Summary

1. Significant Developments

- Cálidda´s client base has increased 32% compared to second quarter of 2015, and the invoiced volume has increased by 7%.

- During the first half of 2016, 804 km of network were built, whereby the distribution system has reached a total of 6,793 km of underground pipelines.

- Total Revenues from first half decreased 1%(explained by a reduction in natural gas prices).Total Adjusted Revenues increased 3% driven by higher distribution services and installations financing

- The EBITDA and Adjusted EBITDA margin grew mostly driven by a higher demand of natural gas.

2. Natural Gas Market

- In Q2 2016, the monthly average total volume of natural gas produced in Peru was 1,404 MMCFD (million cubic feet per day), showing an increase of 19.29% when compared to the monthly average total volume produced in Q2 2015 of 1,177 MMCFD.

3. Commercial Performance

3.1. Client Base

Client Base	2010	2011	2012	2013	2014	2015	Q2 2016
Power Generation	11	13	13	16	16	17	17
Industrial	360	394	429	466	489	507	517
GNV Stations	143	172	192	206	220	232	236
Converted Vehicles	103,712	126,586	151,781	171,541	197,154	212,252	225,423
Residential & Commercial	34,619	63,602	103,090	163,129	254,280	344,380	394,947
Total Clients	**35,133**	**64,181**	**103,724**	**163,817**	**255,005**	**345,136**	**395,717**

- No new power generators where connected in Q2 2016.

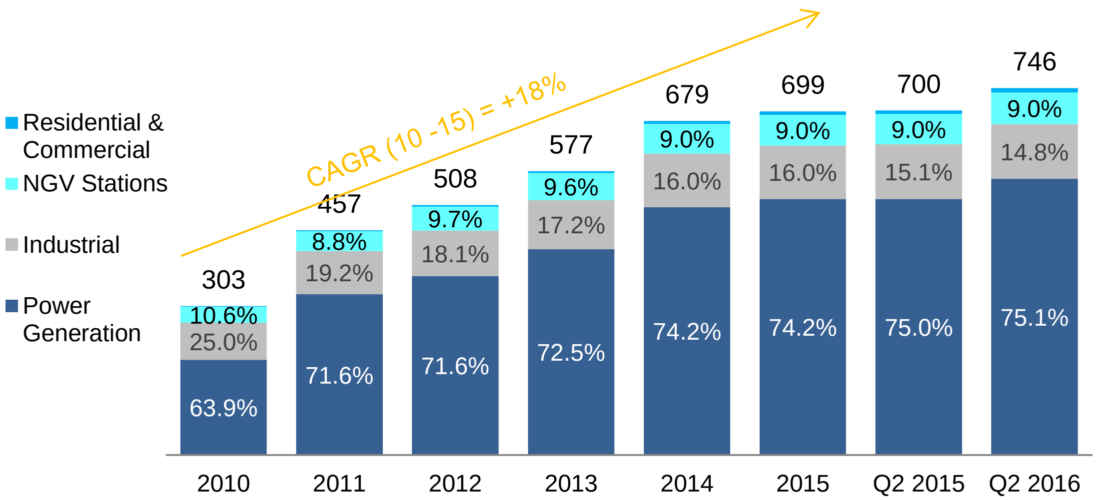
- 10 new industrial plants were connected during first half of 2016.

- 4 new NGV stations were connected to Cálidda's distribution system and 225,423 converted vehicles are attended in the Cities of Lima and Callao.

- During first half of 2016, Cálidda added 49,987 clients in the Residential segment and 580 clients in the Commercial segment.

3.2. Volume

As you can see in the graph below, the volume sold in Q2 2016 increased by 7% against first half of 2016, mostly explained by the increase in Take-or-Pay contracts. As of Q2 2016, Take or Pay contracts amounted 601 MMCFD (565 MMCFD Power Generation + 36 MMCFD Industrial), 81% of total invoiced volume.



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

Volume (MMCFD)	2010	2011	2012	2013	2014	2015	Q2 2015	Q2 2016	Var (Q2 15 vs Q2 16)
Power Generation	193	327	364	418	504	521	520	562	8%
Industrial	76	88	92	99	109	108	111	111	0%
GNV Stations	32	40	49	56	61	62	62	64	4%
Residential & Commercial	1.3	1.9	2.9	3.9	5.8	7.5	7.0	9.4	35%

- The segment that presents the most important growth is the Residential & Commercial, which shows an increase of 35% compared to the first half of 2015, explained by the successful addition of new customers. (299,790 in Q2 2015 vs 395,717 in Q2 2016).

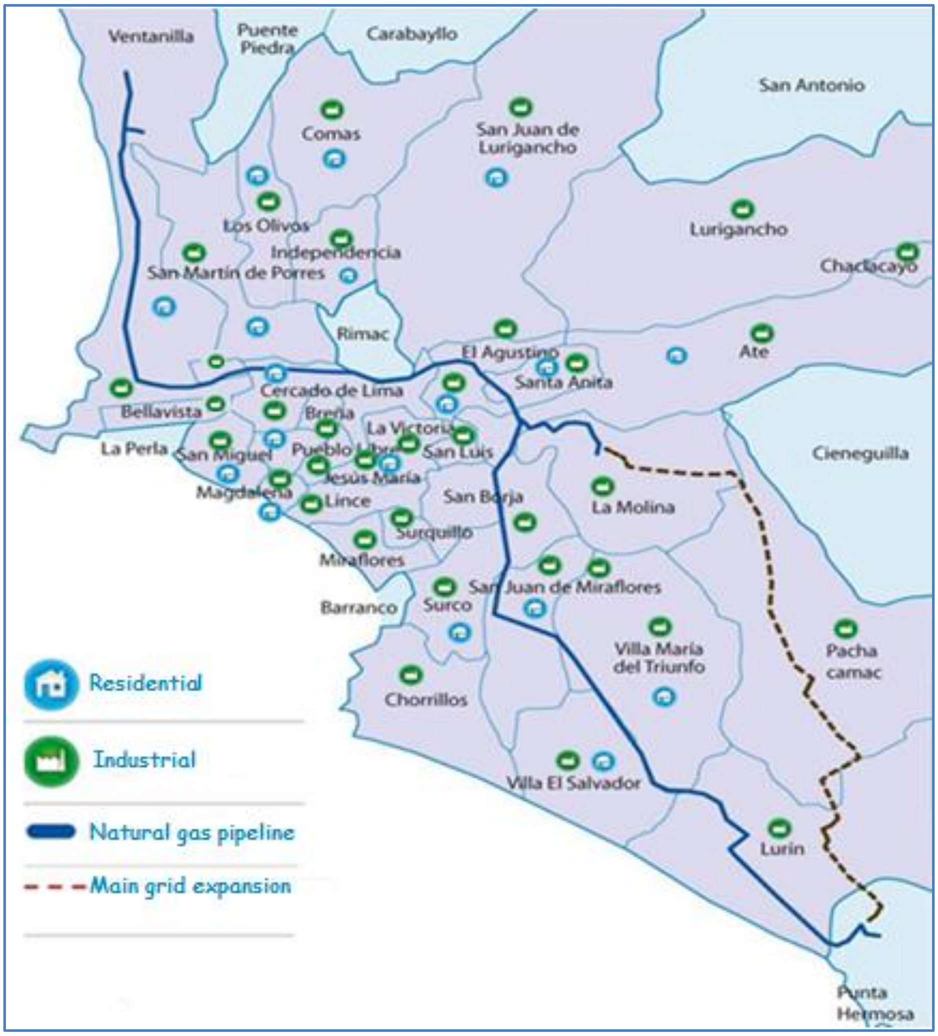
- The industrial sector did not showed any variation compared to first half of 2015 despite of having added 10 more industrial clients due to the exit of an important bricks manufacturer company and a longer time of banned fishing.

- The NGV segment shows an increase mostly explained by the addition of new customers and converted vehicles.

- The Power Generation segment shows an increase of 8% due to a higher gas natural demand.

4. Operational Performance

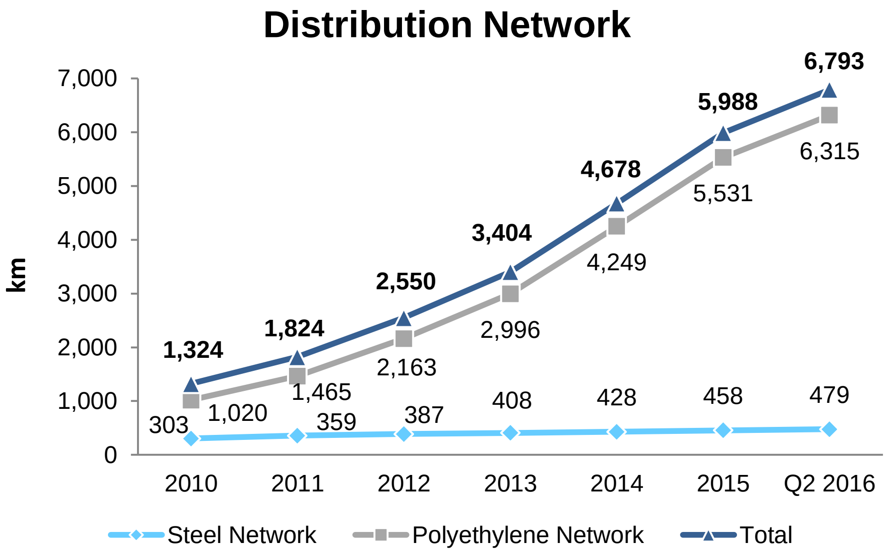
Cálidda connected 49,987 customers in Q2 2016. In the Residential segment, Cálidda has operations in 19 out of the 49 districts from the Metropolitan area of Lima and Callao: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, Villa María del Triunfo, Ate Callao, Independencia and Carabayllo. Likewise, in the Industrial and NGV Stations segments, Cálidda has operations in more than 36 districts.



In June, the promotion fund was reactivated, subsidizing those who decide to acquire their Internal by US$ 190, 32% of the cost. Total price paid is US$ 600.

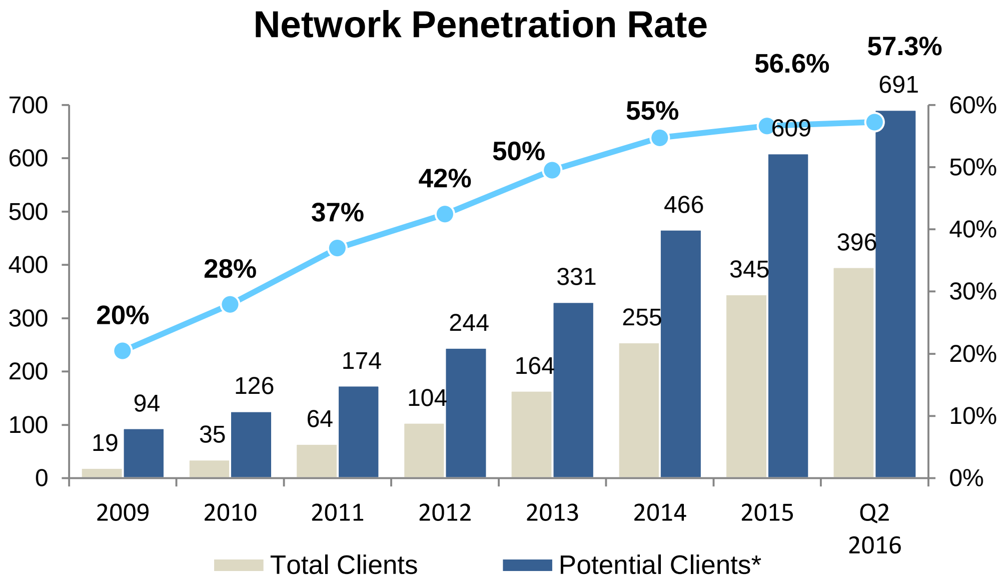
4.1. Distribution Network

In Q2 2016, Cálidda has built 805 km, out of which 21 km were steel high pressure network while the remaining 784 km were polyethylene pipelines. The total network now reaches 6,793 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 network. In Q2 2016, Cálidda estimated that there are over 691,000 potential clients (among households and other types of clients) close enough to Cálidda´s network, out of which 395,717 are currently connected. Therefore, the network penetration rate is 57,3%.



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

As 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);

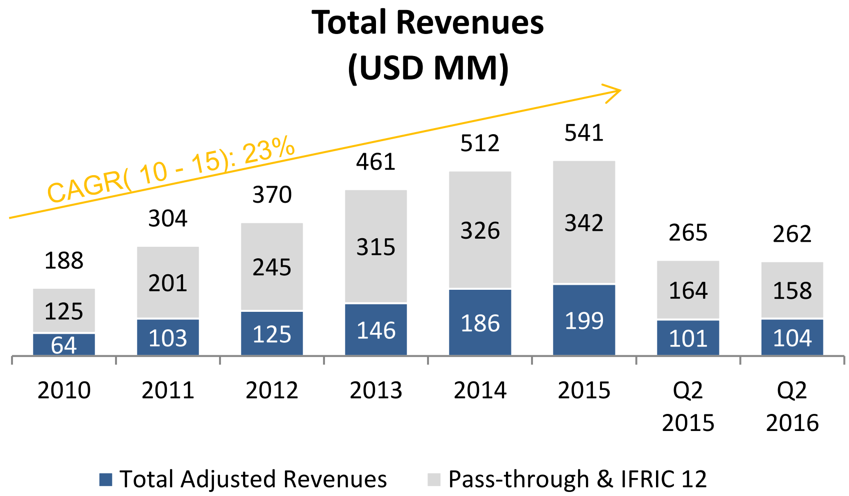
iii) Pass-through revenues, which are derived from gas supply and gas transportation services (which also represent cost of sales, without a margin);

iv) IFRIC 12, which represents an accounting standard to book concession investments, and

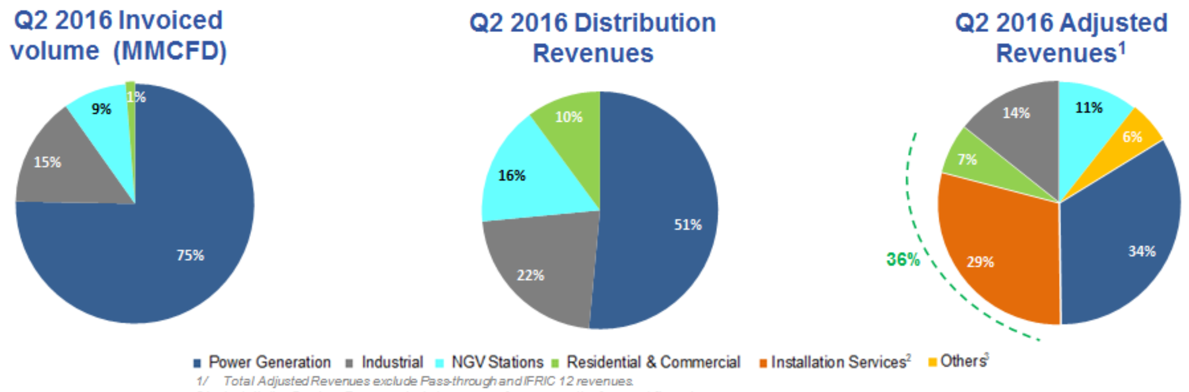
v) Other revenues, comprising maintenance and other non-recurrent services.

Total revenues for Q2 2016 were US$ 262mm (including pass-through and IFRIC 12 revenues), having decreased by 1% vs. Q2 2015.

Notwithstanding the foregoing, in Q2 2016, the Total Adjusted Revenues increased 3% from US$ 101mm to US$ 104mm driven by an increment in revenues from installation services and to an increment in the Take-or-Pay contracts.



In the next chart we can observe that even though residential & commercial segment only represents 1% of the invoiced volume, it explains 10% of the distribution revenues. If we add the revenues generated by the internal installations business, this segment represents 36% of the Adjusted Revenues.



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

On the other hand Power Generators represents 75% of the volume, 51% of the distribution revenues, but only 34% of the adjusted revenues.

In Q2 2016 other Revenues represent 6% of the Adjusted Revenues, explained by extraordinary revenues that came from relocation services.

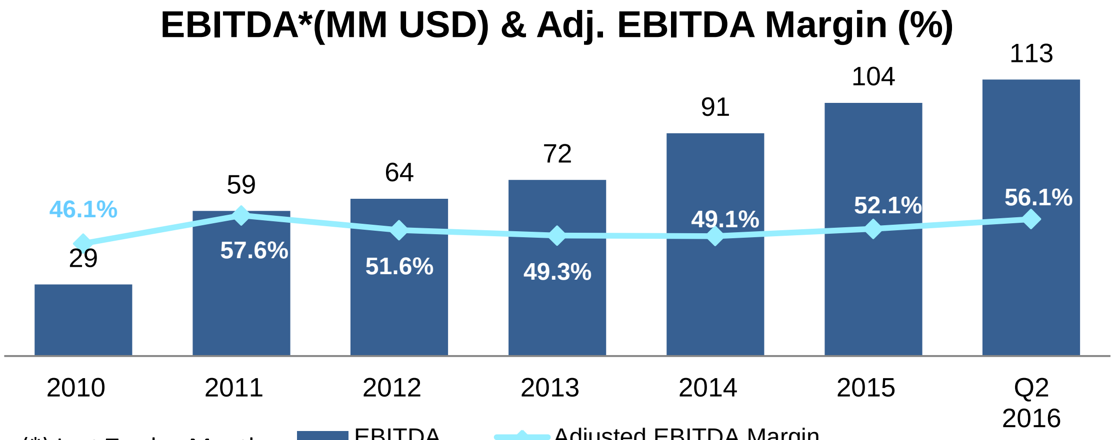
5.2. Financial Ratios

The financial results between Q2 2016 against Q2 2015 are shown in the following chart:

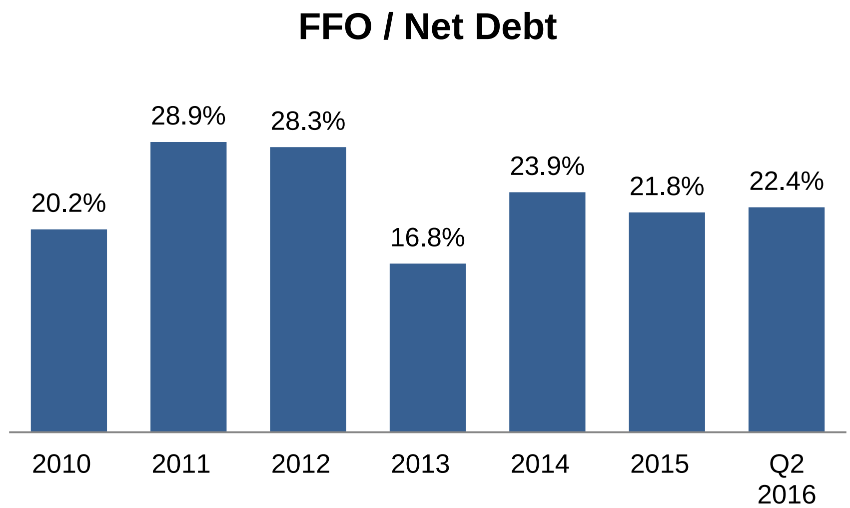
Financial Information	Q2 2016	Q2 2015	Var (Q2 15 vs Q2 16)
Total Revenues (USD MM)	261.6	265.5	-1%
Total Adj. Revenues (USD MM)[1]	103.9	101.1	3%
EBITDA (USD MM)[2]	113.2	99.9	13%
Adjusted EBITDA Margin[3]	56.1%	51.4%	9%
Net Income	30.1	20.2	49%

1/ Revenues exclude Pass-through and IFRIC 12
2/ Last twelve months EBITDA.
3/ Last twelve months EBITDA & Adjusted Revenues.

Last twelve months EBITDA as of Q2 2016 amounts US$ 113mm, which have an increase of 13% compared to 2015 EBITDA and the Adjusted EBITDA margin grew almost 5 points explained by a higher natural gas demand, implying an important increase of Net Income.

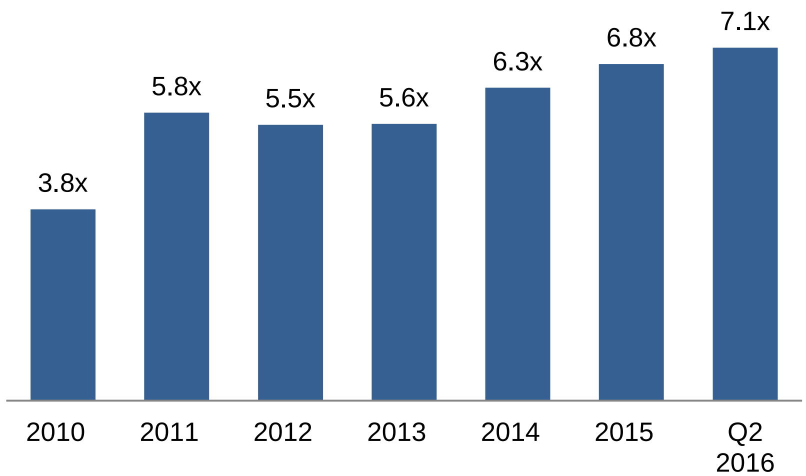


(*) Last Twelve Months.



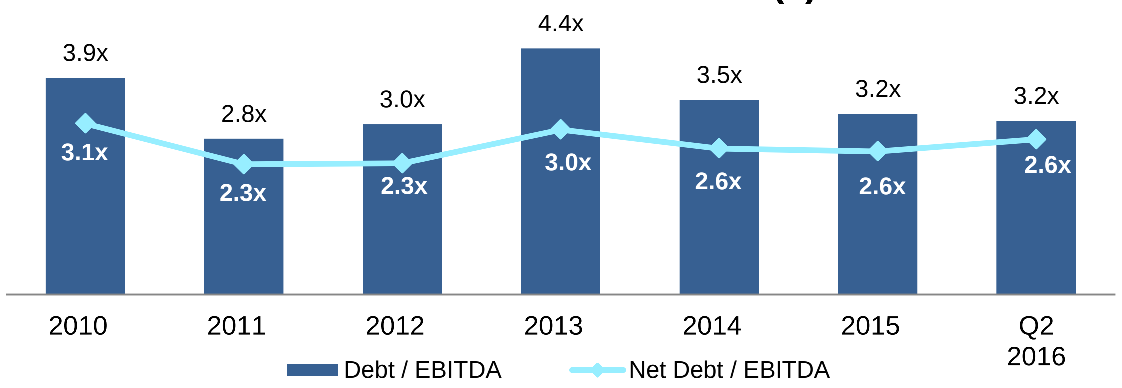
(*) Last twelve months

Interest Coverage (x)

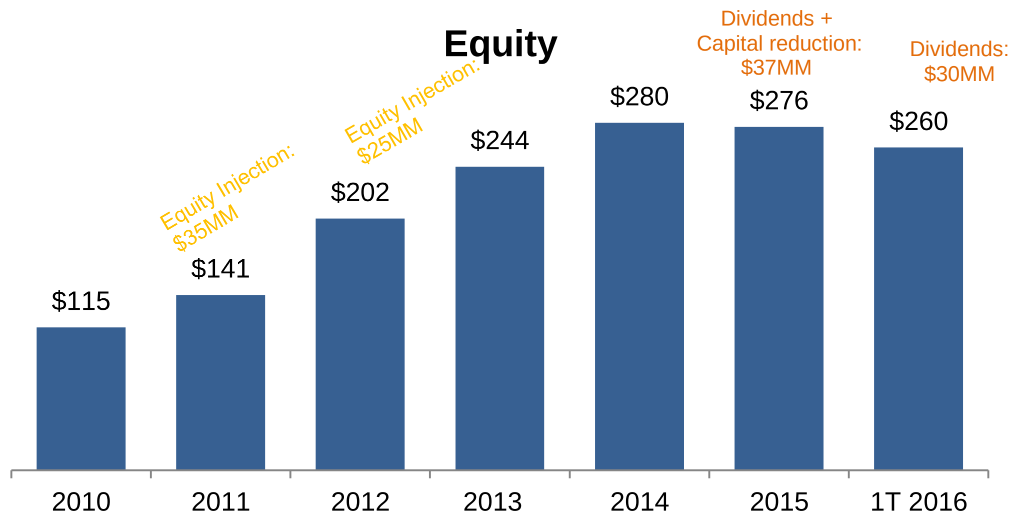


Ratio does not include 2013's debt prepayment penalties (US$ 7.8 MM).
(*) Last twelve months.

Debt & Net Debt / EBITDA*(x)

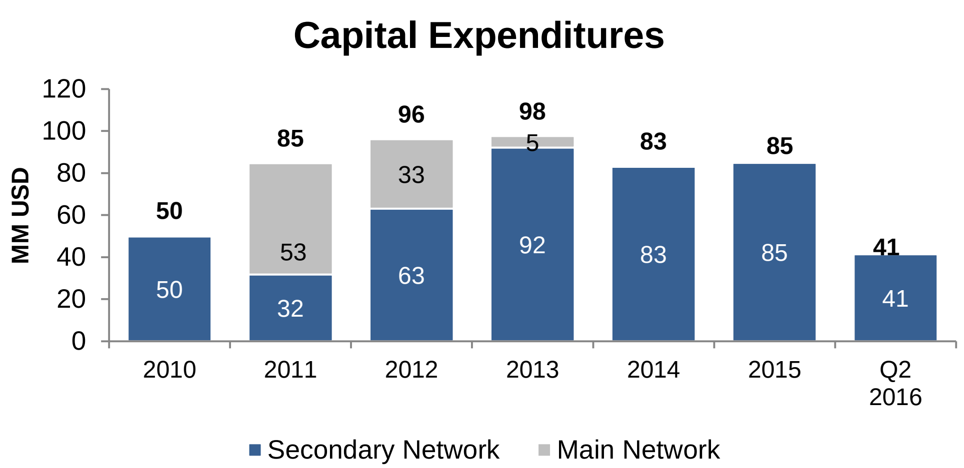


Net Debt = Debt net of Cash Balance
(*) Last twelve months.



5.3. Capital Expenditures

In Q2 2016 Cálidda invested US$ 41mm in the expansion of its distribution network, mainly in the construction of polyethylene network in order to connect household 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.