

# **Gas Natural de Lima y Callao S.A.**

## **Financial Statements**

As of December 31, 2017 and 2016

# **GAS NATURAL DE LIMA Y CALLAO S.A.**

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## GAS NATURAL DE LIMA Y CALLAO S.A.

### STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	<u>31/12/2017</u>	<u>31/12/2016</u>		<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>US\$000</u>	<u>US\$000</u>		<u>US\$000</u>	<u>US\$000</u>
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES</b>		
Cash and cash equivalents	34,572	14,705	Other financial Liabilities	3,764	17,662
Trade receivables (net)	71,458	79,552	Accounts payable	56,419	41,704
Accounts receivable from related parties	59	60	Accounts payable from related parties	-	77
Inventories	24,902	18,372	Current income tax payable	3,132	6,840
Other receivables	18,244	3,732	Other accounts payable	14,391	19,732
Other non financial Assets	1,286	954	Deferred income	17,226	23,878
Total Current Assets	<u>150,521</u>	<u>117,375</u>	Total current liabilities	<u>94,932</u>	<u>109,893</u>
<b>NON-CURRENT ASSETS</b>			<b>NON CURRENT LIABILITIES</b>		
Trade receivables (net)	13,613	29,780	Other financial Liabilities	398,360	327,231
Property, plant and equipment (net)	7,983	8,509	Provisions	8,769	5,564
Intangible assets	641,437	588,963	Other accounts payable	7,669	7,068
Deferred taxes assets	174	530			
Other receivables	342	215			
Total non-current assets	<u>663,549</u>	<u>627,997</u>	Total non-current liabilities	<u>414,798</u>	<u>339,863</u>
			Total liabilities	<u>509,730</u>	<u>449,756</u>
			<b>EQUITY</b>		
			Issued capital	224,804	224,804
			Legal reserve	21,083	15,546
			Other capital reserves	(112)	(106)
			Retained earnings	58,565	55,372
			Total equity	<u>304,340</u>	<u>295,616</u>
<b>TOTAL</b>	<u><u>814,070</u></u>	<u><u>745,372</u></u>	<b>TOTAL</b>	<u><u>814,070</u></u>	<u><u>745,372</u></u>

## **GAS NATURAL DE LIMA Y CALLAO S.A.**

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>US\$000</u>	<u>US\$000</u>
<b>OPERATIONAL INCOME</b>		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	485,591	445,130
Income from the main grid extension	86,641	81,490
Other operational income	6,819	9,183
<b>Total operational income</b>	579,051	535,803
<b>COST OF SALES</b>		
Cost of natural gas sales, transport distributions and associated services	(347,245)	(321,750)
Cost of sales from the main grid extension	(86,641)	(81,490)
Gross profit	145,165	132,563
Administrative expenses	(31,925)	(26,943)
Commercialization expenses	(10,140)	(10,925)
Other (expenses) income	(2,057)	442
Operative profit	101,043	95,137
Financial income	952	2,952
Financial expenses	(20,591)	(20,791)
Exchange difference, net	3,389	1,144
Pre-income tax result	84,793	78,442
Income tax expense	(26,228)	(23,070)
<b>Net profit of the year</b>	58,565	55,372
Other integral result of the year	(6)	(106)
<b>Total integral result of the year</b>	58,559	55,266

**GAS NATURAL DE LIMA Y CALLAO S.A.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>Issued Capital</u> US\$000	<u>Legal Reserve</u> US\$000	<u>Other capital reserves</u> US\$000	<u>Retained earnings</u> US\$000	<u>Total Equity</u> US\$000
BALANCE AS OF JANUARY 1, 2016	230,352	12,163	-	33,836	276,351
Net profit for the year	-	-	-	55,372	55,372
Other integral result	-	-	-106	-	-106
Provision for legal reserve	-	3,383	-	-3,383	-
Reduction of share capital	-5,548	-	-	-	-5,548
Dividend Distribution	-	-	-	-30,453	-30,453
BALANCE AS OF DECEMBER 31, 2016	<u>224,804</u>	<u>15,546</u>	<u>-106</u>	<u>55,372</u>	<u>295,616</u>
BALANCE AS OF JANUARY 01, 2017	224,804	15,546	-106	55,372	295,616
Net profit for the year	-	-	-	58,565	58,565
Other integral result	-	-	-6	-	-6
Provision for legal reserve	-	5,537	-	-5,537	-
Dividend Distribution	-	-	-	-49,835	-49,835
BALANCE AS OF DECEMBER 31, 2017	<u>224,804</u>	<u>21,083</u>	<u>-112</u>	<u>58,565</u>	<u>304,340</u>

## **GAS NATURAL DE LIMA Y CALLAO S.A.**

### **STATEMENT OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>US\$000</u>	<u>US\$000</u>
<b>OPERATING ACTIVITIES:</b>		
Collection corresponding to:		
Income for distribution services	573,611	509,315
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Other cash income related to operating activities	17,878	16,165
Payments corresponding to:		
Suppliers of goods and services	(392,596)	(380,491)
Employee benefits	(22,066)	(20,377)
Income tax	(31,581)	(24,016)
Interests	(20,303)	(18,898)
Other cash payments related to operating activities	(24,984)	(25,386)
Net cash provided by operating activities	<u>99,959</u>	<u>56,312</u>
<b>INVESTMENT ACTIVITIES:</b>		
Collection corresponding to:		
Sale of Property, plant and equipment	37	-
Payments corresponding to:		
Investment in concession goods	(84,691)	(77,981)
Software purchase	(960)	(677)
Purchase of machinery and equipment and ongoing works	(1,356)	(1,885)
Net cash provided by operating activities	<u>(86,970)</u>	<u>(80,543)</u>
<b>FINANCING ACTIVITIES:</b>		
Collection corresponding to:		
Loans received	80,000	24,989
Financial contribution and overcharge	628	-
Payments corresponding to:		
Dividend payments	(49,835)	(30,453)
Capital reduction	-	(5,548)
Financial contribution and overcharge	-	(167)
Payment of loan received	(23,915)	(19,426)
Net cash provided by operating activities	<u>6,878</u>	<u>(30,605)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>19,867</u>	<u>(54,836)</u>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR</b>	<u>14,705</u>	<u>69,541</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>34,572</u>	<u>14,705</u>