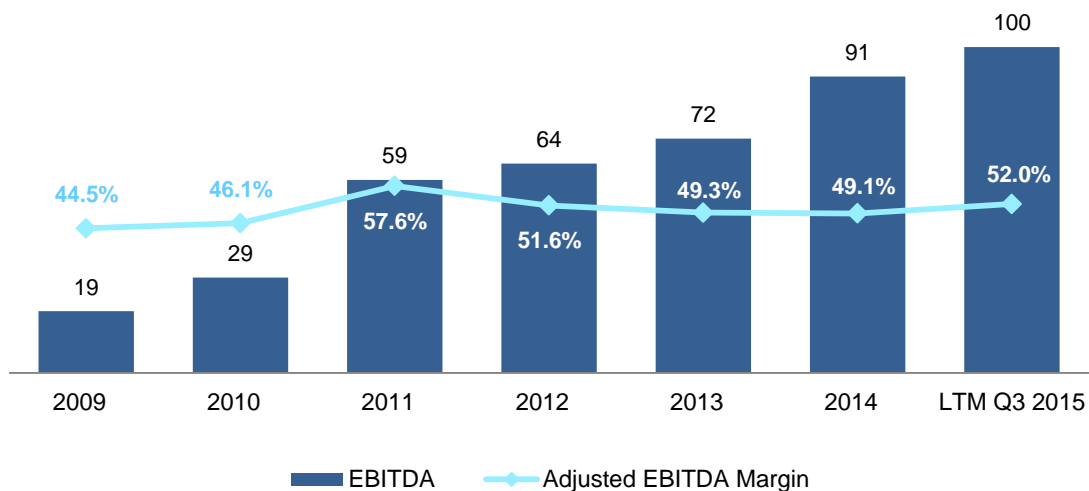


## 5.2. Financial Ratios

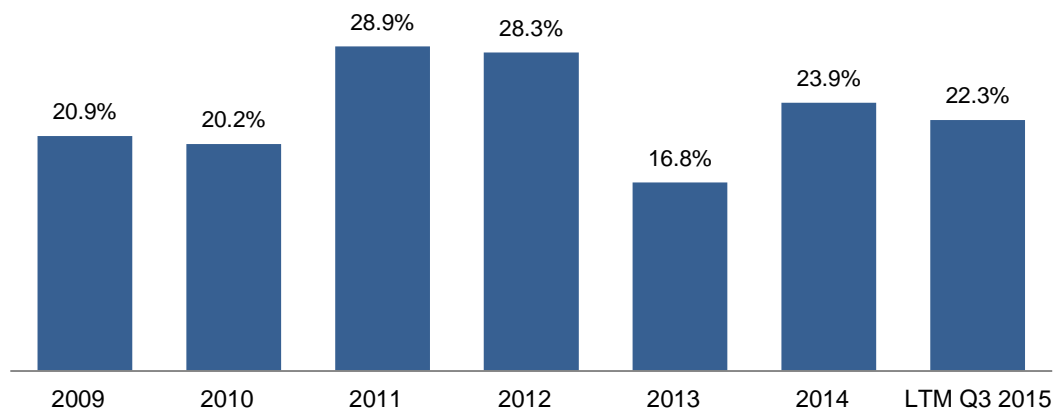
EBITDA as of Q3 2015 amounts to US\$ 80mm, which represents an increase of 13% from the US\$ 71mm EBITDA of Q3 2014. Last twelve months (LTM) EBITDA reached US\$ 100mm.

Cálidda's Q3 2015 LTM EBITDA is higher than 2014 due to: i) higher volumes invoiced mainly to power generation plants ii) the new tariff set for the periods May 2014 – May 2018 is higher than previous tariff, iii) more "other revenues" from relocation services and, iv) new contracts with our main contractors at lower prices.

### EBITDA\*(MM USD) & Adj. EBITDA Margin (%)



### FFO / Net Debt

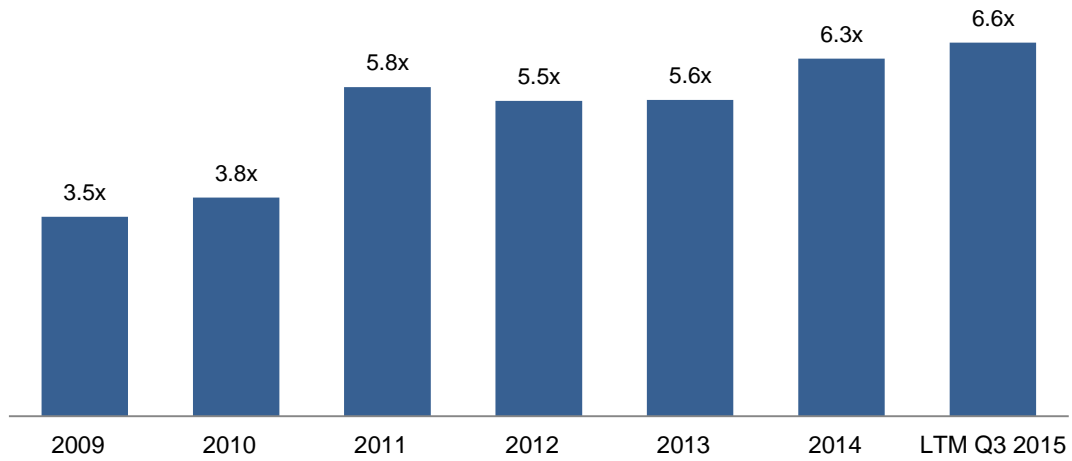


FFO: Net income + Depreciation + Amortization

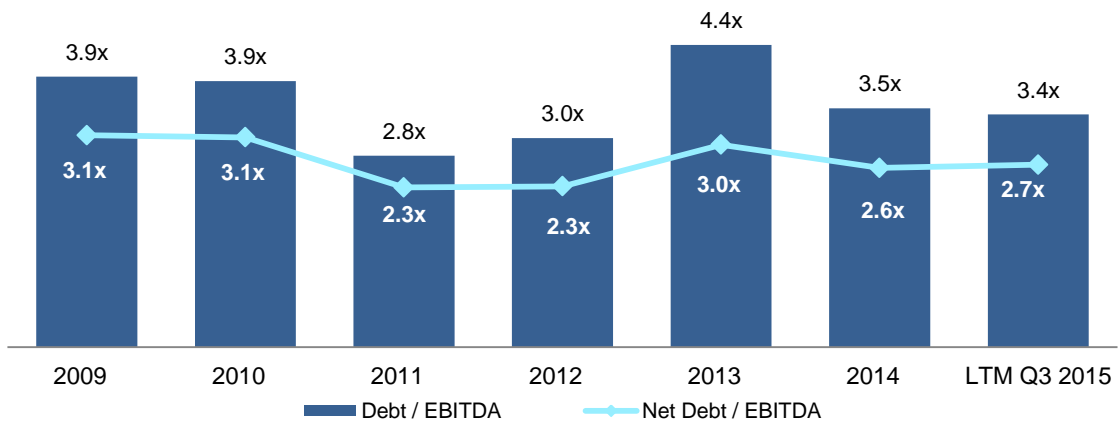
Net Debt: Debt – Cash Flow



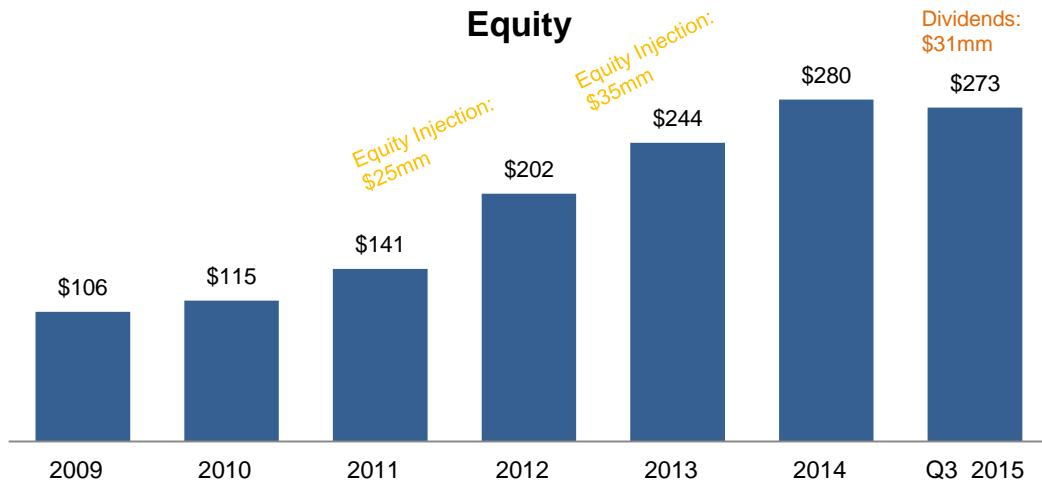
### Interest Coverage (x)



### Debt & Net Debt / EBITDA\*(x)

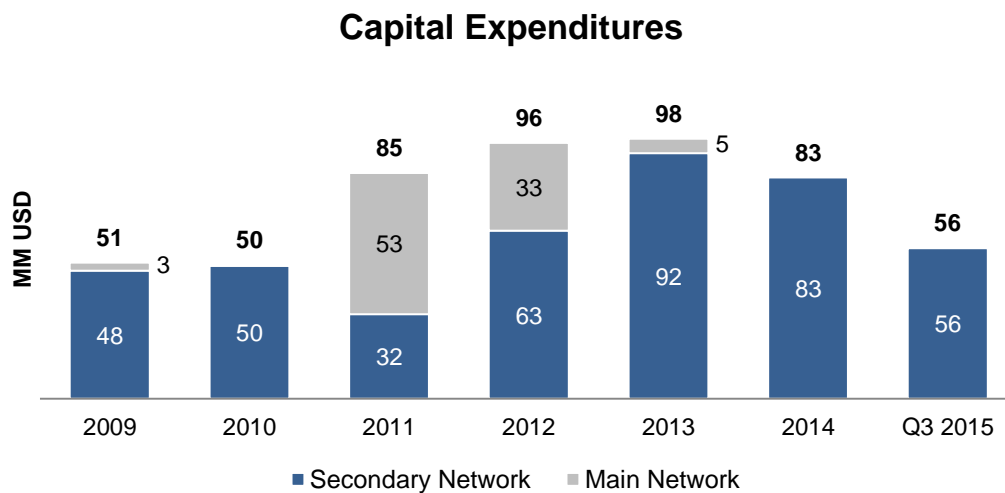


(\*) Ratio does not include 2013's debt prepayment penalties (US\$ 7.8 MM).



### 5.3. Capital Expenditures

As of third quarter 2015 Cálidda invested US\$ 56 mm in the expansion of its distribution network, mainly in the construction of polyethylene network in order to connect residential customers.



## 6. Annexes

### 6.1. Disclaimer

The information provided here is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal or financial advice on any subject. This information does not constitute an offer of any sort and is subject to change without notice.

Cálidda and its Shareholders expressly disclaim any responsibility for actions taken or not taken based on this information. Neither Cálidda nor its Shareholders accept any responsibility for losses that might result from the execution of the proposals or recommendations herein presented. Neither Cálidda nor its Shareholders are responsible for any content that may originate with third parties. Cálidda or its Shareholders may have provided, or might provide in the future, information that is inconsistent with the information herein presented.

### 6.2. Definitions

#### **Adjusted EBITDA**

Our adjusted EBITDA, or Adjusted EBITDA, consists of our net profit for such period, plus (i) income tax expense, (ii) minus financial income, plus (iii) the sum of (a) financial expenses, and (b) amortization and depreciation included in each of general and administrative expenses, selling expenses and cost of sales, in each case, for such period. Our management considers that Adjusted EBITDA is a meaningful measure for understanding operating and financial performance. Adjusted EBITDA is not a presentation made in accordance with IFRS. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, as indicative of the cash available to us to make payments under or as substitute for analysis of our results as reported under IFRS. For example, Adjusted EBITDA does not reflect (a) cash expenditures, or future requirements of capital expenditures or contractual commitments; and (b) changes in, or cash requirements for, working capital needs. In addition, because other companies may calculate adjusted EBITDA differently than we do, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

#### **Application of IFRIC 12**

Given that IFRIC 12 refers to service concession arrangements, as holder of the BOOT Concession Agreements, Cálidda must analyze its application to the Financial Statements. Based on the fact that the services to be provided by Cálidda are set forth by the MEM, who also determines the tariff rates, and that the assets comprising the Cálidda's natural gas distribution system shall be returned to such entity upon termination of the concession, management considers that IFRIC 12 applies to the Financial Statements. Under IFRIC 12, management considers that Cálidda's assets comprising the natural gas distribution system and used for natural gas distribution should be recorded as an intangible asset.

#### **MMCFD**

Million Cubic Feet Per Day.

#### **OSINERGMIN**

Organismo Supervisor de la Inversión en Energía y Minería.