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

**Financial Statements**As of March 31, 2014 and December 31, 2013

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# STATEMENT OF FINANCIAL POSITION March 31, 2014 AND DECEMBER 31, 2013

	31/03/2014	31/12/2013		31/03/2014	31/12/2013
	US\$000	US\$000		US\$000	US\$000
ASSETS			<b>EQUITY AND LIABILITIES</b>		
CURRENT ASSETS:			CURRENT LIABILITIES		
Cash and cash equivalents	82,619	104,958	Other financial Liabilities	-	-
Trade receivables (net)	59,961	62,630	Accounts payable	44,799	49,693
Accounts receivable from related parties	70	697	Accounts payable from related parties	-	-
Inventories	19,676	20,958	Current income tax payable	7,211	22,195
Other receivables	8,281	5,411	Other accounts payable	2,738	3,042
Pre-paid expenses	9,152	7,386			
Other non financial Assets	251	415			
			Total current liabilities	54,748	74,930
Total Current Assets	180,010	202,455			
			NON CURRENT LIABILITIES		
NON-CURRENT ASSETS			Other financial Liabilities	317,910	317,863
Trade receivables (net)	8,732	8,261	Deferred tax liabilities	-	291
Property, plant and equipment (net)	10,024	9,756	Provisions	2,562	2,684
Intangible assets	422,158	410,928	Deferred income	1,261	632
Deferred taxes assets	100	-	Other accounts payable	7,602	7,386
Other receivables	15,723	16,602			
m . 1	45 4 70 7	445.549	Total non-current liabilities	329,335	328,856
Total non-current assets	456,737	445,547	Total liabilities	384,083	403,786
			EQUITY		
			Issued capital	220,528	220,528
			Legal reserve	6,960	6,960
			Retained earnings	25,176	16,728
			Total equity	252,664	244,216
TOTAL	636,747	648,002	TOTAL	636,747	648,002

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	31/03/2014	31/03/2013
	<b>US\$000</b>	US\$000
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions		
sales, transport distributions and associated services	99,013	80,250
Income from the main grid extension	42,095	10,523
Other operational income	1,205	859
Total operational income	142,313	91,632
COST OF SALES		
Cost of natural gas sales, transport distributions and		
associated services	(76,246)	(61,605)
Cost of sales from the main grid extension	(42,095)	(10,523)
Gross profit	23,972	19,504
Administrative expenses	(6,377)	(5,708)
Commercialization expenses	(1,995)	(2,391)
Other (expenses) income	324	669
Operative profit	15,924	12,074
Financial income	98	348
Financial expenses	(3,697)	(2,784)
Exchange difference, net	(812)	(560)
Pre-income tax result	11,513	9,078
Income tax expense	(3,065)	(2,361)
Net profit of the year	8,448	6,717
Other integral result of the year		
Total integral result of the year	8,448	6,717
Net profit per share: Basic and diluted (in USD)	0.040	0.046

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	Issued Capital US\$000	Legal Reserve US\$000	Retained earnings US\$000	Total Equity US\$000
BALANCE AS OF JANUARY 1, 2013	133,301	4,310	64,877	202,488
Net profit for the year	-	-	6,717	6,717
Other integral result	=	=	-	-
Provision for legal reserve		2,650	-2,650	-
Issue of share capital	25,000	=	-	25,000
Retained earnings Capitlization	-	-	-	-
BALANCE AS OF MARCH 31, 2013	158,301	6,960	68,944	234,205
BALANCE AS OF JANUARY 1, 2014	220,528	6,960	16,728	244,216
Net profit for the year	-	-	8,448	8,448
Other integral result	-	-	-	-
Provision for legal reserve	-	-	-	-
Issue of share capital	-	-	-	-
Retained earnings Capitlization	-	-	-	-
BALANCE AS OF MARCH 31, 2014	220,528	6,960	25,176	252,664

## STATEMENT OF CASH FLOW FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

OPERATING ACTIVITIES:           Collection corresponding to:         103,289         68,849           Other cash income related to operating activities         257         377           Payments corresponding to:         (69,247)         (64,523)           Employee benefits         (7,835)         (8,284)           Income tax         (2,799)         (5976)           Interests         (7,197)            Other cash payments related to operating activities         (5,670)         (872)           Net cash provided by operating activities         10,798         (10,429)           INVESTMENT ACTIVITIES:         Collection corresponding to:             Sak of Property, plant and equipment         49             Payments corresponding to:         (22,631)         (8,889)           Investment in concession goods         (22,631)         (8,889)           Software purchase             Purchase of machinery and equipment and ongoing works         (554)         (10,642)           FINANCING ACTIVITIES:         (22,3136)         (10,531)           Collection corresponding to:             Loans received		31/03/2014	31/03/2013
Collection corresponding to:		<b>US\$000</b>	<b>US\$000</b>
Income for distribution services   103,289   68,849   Other cash income related to operating activities   257   377   Payments corresponding to: Suppliers of goods and services   (69,247)   (64,523)   Employee benefits   (7,835)   (8,284)   Income tax   (2,799)   (5,976)   Interests   (7,197)			
Other cash income related to operating activities         257         377           Payments corresponding to:         (69,247)         (64,523)           Suppliers of goods and services         (69,247)         (64,523)           Employee benefits         (7,835)         (8,284)           Income tax         (2,799)         (5,976)           Interests         (7,197)         -           Other cash payments related to operating activities         (5,670)         (872)           Net cash provided by operating activities         10,798         (10,429)           INVESTMENT ACTIVITIES:         Collection corresponding to:         3         49         -           Sake of Property, plant and equipment         49         -         -           Payments corresponding to:         3         (22,631)         (8,889)           Software purchase         -         -         -           Purchase of machinery and equipment and ongoing works         (554)         (16,42)           Net cash provided by operating activities         (23,136)         (10,531)           FINANCING ACTIVITIES:         (23,136)         (10,531)           Collection corresponding to:         -         -           Loans received         -         -         - <td>* *</td> <td></td> <td></td>	* *		
Payments corresponding to:   Suppliers of goods and services			
Suppliers of goods and services         (69,247)         (64,523)           Employee benefits         (7,835)         (8,284)           Income tax         (2,799)         (5,976)           Interests         (7,197)         -           Other cash payments related to operating activities         (5,670)         (872)           Net cash provided by operating activities         10,798         (10,429)           INVESTMENT ACTIVITIES:         Collection corresponding to:         3         (10,429)           INVESTMENT ACTIVITIES:         Collection corresponding to:         3         (22,631)         (8,889)           Payments corresponding to:         49         -	· · · ·	257	377
Employee benefits			
Income tax			
Interests			
Other cash payments related to operating activities         (5,670)         (872)           Net cash provided by operating activities         10,798         (10,429)           INVESTMENT ACTIVITIES:         Collection corresponding to:         49         -           Sale of Property, plant and equipment         49         -           Payments corresponding to:         10,798         (8,889)           Investment in concession goods         (22,631)         (8,889)           Software purchase         -         -         -           Purchase of machinery and equipment and ongoing works         (554)         (1,642)           Net cash provided by operating activities         (23,136)         (10,531)           FINANCING ACTIVITIES:         Collection corresponding to:         -         -           Loans received         -         -         -           Capital contribution         -         25,000           Financial contribution and overcharge         -         -           Financial contribution and overcharge refund         (10,001)         (297)           Payment of loan received         -         -           Net cash provided by operating activities         (10,001)         24,703           NET INCREASE IN CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR			(5,976)
Net cash provided by operating activities   10,798   (10,429)			-
INVESTMENT ACTIVITIES:   Collection corresponding to:   Sale of Property, plant and equipment   49	Other cash payments related to operating activities	(5,670)	(872)
Collection corresponding to:   Sale of Property, plant and equipment   49	Net cash provided by operating activities	10,798	(10,429)
Sale of Property, plant and equipment         49         -           Payments corresponding to:         Investment in concession goods         (22,631)         (8,889)           Software purchase         -         -         -           Purchase of machinery and equipment and ongoing works         (554)         (1,642)           Net cash provided by operating activities         (23,136)         (10,531)           FINANCING ACTIVITIES:         Collection corresponding to:         -         -           Loans received         -         -         -           Capital contribution         -         25,000           Financial contribution and overcharge         -         -           Payments corresponding to:         -         -           Financial contribution and overcharge refund         (10,001)         (297)           Payment of related entity loans         -         -           Payment of loan received         -         -           Net cash provided by operating activities         (10,001)         24,703           NET INCREASE IN CASH AND CASH EQUIVALENTS         (22,339)         3,743           CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR         104,958         45,186           CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR         104,958	INVESTMENT ACTIVITIES:		
Payments corresponding to:   Investment in concession goods   (22,631)   (8,889)     Software purchase   -   -   -     Purchase of machinery and equipment and ongoing works   (554)   (1,642)     Net cash provided by operating activities   (23,136)   (10,531)     FINANCING ACTIVITIES:   Collection corresponding to:   Loans received   -     -       Capital contribution   -   25,000     Financial contribution and overcharge   -     -     Payment corresponding to:   -     Financial contribution and overcharge refund   (10,001)   (297)     Payment of related entity loans   -     -     Payment of loan received   -     -     Net cash provided by operating activities   (10,001)   24,703     NET INCREASE IN CASH AND CASH EQUIVALENTS     CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR   104,958   45,186     CASH AND	Collection corresponding to:		
Investment in concession goods   (22,631)   (8,889)     Software purchase	Sale of Property, plant and equipment	49	-
Software purchase	Payments corresponding to:		
Purchase of machinery and equipment and ongoing works         (554)         (1,642)           Net cash provided by operating activities         (23,136)         (10,531)           FINANCING ACTIVITIES:         Collection corresponding to:         -         -           Loans received         -         -         -         -           Capital contribution         -         25,000         - <td< td=""><td>Investment in concession goods</td><td>(22,631)</td><td>(8,889)</td></td<>	Investment in concession goods	(22,631)	(8,889)
Net cash provided by operating activities  FINANCING ACTIVITIES:  Collection corresponding to:  Loans received 25,000 Financial contribution and overcharge  Payments corresponding to:  Financial contribution and overcharge refund (10,001) (297)  Payment of related entity loans  Payment of loan received  Net cash provided by operating activities (10,001) 24,703  NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR 104,958 45,186  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Software purchase	-	-
FINANCING ACTIVITIES:  Collection corresponding to:  Loans received	Purchase of machinery and equipment and ongoing works	(554)	(1,642)
Collection corresponding to:   Loans received	Net cash provided by operating activities	(23,136)	(10,531)
Loans received	FINANCING ACTIVITIES:		
Capital contribution - 25,000 Financial contribution and overcharge Payments corresponding to: Financial contribution and overcharge refund (10,001) (297) Payment of related entity loans Payment of loan received  Net cash provided by operating activities (10,001) 24,703  NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR (22,339) 3,743  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Collection corresponding to:		
Financial contribution and overcharge Payments corresponding to: Financial contribution and overcharge refund Financial contribution and overcharge Financial contribution Financial contri	Loans received	-	-
Payments corresponding to:  Financial contribution and overcharge refund  Payment of related entity loans  Payment of loan received  Net cash provided by operating activities  NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Capital contribution	-	25,000
Financial contribution and overcharge refund  Payment of related entity loans Payment of loan received  Net cash provided by operating activities  NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Financial contribution and overcharge	-	-
Payment of related entiy loans Payment of loan received  Net cash provided by operating activities  (10,001) 24,703  NET INCREASE IN CASH AND CASH EQUIVALENTS  (22,339) 3,743  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Payments corresponding to:		-
Payment of loan received Net cash provided by operating activities (10,001) 24,703  NET INCREASE IN CASH AND CASH EQUIVALENTS (22,339) 3,743  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR 104,958 45,186  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Financial contribution and overcharge refund	(10,001)	(297)
Net cash provided by operating activities  (10,001) 24,703  NET INCREASE IN CASH AND CASH EQUIVALENTS  (22,339) 3,743  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Payment of related entity loans	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Payment of loan received	-	-
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Net cash provided by operating activities	(10,001)	24,703
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR  104,958  45,186  CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	·	(22,339)	3,743
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR  104,958 45,186			
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<b></b>	104.958	45.186
		101,230	15,100
		82,619	48,929