

Table of Contents**8. Derivative financial instruments**

As of March 31, 2015 and December 31, 2014 the Company has contracted cross currency interest swaps with BBVA Banco Continental in order to manage the interest rate risk. The detail of such instruments is as follows:

Description	Beginning date	Maturity date	Nominal amount		Exchange rate	Fair value	
			US\$(000)	S/(000)		March 31, 2015 S/(000)	December 31, 2014 S/(000)
Swap agreement – BBVA Banco Continental	26/10/2010	30/07/2019	6,060	16,878	2.785	3,024	2,249
Swap agreement – BBVA Banco Continental	15/03/2013	15/03/2023	6,982	18,048	2.585	6,846	5,380
Swap agreement – BBVA Banco Continental	09/04/2013	10/04/2023	1,383	3,551	2.567	1,384	1,093
<b>Total</b>			<b>14,425</b>	<b>38,477</b>		<b>11,254</b>	<b>8,722</b>

Effects of the accounting of derivative financial instruments held by the Company are presented in the "Financial expenses" caption of the statements of comprehensive income.

**9. Cost of sales**

Following is the composition of this caption:

	For the three months ended 31 March	
	2015 S/(000)	2014 S/(000)
Depreciation	892	927
Operating and maintenance cost	660	593
Insurance	295	339
Taxes	204	191
Amortization of intangible asset	52	52
Maintenance of fixed assets	8	—
Other	195	140
	<b>2,306</b>	<b>2,242</b>

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