

RICHARD:

Welcome to the investors' conference call Calidda Results and Key Developments first half of 2013. My name is Richard and I will be your operator for today's call. At this time all participants are in a listen only mode. Later we will conduct a question and answer session. Please note that this conference is being recorded. I'll now turn the call over to Mr. Adolfo Heeren. You may begin.

MR. HEEREN:

Good morning ladies and gentlemen. Today I would like to talk about Calidda's Results and development up to the first half of this year. In the agenda we will review Calidda's significant developments of the first semester, second point we will talk about the operational performance about the first semester

[MR. HEEREN]: third point we will talk about the financial performance and key metrics, finally we will have a questions and answers session.

MR. HEEREN:

At the first point, we will talk about Calidda's significant developments; we're going to talk about Calidda's significant developments. In this slide we can see that in May the General Board of Directors agreed unanimously to increase the social capital through the capitalization of retained earnings. The amount involved is USD\$62.2 Million. Additionally also in May, we started the commercial agreement with the new Phoenix Power Thermoelectric Plant. In June, we connect La Pampilla Refinery; we expect these customers will have a regular consumption close to 4 Million cubic feet/day.

Regarding our operational development, with an investment close to USD\$90Million, Calidda increased in 55% the capacity of the natural gas distribution system from 255 to 420 Million cubic feet/day. This investment will allow us to distribute more gas to new residential, commercial, industry and NGV stations. We expect the commercial start up for the end of August.

In the next slide we are going to talk about the operational performance of the first Semester. We can see in this slide that we divided in four parts, in the four main client segments that we have.

The first one is the Power Generators. As I mentioned before, in the power generators we start our commercial relationship with Phoenix Power, that they have a capacity of 534 MW. Also in the industrial sector, our second segment, we can see that we included 70 new customers. We can mention here that in this segment we have been growing in a rate of 3%. In the case of NGV stations, although we grow three more service stations for the distribution system, now we have 162.000 converted cars using natural gas. This number of converted vehicles implies an increase of 7% compared to 2012. It's important to mention that in the case of NGV, natural gas for vehicles, we are talking with the municipality of Lima to migrate the Lima Bus Public Transportation Service to natural gas. This means to have all the natural, all the public transportation cars from Lima municipality using natural gas. And finally in the residential and commercial side, we can see a substantial growth in the number of customers. We continue growing and this year we almost connect 21.000 customers, this means homes, and now we have almost 125.000 connections. This represents that we are generating benefits for almost half a million persons in the city.

Moving forward in the next slide we can see the volume per each segment; as you can see Cálidda's volume has been growing for the past year. By the second quarter we deliver volume in the industrial, residential, commercial and NGV segments in a positive trend, we are continue growing in all these segments. In the case of power generation that the volume slightly decreases, and this usually happens in the first part of the year and this is mainly because we have a seasonal effect as a consequence of the hydroelectric energy, that operates during the first semester of the year; and the second point is that two of our power generation, which are Kallpa and Enersur, start combined cycle in their power generators. This usually happens all the years and normally during the second semester of the year this trend turns around.

Moving to the next slide and showing the key figures, in the first one we can see that in income, we have been growing in an average rate of 35% over the past year, during the first semester we'll reach almost USD\$200 Million of income, and we can see in the second chart in the right that the breakdown of the revenues by client segment, show that installation services is a significant and important portion of our revenue. And that is why we're growing more and more in the residential segment as we mentioned before.

In the third chart you can see, regarding the network kilometers of the company that we already have 2.836 Km, of which almost 380 Km correspond to high-pressure network and this is part, this increased results are part of our increase of our distribution system as I mentioned before. The other part, that are 2.459 Km represent a part of our secondary network, and they're built in polyethylene. This year, so far, we have 306 Km that we have been building during the first six months. And considering this, how much we have been growing, if we take a look at our penetration rate that is our last slide, our last graph in this slide, we can see that today we are almost close to 46% and every year we have been growing and that means that today we have almost a potential of 273.000 homes in front of our network of which almost 125.000 have been connected. We are increasing this penetration year by year, and we are getting more and more focused on this segment increase and in the number of connections and increase the penetration rates for the future.

In the next topic, we are going to talk about the financial performance and key metrics. We can see in the next slide the financial performance for the last year and the first semester of the year; you can see in this graph that we compared also at the end the last 12 months, we included a row with the last 12 months, this means from July 2012 to June 2013 so we can compare that period against 2012.

We are growing in terms of invoicing, we are growing in terms of volume and in the case of the EBITDA we can see that we maintain the same level of EBITDA for this year, if we consider we are almost 50% of what we have done last year and although the increase of the invoicing and the volume, we had higher operational costs and that's a consequence of our increase of 50% in the contractor tariff for internal installation that we negotiated last year that now is reflected in the cost.

The Debt/EBITDA interest coverage ratio reflects that the 220 bonds issued on prepayment of our total financial debt showed in Q1, included the shareholders subordinated debt and penalty charged for the early prepayment of the multilateral agencies debt.

We can see also that we maintain a strong cash position to complete our CAPEX program and our growth for this year and next year.

This is how we are, these are the results of this first semester, so now we can move forward for any question or...that you can have.

Many thanks.

We can complete the presentation right now. If any of the participants have any questions...

RICHARD:

Thank you Mr. Heeren. We will now begin the questions and answers session. If you have a question please press star, then one, on your touch-tone phone. If you wish to be removed from the queue please press the pound sign or the hash key. If you are using a speakerphone you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star, then one, on your touch-tone phone. Standing by for questions.

Once again if you have a question please press star, then one, on your touch-tone phone.

We have no further questions at this time. And at this time I'm showing no further questions. Please proceed with any closing remarks.

MR. HEEREN:

Ok, we want to thank everyone for being participating in this teleconference. We will maintain this teleconference in a quarterly period and we are also posting all this information in our investors' relationship webpage. Many thanks for the participation and we will continue talking in the next quarter. Thanks.

RICHARD:

Thank you ladies and gentleman. This concludes today's conference. Thank you for participating. You may now disconnect.