

Gas Natural de Lima y Callao S.A.

Financial Statements

As of March 31, 2014 and December 31, 2013

GAS NATURAL DE LIMA Y CALLAO S.A.

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DECEMBER 31, 2013

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION

March 31, 2014 AND DECEMBER 31, 2013

	<u>31/03/2014</u>	<u>31/12/2013</u>		<u>31/03/2014</u>	<u>31/12/2013</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	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 ASSETS			NON CURRENT LIABILITIES		
Trade receivables (net)	8,732	8,261	Other financial Liabilities	317,910	317,863
Property, plant and equipment (net)	10,024	9,756	Deferred tax liabilities	-	291
Intangible assets	422,158	410,928	Provisions	2,562	2,684
Deferred taxes assets	100	-	Deferred income	1,261	632
Other receivables	15,723	16,602	Other accounts payable	7,602	7,386
Total non-current assets	456,737	445,547	Total non-current liabilities	329,335	328,856
			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	<u>636,747</u>	<u>648,002</u>	TOTAL	<u>636,747</u>	<u>648,002</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

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

	<u>31/03/2014</u>	<u>31/03/2013</u>
	<u>US\$000</u>	<u>US\$000</u>
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

GAS NATURAL DE LIMA Y CALLAO S.A.**STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	<u>Issued Capital</u>	<u>Legal Reserve</u>	<u>Retained earnings</u>	<u>Total Equity</u>
	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>
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 Capitalization	-	-	-	-
BALANCE AS OF MARCH 31, 2013	<u>158,301</u>	<u>6,960</u>	<u>68,944</u>	<u>234,205</u>
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 Capitalization	-	-	-	-
BALANCE AS OF MARCH 31, 2014	<u>220,528</u>	<u>6,960</u>	<u>25,176</u>	<u>252,664</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

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

	31/03/2014	31/03/2013
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collection corresponding to:		
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 payments related to operating activities	(5,670)	(872)
Net cash provided by operating activities	<u>10,798</u>	<u>(10,429)</u>
INVESTMENT ACTIVITIES:		
Collection corresponding to:		
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	<u>(23,136)</u>	<u>(10,531)</u>
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	<u>(10,001)</u>	<u>24,703</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(22,339)</u>	<u>3,743</u>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	<u>104,958</u>	<u>45,186</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>82,619</u>	<u>48,929</u>