

1. Significant Developments

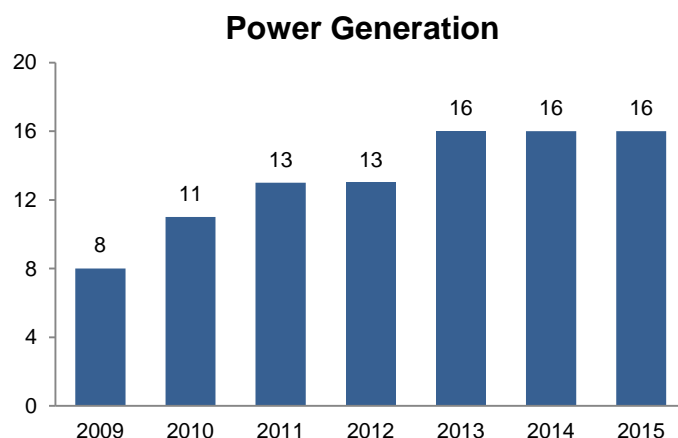
- Cálidda has a client base of 345,136 customers, which represents a 35% increase compared to 2014. Now in the residential segment, we have operations in 18 districts of our concession area.
- In 2015 the invoiced volume increased mainly due to an increase in firm contract's volume of Enersur Power Generator.
- Total Revenues from 2015 increased 6% and Total Adjusted Revenues increased 7% compared to 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 2015 Peru produced an average of 1,209 MMCFD (million cubic feet per day), showing a decrease of 2.98% compared to the average volume produced in 2014. However, the average production in the last quarter 2015 was 2.61% higher than what was produced in the last quarter 2014.

3. Commercial Performance

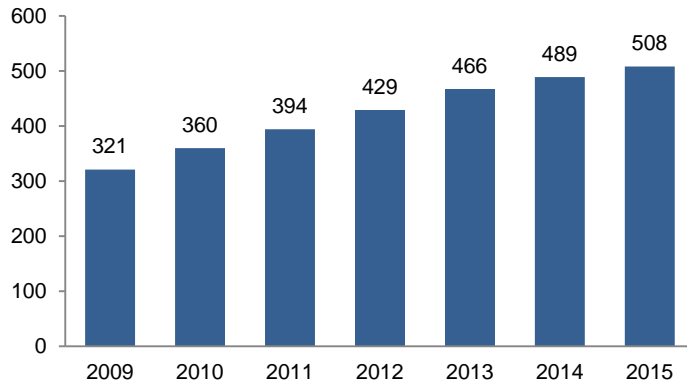
3.1 Client Base



No new power generators where connected during 2015.

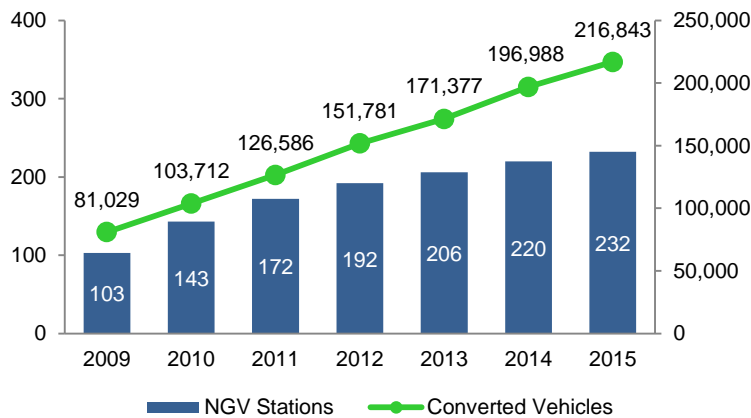
3.1. Client Base

Industrial



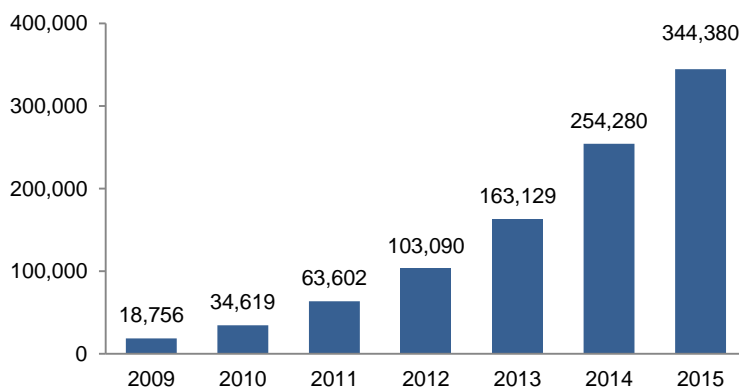
19 new industrial plants were connected during 2015.

NGV Stations



12 new NGV stations were connected to Cálidda's distribution system and more than 216,000 converted vehicles are attended in the cities of Lima and Callao.

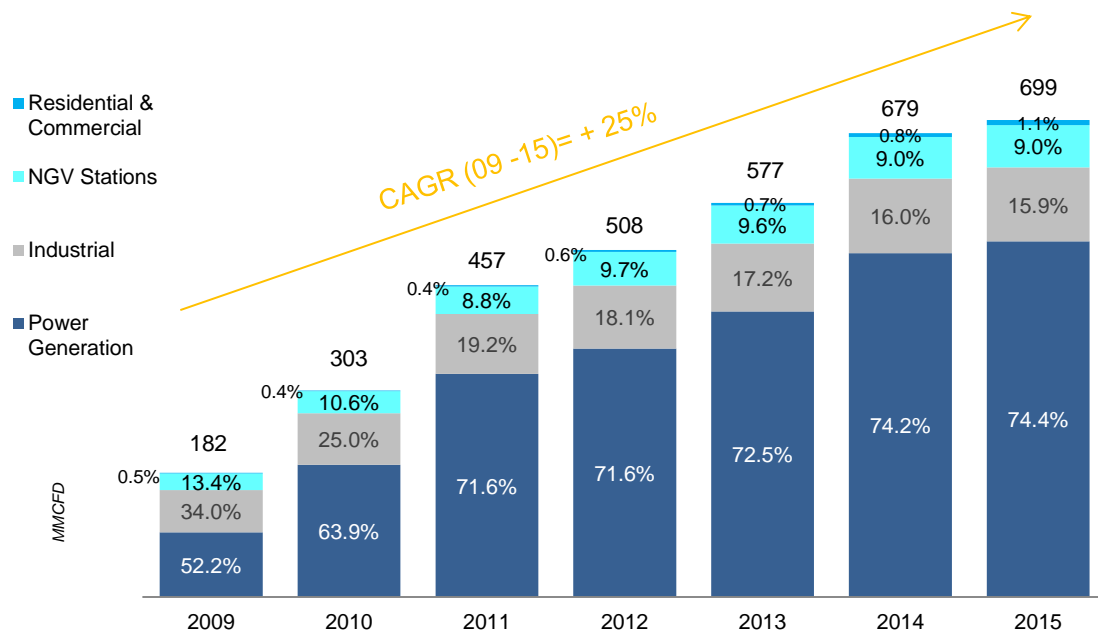
Residential & Commercial



During 2015, Cálidda added 88,880 clients in the Residential segment and 1,220 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:

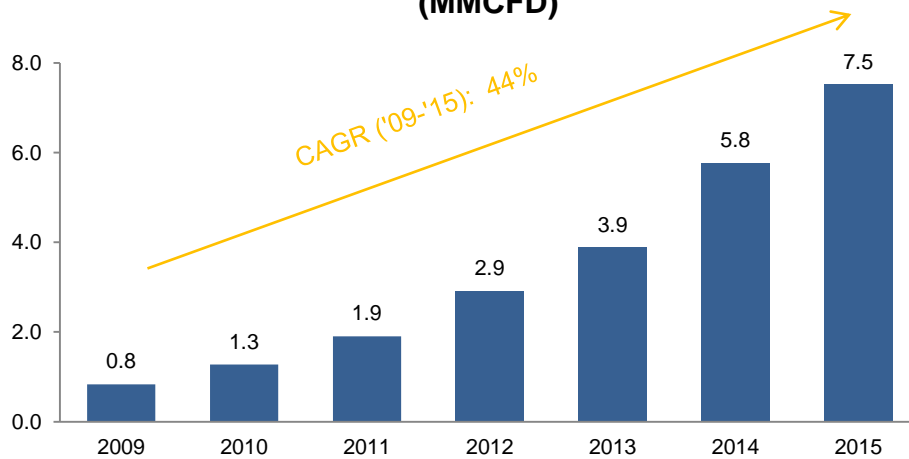


In 2015 the volume sold increased 3% compared to 2014, due to an increase of volumes mostly explained by the Power Generation segment. As of 2015, Take or Pay contracts amounted 543 MMCFD (513 MMCFD Power Generation + 30 MMCFD Industrial), 78% of total invoiced volume.

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

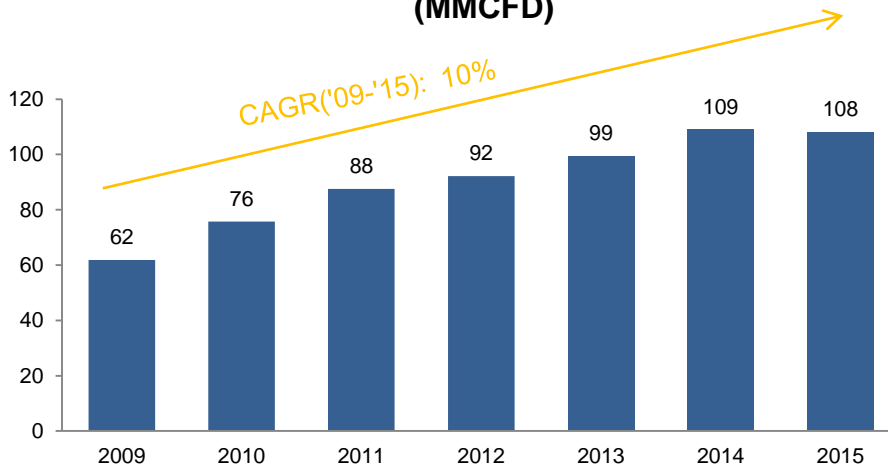


Residential & Commercial (MMCFD)

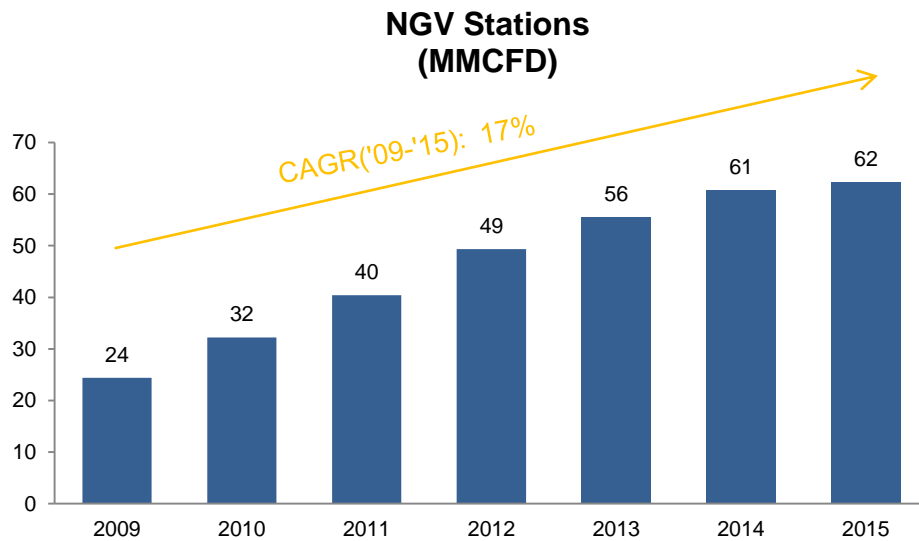


The Residential & Commercial segment shows an increase explained by the successful addition of new customers in the districts where Cálidda already has operations.

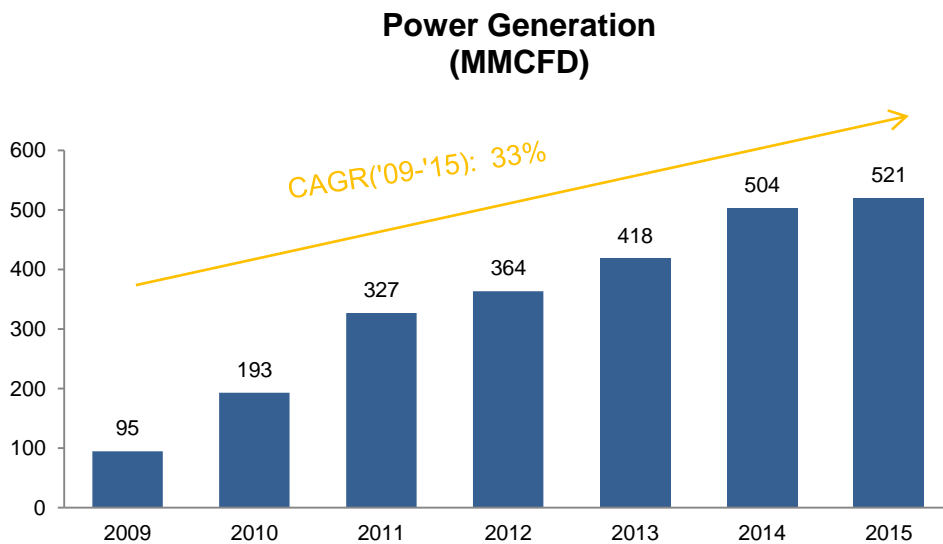
Industrial (MMCFD)



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 Enersur firm contracted capacity (Take or Pay).



4. Operational Performance

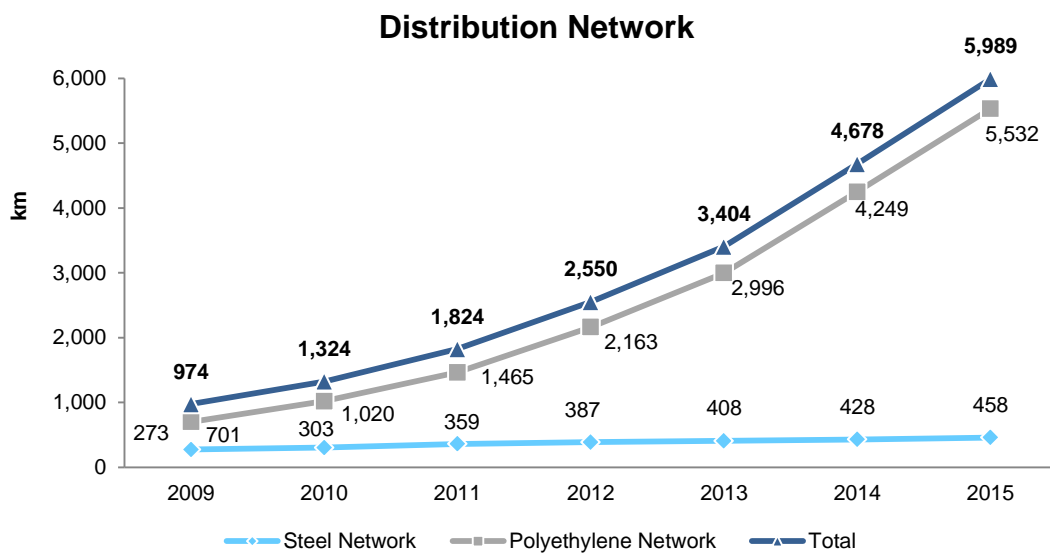
During the year, Cálidda connected 61,473 customers in the Residential segment and has operations in 18 out of the 49 districts from the metropolitan area of Lima and Callao: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, Villa María del Triunfo, Ate, Callao and Independencia. Likewise, in the Industrial and NGV Stations segments, Cálidda has operations in more than 35 districts.



4.1. Distribution Network

During the year, Cálidda has built 1,311 km, out of which 29 km were steel high pressure network while the remaining 1,282 km were polyethylene pipelines. The total network now reaches 5,989 km of underground pipelines.

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

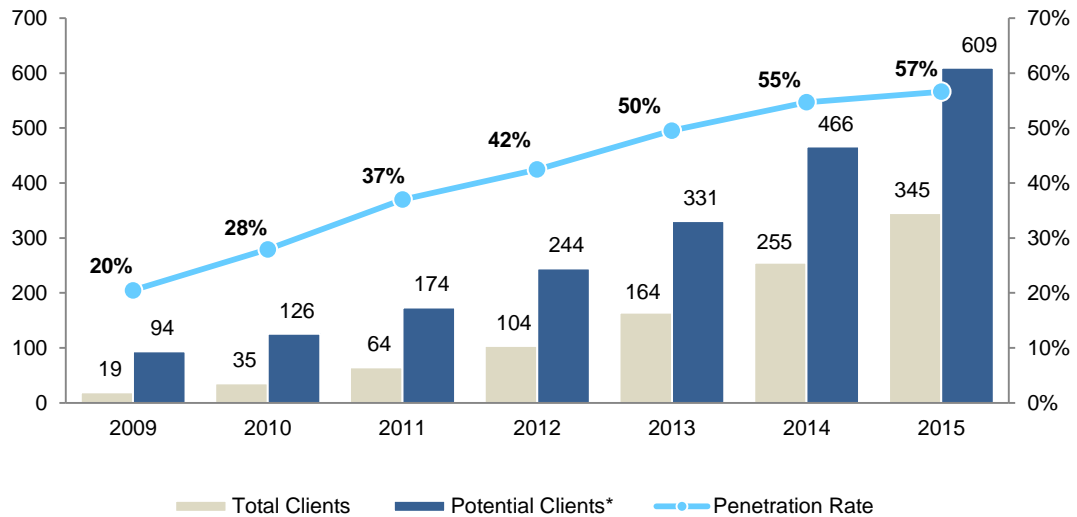


4.2. Network Penetration Rate

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 609,459 potential clients (among households and other types of clients) were in front of its distribution network, out of which 345,136 are currently connected. Therefore, the network penetration rate is 57%.



Network Penetration Rate



(*) Clients who are in front of Cálidda's distribution network.

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.

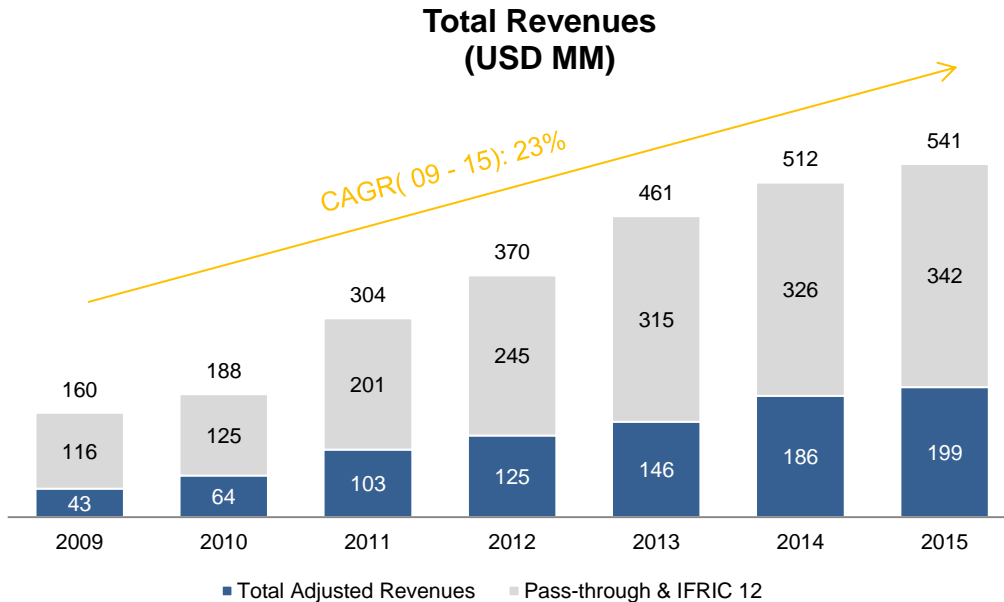
5. Financial Performance

5.1. Revenues

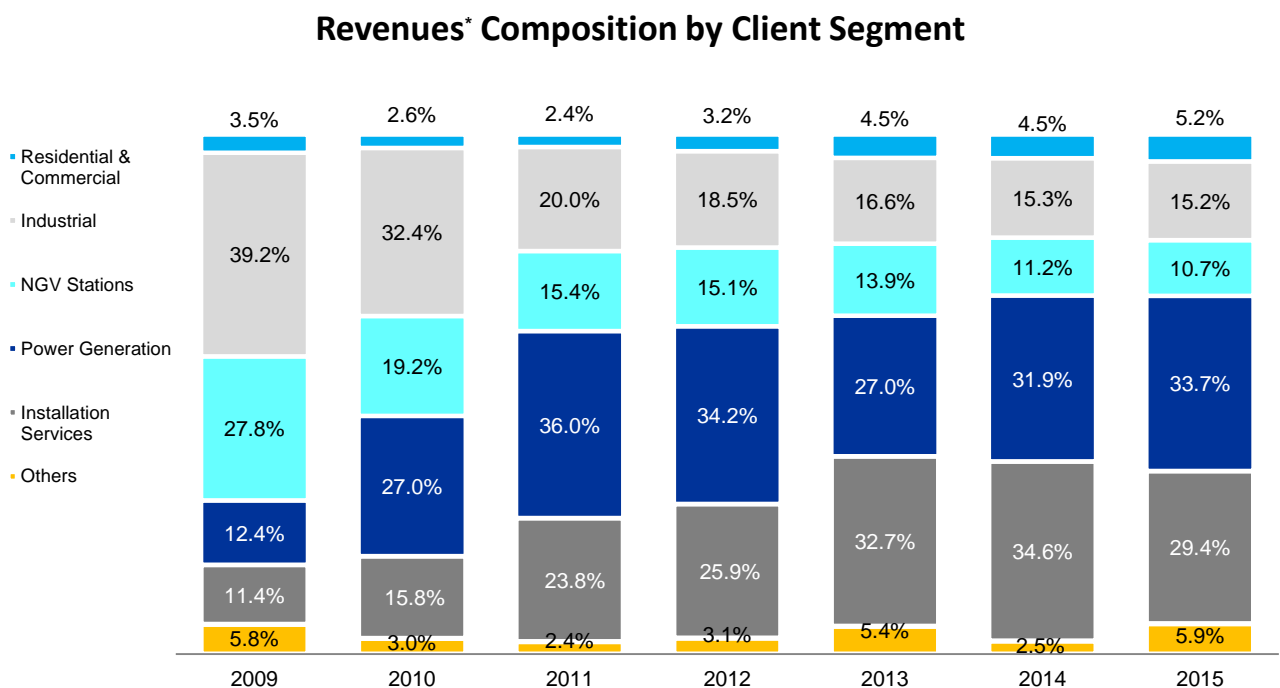
Cálidda's revenues are comprised of five items, namely:

- 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.

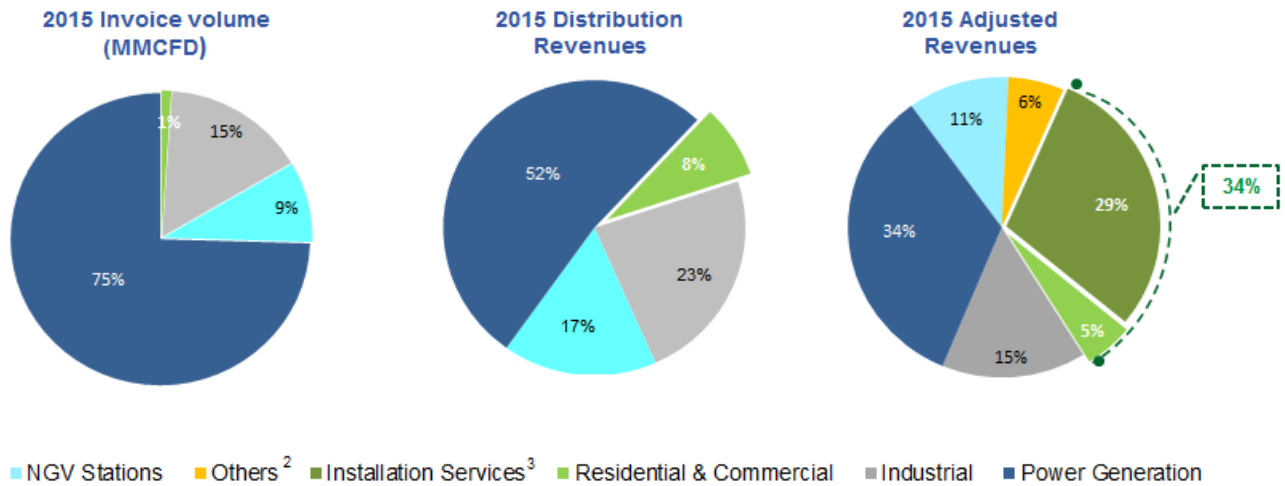
Total revenues for 2015 were US\$ 541mm (including pass-through and IFRIC 12 revenues); it shows a 6% increased vs. 2014.



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



(*) Excluding pass-through and IFRIC12 revenues.



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

Even though residential & commercial segment only represents 1% of the invoiced volume, it explains 8% of the distribution revenues. If we add the revenues generated by the internal installations business, this segment represents 34% of the Adjusted Revenues.

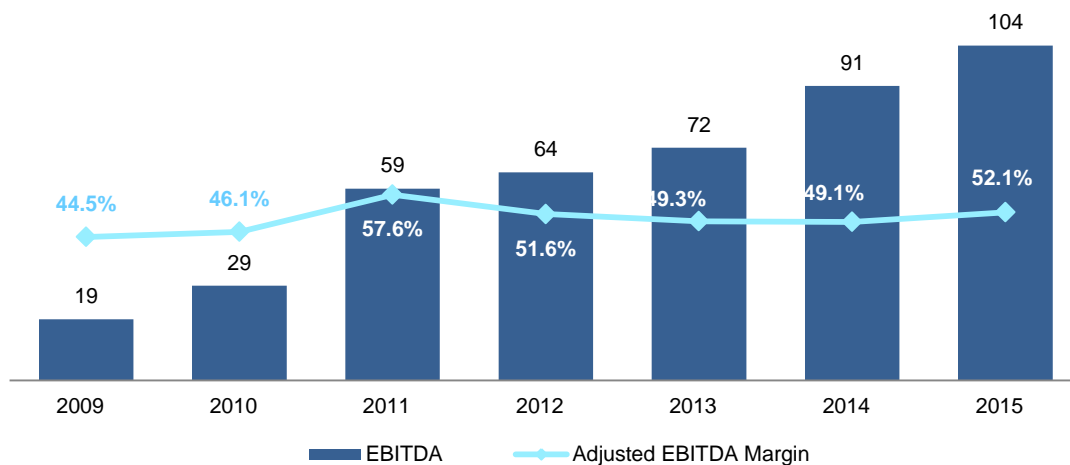
On the other hand Power Generators represents 75% of the volume, 52% of the distribution revenues, but only 34% of the adjusted revenues.

5.2. Financial Ratios

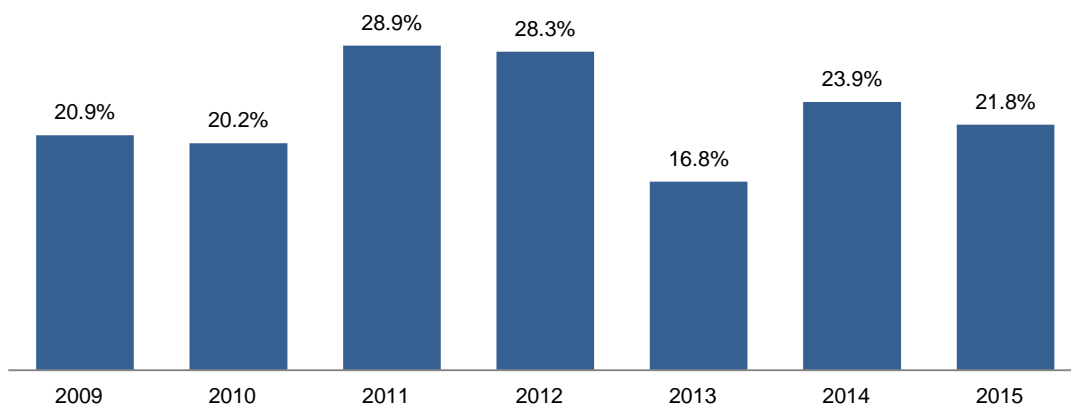
EBITDA as of 2015 amounts to US\$ 104mm, which represents an increase of 14% from the US\$ 91mm EBITDA of 2014.

Cálidda's 2015 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

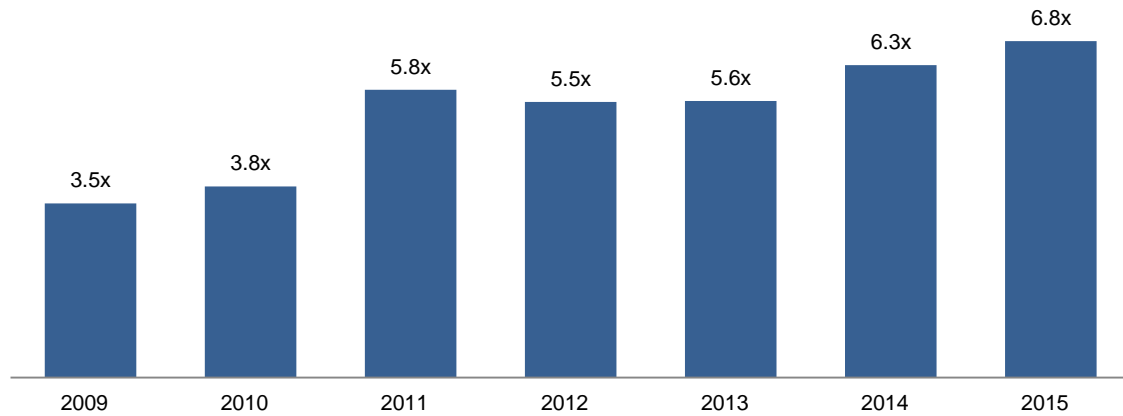


FFO: Net income + Depreciation + Amortization

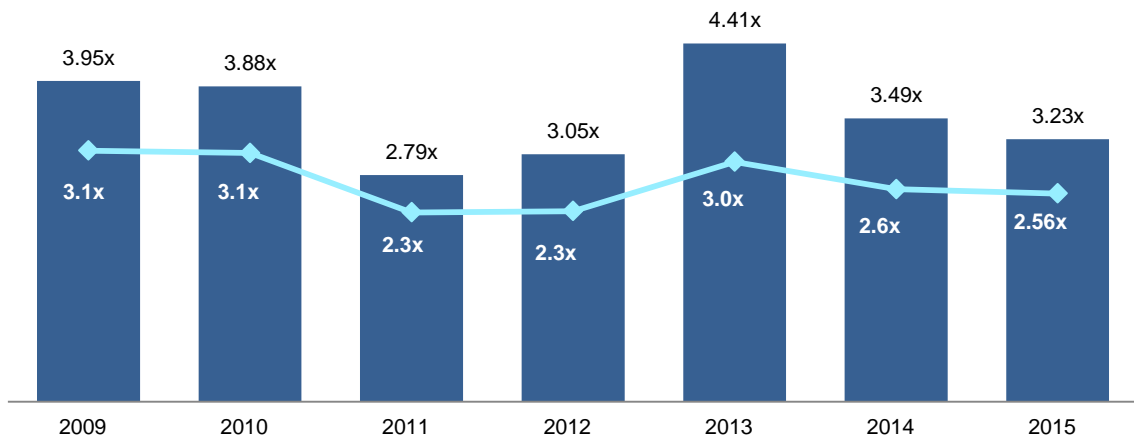
Net Debt: Debt – Cash Flow



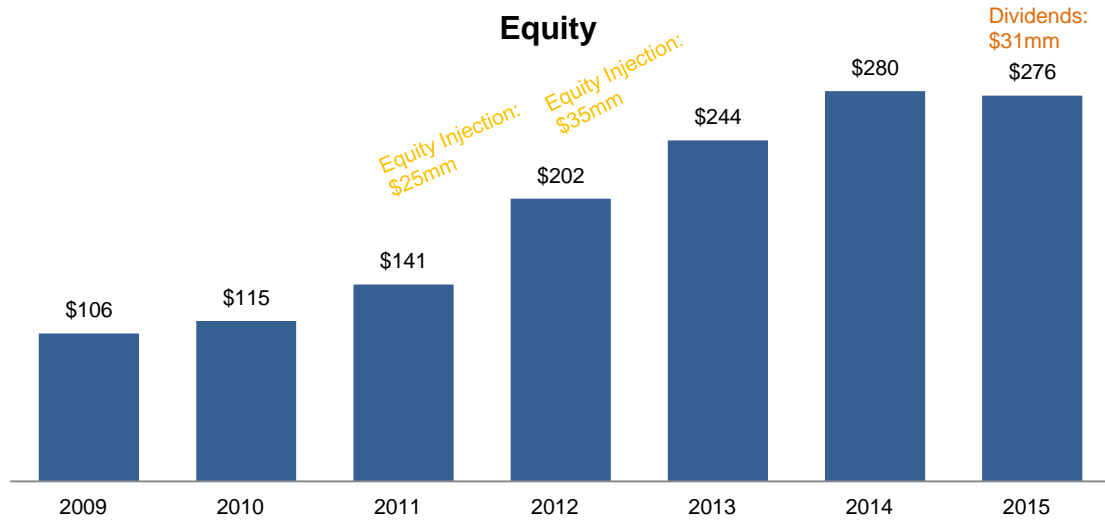
Interest Coverage (x)



Debt & Net Debt / EBITDA*(x)

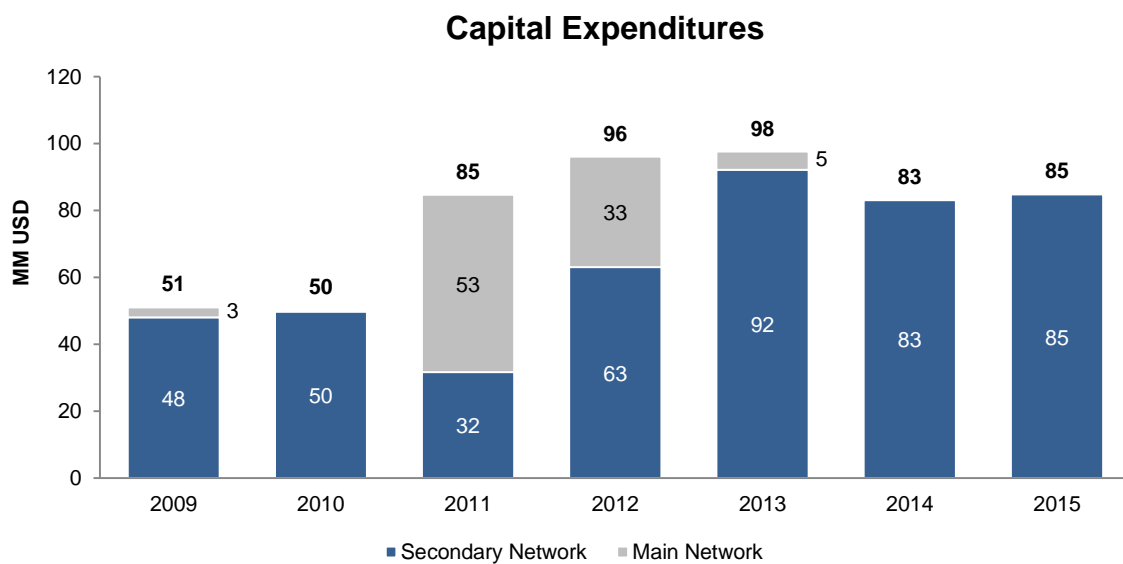


(*) Ratio does not include 2013's debt prepayment penalties (US\$ 7.8 MM).



5.3. Capital Expenditures

In 2015 Cálidda invested US\$ 85 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.