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Generación Mediterránea S.A.

Interim Condensed Financial Statements

At June 30, 2017 and for the six and three-month periods
ended June 30, 2017 and 2016
presented in a comparative format

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Contents

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Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the financial statements of the Company.

Terms	Definitions
/day	Per day
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fueguina S.A.
AISA	Albanesi Inversora S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADLAR	Interest rates paid by financial institutions on their time deposits for over one million pesos.
BADCOR	Adjusted BADLAR rate
BDD	Bodega del Desierto S.A.
BCRA	Argentine Central Bank
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Power Plant), located in Ezeiza, Buenos Aires.
CTF	Central Térmica Frías (Frias Power Plant), located in Frías, Santiago del Estero (merged with GMSA)
CTI	Central Térmica Independencia (Independencia Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana (Modesto Maranzana Power Plant), located in Río IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Power Plant) located in La Rioja, La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters.
DH	Historical availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target availability
DR	Registered availability
The Group	Albanesi S.A. and its subsidiaries
Energía Plus	Plan created under ES Resolution 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric

Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GFSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption unto: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supplies of over 300kW.
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Particular Large Users
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAT	Futures market
MAPRO	Major Scheduled Maintenance
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
AR GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ON	Negotiable obligations
PWPS	Pratt & Whitney Power System Inc
Resolution 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical pronouncements
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
SADI	Argentine Interconnection System
ES	Energy Secretariat
CGU	Cash-Generating Unit

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Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee
as of June 30, 2017

President
Armando R. Losón

1st Vice-president
Guillermo G. Brun

2nd Vice President
Julián P. Sarti

Full Directors
Carlos A. Bauzas
Sebastián A. Sánchez Ramos
Oscar C. De Luise
Roberto J. Volonté
Juan Carlos Collin
Jorge Hilario Schneider

Alternate Directors
Armando Losón (h)
José Leonel Sarti
Juan G. Daly
Maria de los Milagros D. Grande
Ricardo M. López
Romina S. Kelleyian

Full Syndics
Enrique O. Rucq
Marcelo P. Lerner
Francisco A. Landó

Alternate Syndics
Juan Cruz Nocciolino
Carlos I. Vela
Johanna M. Cárdenas

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Legal information

Company Name:	Generación Mediterránea S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main business activity:	Generation and sale of electric energy Development of energy projects, execution of projects, advisory services, provision of services, management, administration and performance of works of any kind. Investments and financial operations of any kind, except those established by Law No. 21526

Registration with the Superintendency of Commercial Companies:

By-laws:	January 28, 1993
Last amendment:	March 17, 2017
Registration number with the Superintendency of Commercial Companies:	644 of Book 112, Volume A of Corporations
Tax ID: No.	30-68243472-0
Expiration date of Company By-laws:	January 28, 2092
Parent company:	Albanesi S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main line of business of Parent Company:	Investment and financial activities
Percentage of equity interest held by Parent Company:	95%
Percentage of voting rights of Parent Company:	95%

CAPITAL STATUS (Note 14)	
Type of shares	**Subscribed, paid-in and registered**
	$
Ordinary, non-endorsable shares of par value $ 1, carrying one vote per share	138,172,150

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Generación Mediterránea S.A.

Interim Condensed Statement of Financial Position

As of June 30, 2017 and December 31, 2016

Stated in pesos

	Note	06.30.17	12.31.16
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	8,569,910,793	4,491,820,544
Investments in Companies		129,861	129,861
Other receivables		72,785,531	49,598,816
Trade receivables		9,203,849	57,883,839
Total non-current assets		**8,652,030,034**	**4,599,433,060**
CURRENT ASSETS			
Materials and spare parts		31,241,135	27,636,382
Other receivables		1,010,874,475	1,192,569,484
Other financial assets at fair value through profit and loss		30,451,950	136,206,567
Trade receivables		650,302,539	456,444,479
Cash and cash equivalents	13	266,267,764	444,954,591
Total current assets		**1,989,137,863**	**2,257,811,503**
Total assets		**10,641,167,897**	**6,857,244,563**
SHAREHOLDERS' EQUITY			
Share Capital	14	138,172,150	125,654,080
Additional paid-in capital		211,405,124	111,514,225
Legal reserve		5,147,981	4,968,948
Optional reserve		51,731,727	48,330,099
Special Reserve		1,275,621	1,275,621
Retained earnings		97,531,900	3,580,661
Technical revaluation reserve		1,589,387,045	1,474,799,111
TOTAL SHAREHOLDERS' EQUITY		**2,094,651,548**	**1,770,122,745**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	17	8,133,548	9,135,552
Deferred tax liabilities, net		985,475,531	861,147,900
Loans	16	4,298,217,953	3,458,177,301
Trade payables		917,031,046	250,442,290
Total non-current liabilities		**6,208,858,078**	**4,578,903,043**
CURRENT LIABILITIES			
Other liabilities		145,559	2,752,893
Tax payables		17,483,356	17,221,490
Salaries and social security charges		14,786,287	3,748,321
Derivative financial instruments		-	2,175,000
Loans	16	1,292,284,697	284,868,267
Trade payables		1,012,958,372	197,452,804
Total current liabilities		**2,337,658,271**	**508,218,775**
Total Liabilities		**8,546,516,349**	**5,087,121,818**
Total Liabilities and Equity		**10,641,167,897**	**6,857,244,563**

The accompanying notes form an integral part of these interim condensed financial statements.

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Generación Mediterránea S.A.

Interim Condensed Statement of Comprehensive Income

For the six and three-month periods ended June 30, 2017 and 2016

Stated in pesos

		Six-month period at		Three-month period at	
	Note	06.30.2017	06.30.2016	06.30.2017	06.30.2016
Sales revenue	7	1,144,018,732	1,064,922,763	510,661,914	558,073,348
Cost of sales	8	(806,844,535)	(801,167,709)	(349,356,855)	(461,352,926)
Gross income		**337,174,197**	**263,755,054**	**161,305,059**	**96,720,422**
Selling expenses	9	18,700,282	(2,647,957)	(248,296)	(2,140,589)
Administrative expenses	10	(19,019,836)	(15,593,726)	(12,581,199)	(5,705,577)
Other operating income and expenses		442,354	(967,321)	306,506	(3,166,048)
Operating income		**337,296,997**	**244,546,050**	**148,782,070**	**85,708,208**
Financial income	11	10,999,118	5,218,446	8,124,361	3,575,727
Financial expenses	11	(142,947,965)	(118,987,070)	(60,106,124)	(55,712,740)
Other financial results	11	(23,930,988)	(71,529,564)	(100,335,777)	(28,181,563)
Financial results, net		**(155,879,835)**	**(185,298,188)**	**(152,317,540)**	**(80,318,576)**
Income (loss) before tax		**181,417,162**	**59,247,862**	**(3,535,470)**	**5,389,632**
Income tax		(68,131,632)	(26,280,586)	(1,011,873)	(5,386,949)
Income (loss) for the period		**113,285,530**	**32,967,276**	**(4,547,343)**	**2,683**
Earnings per share					
Basic and diluted earning per share	15	0.8199	0.2624		

The accompanying notes form an integral part of these interim condensed financial statements.

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Generación Mediterránea S.A.

Interim Condensed Statements of Changes in Equity

For the six-month periods ended June 30, 2017 and 2016

Stated in pesos

	Share Capital (Note 14)	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve	Technical revaluation reserve	Retained earnings	Total equity
Balances at December 31, 2015	**76,200,073**	**-**	**2,439,117**	**19,870,827**	**-**	**567,352,214**	**33,487,164**	**699,349,395**
Addition due to merger through absorption at January 1, 2016	49,454,007	111,514,225	457,444	2,128,288	1,275,621	481,086,393	(136,702,918)	509,213,060
Release of optional reserve as per Shareholders' Meeting Minutes dated March 16, 2016	-	-	-	(9,700,000)	-	-	9,700,000	-
- Distribution of dividends	-	-	-	-	-	-	(9,700,000)	(9,700,000)
Shareholders' Meeting Minutes dated April 20, 2016								
- Setting up of legal reserve	-	-	2,072,387	-	-	-	(2,072,387)	-
- Setting up of optional reserve	-	-	-	36,030,984	-	-	(36,030,984)	-
Reversal of technical revaluation reserve	-	-	-	-	-	(21,687,589)	21,687,589	-
Comprehensive income for the six-month period	-	-	-	-	-	-	32,967,276	32,967,276
Balances at June 30, 2016	**125,654,080**	**111,514,225**	**4,968,948**	**48,330,099**	**1,275,621**	**1,026,751,018**	**(86,664,260)**	**1,231,829,731**
Other comprehensive income for the six-month supplementary period	-	-	-	-	-	471,804,937	-	471,804,937
Reversal of technical revaluation reserve	-	-	-	-	-	(23,756,844)	23,756,844	-
Comprehensive income for the six-month supplementary period	-	-	-	-	-	-	66,488,077	66,488,077
Balances at December 31, 2016	**125,654,080**	**111,514,225**	**4,968,948**	**48,330,099**	**1,275,621**	**1,474,799,111**	**3,580,661**	**1,770,122,745**
Addition due to merger through absorption at January 1, 2017	12,518,070	99,890,899	-	-	-	161,984,473	(63,150,169)	211,243,273
Shareholders' Meeting Minutes dated April 18, 2017								
- Setting up of legal reserve	-	-	179,033	-	-	-	(179,033)	-
- Setting up of optional reserve	-	-	-	3,401,628	-	-	(3,401,628)	-
Reversal of technical revaluation reserve	-	-	-	-	-	(47,396,539)	47,396,539	-
Comprehensive income for the six-month period	-	-	-	-	-	-	113,285,530	113,285,530
Balances at June 30, 2017	**138,172,150**	**211,405,124**	**5,147,981**	**51,731,727**	**1,275,621**	**1,589,387,045**	**97,531,900**	**2,094,651,548**

The accompanying notes form an integral part of these interim condensed financial statements.

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Generación Mediterránea S.A.

Interim Condensed Statement of Cash Flows
For the six-month periods ended June 30, 2017 and 2016
Stated in pesos

	Notes	06.30.17	06.30.16
Cash flow provided by operating activities:			
Income for the period		113,285,530	32,967,276
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		68,131,632	26,280,586
Interest earned, net	11	129,895,261	109,071,145
Depreciation of property, plant and equipment	8 and 12	106,590,326	57,403,478
Changes in the fair value of financial instruments	11	(40,982,686)	(8,287,290)
(Decrease) in provision for contingencies	17	(1,002,004)	(1,823,886)
(Decrease) Increase in provision for bad debts	17	(76,869)	2,010,873
Fair value		(1,854,789)	4,006,121
Exchange difference	11	35,107,083	52,045,285
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(14,790,786)	(108,233,301)
Decrease / (Increase) in other receivables		173,928,979	(474,159,072)
(Increase) in materials and spare parts		(12,682,888)	(4,571,614)
Increase / (Decrease) in trade payables		14,402,939	(26,981,758)
(Decrease) in other liabilities		(2,607,334)	(58,184,938)
Increase / (Decrease) in salaries and social security charges		10,354,904	(2,084,732)
(Decrease) in tax payables		(11,686,218)	(4,338,526)
Net cash flows provided by (used in) operating activities		**566,013,080**	**(404,880,353)**
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	12	(1,929,619,536)	(346,013,214)
Payment of derivative instruments		(2,175,000)	-
Collection of financial instruments		25,521,793	7,403,603
Subscription of mutual funds, net		98,135,642	-
Addition of cash due to merger		86,524,181	(8,763,199)
Loans granted		(8,090,000)	-
Net cash flows (used in) investing activities		**(1,729,702,920)**	**(347,372,810)**
Cash flow provided by financing activities:			
Loans granted	16	2,175,818,974	1,690,054,277
Payment of loans	16	(944,166,843)	(544,346,233)
Payment of interest	16	(287,330,177)	(107,538,173)
Net cash flows provided by financing activities		**944,321,954**	**1,038,169,871**
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(219,367,886)**	**285,916,708**
Cash and cash equivalents at the beginning of the period		444,954,591	(32,833,887)
Financial results of cash and cash equivalents		40,681,059	(10,023,702)
Cash and cash equivalents at period end	13	266,267,764	243,059,119
		(219,367,886)	**285,916,708**

The accompanying notes form an integral part of these interim condensed financial statements.

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Interim Condensed Statement of Cash Flows (Cont'd)
For the six-month periods ended June 30, 2017 and 2016
Stated in pesos

Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	**12**	(1,094,114,620)	(2,634,378)
Interest and exchange difference capitalized in property, plant and equipment	**12**	(452,400,518)	(92,000,410)
Payment of dividends		-	(9,700,000)
Addition of property, plant and equipment due to merger	**12**	708,545,901	1,068,873,584
Addition of trade receivables due to merger		59,089,006	120,098,598
Addition of other receivables due to merger		56,066,060	108,259,299
Addition of materials and spare parts due to merger		(9,078,135)	6,270,052
Addition of other financial assets at fair value through profit and loss due to merger		-	1,210,961
Addition of trade payables due to merger		(206,608,339)	(67,806,826)
Addition of other liabilities due to merger		-	(58,184,938)
Addition of loans due to merger		(424,285,831)	(490,716,207)
Addition of salaries and social security charges due to merger		(683,062)	(1,628,857)
Addition of tax payables due to merger		(58,326,510)	(193,707,527)
Assignment of receivables with Directors to GROSA		20,785,080	-

NOTE 1: GENERAL INFORMATION

GMSA is a company engaged in the conventional thermal power generation and is controlled by Albanesi S.A., an investing and financing company, which holds 95% of its capital and votes.

ASA was established in 1994. Through its subsidiaries and related entities, the Company has invested in the energy market, in the power generation and commercialization segment, its main line of business to date.

Albanesi Group has a total installed capacity of 1,042 MW at the date of these financial statements.

Central Térmica Modesto Maranzana

GMSA is the owner of Central Térmica Modesto Maranzana (CTMM), located in the city of Río Cuarto, Province of Córdoba. The Power Plant originally had a combined cycle of operation with a capacity of 70 MW, in two blocks of 35 MW each, and each block with a Frame Gas Turbine 5, a Generator and a Steam Turbine in a single axis system.

In October 2008, GMSA completed the first stage of the project to extend the Power Plant. To this end, two new aero-derivative gas turbines FT8-3 SwiftPac 60 PWPS were installed and started-up. The units are made up of two aero-derivative gas turbines of 30 MW each, placed in such a manner that they both transmit their power to a single Generator, which offers great operative flexibility.

Continuing with its expansion process, GMSA installed a third turbine FT8-3 SwiftPac 60 PWPS of 60 MW in 2010, which became operative in September of that year and reached an installed capacity of 250 MW at the Power Plant.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB for the provision and assembly of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement agreement falls within the scope of ES Resolution No. 220/07. On July 6, 2017, CAMMESA authorized the commercial operation of the two Siemens SGT-800 turbines. In this manner, the installed capacity of the Power Plant increased from 250 MW to 350 MW. At the date of these condensed interim financial statements it is in operation.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Independencia

Central Térmica Independencia (CTI, for its acronym in Spanish) is located in the city of San Miguel de Tucumán, province of Tucumán. CTI was out of service and during 2011, GISA performed all necessary works and tasks to install 120MW with PWPS technology as well as refurbish the existent auxiliary facilities. On November 17, 2011, GISA obtained authorization for the commercial operation of the new turbines.

Central Térmica Riojana

Central Térmica Riojana (CTRi) has currently three power generation units Turbogrupo Fiat TG21 of 12MW, Turbogrupo John Brown TG22 of 16MW and Turbogrupo Fiat TG23 of 12MW.

On July 20, 2015, GRISA signed an addendum with CAMMESA for the agreement within the scope of ES Resolution No. 220/067 to enlarge the installed capacity by 50MW.

On September 7, 2015, GRISA executed a contract with Siemens Industrial Turbomachinery AB, whereby it agreed to purchase a turbine Siemens SGT800 of 50 MW, for an amount of USD 19.3 million. As from May 20, 2017, it became operative.

Central Térmica La Banda

Central Térmica La Banda (CTLB) has currently two power generation units Turbogrupo Fiat TG21 of 16 MW and Turbogrupo Fiat TG22 of 16 MW.

Central Térmica Frías

Central Térmica Frias (CTF) has currently 60 MW of nominal thermal power generation capacity through one turbine with PWPS technology. The unit is composed of two gas turbines which transmit their mechanical power to only one generator of 60 MW. The functioning of this machine consists in transforming the chemical energy of the fuel (either liquid or gas, injected into the combustion chambers) into mechanical energy; this is transmitted to the generator, which in turn performs a conversion into electricity.

The purchase agreement of the Turbine amounted to USD 26.87 million. The agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount is disclosed in non-current trade payables for the equivalent to $199,560,000 million.

NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance Agreements

GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plants CTMM, CTI and CTF. As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in the USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. GMSA entered into an equipment lease agreement whereby PWPS must make available to GMSA under EXW conditions replacement equipment (Gas Generator/Power Turbine) for 72 hours, in case of unplanned placing of equipment out of service. PWPS thus guarantees availability of not less than ninety five percent (95%) to the Power Plants for a contractual year. Also, the Power Plants have their own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the shop in the USA. The gas turbine equipment can be sent by plane, thus reducing the transportation time.

GMSA signed with Siemens SA and Siemens Industrial Turbomachinery AB a global service and spare part agreement for the power plants CTRi, CTMM, CTI and CTE. As set forth in the agreements, Siemens must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and corrective maintenance. In addition, the agreement establishes that Siemens will make available for GMSA for CTRi, CTMM, CTI and CTE replacement equipment (engine gas generator) if necessary. Siemens thus guarantees an average availability of not less than ninety six percent (96%) on average to the Power Plants for each biannual measurement period. In addition, the Power Plants have their own repair shop with tools and spare parts in stock to make on-site repairs. Compliance with the energy sale agreement with CAMMESA under Resolution No. 220/07 (for power plants CTRi and CTMM) and Resolution No. 21/16 (for plants CTI and CTE) is thus guaranteed.

In this way, compliance with energy sales contracts is guaranteed.

Environment

For CTMM, the certifications ISO9001:2008, ISO14001:2004 and OHSAS 18001:2007 of the Integrated Management System of the Power Plant are effective. The documentation is correctly updated having adjusted it to the organization's demands and objectives for a sure and efficient performance. The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and pre-emptive follow ups, undertaken, have been performed considering the references of the planning.

NOTE 1: GENERAL INFORMATION (Cont'd)

Environment (Cont'd)

For CTI, CTLB, CTRi and CTF the certification ISO14001: 2004 of the Environmental Management System of the Power Plants is effective and duly implemented, which was proven by the internal audits carried in the first six-month period of the year. Personnel have received the necessary training for the correct performance of their work and environmental care, and effective prevention of contamination. There have been no environmental incidents or other emergencies as a result of the development of the process and the performance of service activities.

In the period June-July 2017, the internal audit was carried out to the Integrated Management System of the Power Plants, proving their duly maintenance and implementation.

As from this second half of the year, the Quality and Environment Systems, specifically, will be migrated to their new 2015 versions and made available to personnel once prior classroom and remote training sessions for users have been delivered. This training process, which begun in the second quarter of the year together with the development of documentary changes necessary, will be extended until the next first week of August, when the annual corporate training session will take place with the attendance of representatives from other Power plants of the Group with special interest on environmental issues.

For next November, a new annual external audit is expected for the maintenance of the system (2nd in a three-year period of certifications) under the new versions for Quality and Environment Systems which have been definitively implemented.

SADI

The Power Plant CTMM is connected to the Argentine Grid (SADI) through EPEC's high voltage network. CTI, CTRi, CTLB and CTF are connected to SADI through a transformer substation belonging to TRANSNOA S.A.

Enlargements under Resolution No. 21/16

Under the framework of Resolution No. 21/16, the Company presented projects to enlarge the power generation capacity by 250MW, which were awarded through a bidding process. At June 30, 2016, GMSA entered into with CAMMESA agreements under this Resolution for the projects of Central Térmica Ezeiza stages I and II 150 MW, and CTI stages I and II 100 MW, with rates stated in US dollars, under a take or pay clause, and effective for 10 years as from the date scheduled or date of commercial authorization, whichever occurs first.

NOTE 1: GENERAL INFORMATION (Cont'd)

Enlargements under Resolution No. 21/16 (Cont'd)

CTI

An enlargement by 100 MW of the power generation capacity in CTI was started, through the installation of two Siemens SGT-800 turbines of 50 MW each. The estimated investment amounts to approximately USD 82 million. The enlargement will be completed in two stages, installing 50MW in each of them. We estimate that the commercial operation of the first stage will start in the third quarter of 2017 and in the first quarter of 2018 that of the second stage.

On April 30, 2016, a contract has been signed with Siemens Industrial Turbomachinery AB for the purchase of the first SGT-800 turbine of 50 MW. At December 31, 2016, 50% of the turbine has been paid, and the other 50% will be paid in 24 installments as from September 2017. The turbine is already at the plant. The total value of this turbine amounts to USD 21 million.

On August 9, 2016, a contract was signed with Siemens Industrial Turbomachinery AB for the purchase of a second SGT-800 turbine of 50 MW. In that month 5% was paid, a second payment of 5% was made in January 2017, and in March 2017, the remaining 40% was paid. In September 2016, a deferred payment agreement was entered into for the remaining 50% to be financed in 24 installments as from April 2018. The parts belonging to the second turbine and chimneys are already at the plant. The value of the turbine amounts to USD 20 million.

In September 2016, negotiations were completed in connection with two transformers of 75 MVA, the civil works for the project and chiller equipment. In addition, in November 2016, agreements with Siemens were executed for the assembly for a total of USD 7.5 million and for maintenance and provision of spare parts for USD 1.02 million.

This last will be paid 35% in July 2017, 35% in September 2017 and 30% in February 2018. Furthermore, in December 2016, the construction of a 132 Kv field was hired and a cooling tower was acquired.

In January 2017, services for engineering and management were hired for the external natural gas works for USD 6.2 million, together with the assembly of chillers and cooling towers for USD 1.4 million. In March 2017, the electrical and mechanical assembly was hired for USD 20 million, with a total investment of USD 39 million. At the date of these interim condensed financial statements, the CTI project has a 97.5% degree of completion.

NOTE 1: GENERAL INFORMATION (Cont'd)

Enlargements under Resolution No. 21/16 (Cont'd)

CTE

In addition, the building of a new plant in the Province of Buenos Aires (Central Térmica Ezeiza) with 150 MW of power generation capacity started, through the installation of three Siemens turbines SGT-800 of 50 MW each. The estimated investment amounts to approximately USD 151.8 million.

The enlargement will be completed in two stages, by installing 100 MW in the first stage and the additional 50MW in the second stage. We estimate that the commercial operations of the first stage will start in the third quarter of 2017 and in the first quarter of 2018 that of the second stage.

On April 30, 2016, a contract has been signed with Siemens Industrial Turbomachinery AB for the purchase of two SGT-800 turbines of 50 MW. In September 2016, the payment of 50% was made for the first two turbines and the remaining 50% will be paid in 24 installments as from September 2017. The turbines are already at the plant. The total value of the turbines amounts to USD 21 million each.

On August 9, 2016, a contract was signed with Siemens Industrial Turbomachinery AB for the purchase of a third SGT-800 turbine of 50 MW. In that month 5% was paid, a second payment of 5% was made in January 2017, and in March 2017, the remaining 40% was paid. In September 2016, a deferred payment agreement was entered into for the remaining 50% to be financed in 24 installments as from April 2018. The value of the turbine amounts to USD 20.3 million. The parts belonging to the third turbine and chimneys are already at the plant. In a similar manner, purchase agreements have been signed for three transformers of 75 MVA, Alfa Laval equipment and chillers, the construction of 132kv fields and the purchase of land in Ezeiza and civil works. In October 2016, two water tanks and one gasoil tank were acquired.

In November 2016, agreements with Siemens were executed for the assembly for a total of USD 9.3 million and for maintenance and provision of spare parts for USD 1.6 million. This last will be paid 35% in June 2017, 35% in September 2017 and 30% in February 2018.

In December 2016, the control room and the overhead traveling crane were built and soil movements works were performed among other civil works.

In the first quarter of 2017, services for engineering and management of the external natural gas work were hired for USD 5.2 million. In addition, the installation was awarded of the gas oil system, compressed air system and drainage for USD 2.8 million. Services for the electrical and civil works and communication system were hired. As of June 2017, USD 83.7 million have been invested. At the date of presentation of these interim condensed financial statements, the works for the CTE project have a 97% degree of completion.

NOTE 1: GENERAL INFORMATION (Cont'd)

Group's companies merger process

GMSA (merging and continuing company) has been part of a merger process with the following companies which have been absorbed: GISA, GLBSA and GRISA. On November 10, 2015, a final merger agreement was signed which established as effective date of the merger January 1, 2016. The merger was approved by the CNV on March 22, 2016 and registered with the Superintendency of Commercial Companies on May 18, 2016 (See Note 24.a).

As a result of the merger, the power plants CTI, CTRi and CTLB owned by the merged companies have been transferred to GMSA.

Furthermore, in 2016 GMSA (merging and continuing company) has been part of a merger process in which GFSA was merged. On November 15, 2016, a final merger agreement was signed which established as effective date of the merger January 1, 2017. The merger was approved by the CNV on March 2, 2017 and registered with the Superintendency of Commercial Companies on March 17, 2017 (See Note 24.b).

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES

The Company's revenue from electricity generation activity is derived from sales to Large Users on the Forward Market (MAT), basic and surplus demand (ES Resolution No. 1281/06); from sales to CAMMESA under ES Resolution No. 220/07; and sales under ES Resolutions No. 22/16 and 19/17. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the WEM administered by CAMMESA.

a) Regulations on Energía Plus, Resolution No. 1281/06

The Energy Secretariat approved Resolution No. 1281/2006 which provides that the existing energy sold on the Spot Market follows these priorities:

(1) Demand lower than 300 KW;
(2) Demand over 300 KW, with contracts; and
(3) Demand over 300 KW, without contracts.

It also establishes certain restrictions on the sale of electric power and implements the "Energía Plus" service, which allows generating agents to offer the available additional generation. They must fulfill the following requirements: (i) they must be WEM agents whose generating units were authorized for operation after September 5, 2006 and (ii) they must have fuel supply and transportation contracts.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

a) Regulations on Energía Plus, Resolution No. 1281/06 (Cont'd)

The regulation establishes that:

• Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").

• The electricity consumed by GU300 above their Basic Demand must be supplied by new generation (Energía Plus) and for a price agreed upon by the parties. This may not exceed 50% of the actual demand.

• New Agents entering the system must contract 50% of their total demand under the Energía Plus service, according to the conditions described above.

As to the Energía Plus program, at June 30, 2017 almost all the nominal power of 135MW available was under contract. The average term of most of the Energía Plus contracts entered into between the Company and its customers ranges between 1 and 2 years. Sales under this modality are paid by customers directly to the Company.

b) Supply Contract with WEM (Resolution No. 220/07).

In January 2007, the Energy Secretariat adopted Resolution No. 220/07 authorizing the execution of Supply Contracts between WEM and additional offers of available generation and associated energy submitted by generating, co-generating or self-generating agents which, at the date of publication of the said resolution are not WEM agents or do not have the generation facilities to be agreed under these commercially authorized offers, or are not interconnected with WEM at that date. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects.

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and energy is established in each contract based on the costs accepted by the ES. The contracts will also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Further, as envisaged with respect to the Supply Commitment Contracts and for the purpose of mitigating the collection risk of the generating agents, the payment obligations assumed by CAMMESA under those Supply Contracts will rank at least pari passu with the recognized operating costs of the thermal power generators.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution 220/07) (Cont'd)

GMSA and CAMMESA entered into a Wholesale Electric Market (WEM) supply contract for 45 MW for a term of 10 years counted as from October 2010. Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 16,133/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (Gas 7.83 USD/MWh – Fuel oil 8.32 USD/MWh); iv) a variable charge for repayment of fuel costs, all of them at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

GISA and CAMMESA entered into a Wholesale Electric Market (WEM) supply contract for 100 MW, for a term of 10 years counted as from November 2011. Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 17,155/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (Gas 7.52 USD/MWh – Fuel oil 7.97 USD/MWh); iv) a variable charge for repayment of fuel costs, all of them at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

For CTRi, GMSA and CAMMESA entered into a Wholesale Electric Market supply contract for 45 MW, for a term of 10 years counted as from the commercial operation expected in May 2017. Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution 220/07) (Cont'd)

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 16,790/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (Gas 11.44 USD/MWh – Fuel oil 15.34 USD/MWh); iv) a variable charge for repayment of fuel costs, all of them at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

GFSA and CAMMESA entered into a Wholesale Electric Market (WEM) supply contract for 55.50 MW, for a term of 10 years counted as from December 2015. Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 19,272/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (GAS 10.83 USD/MWh – FUEL OIL 11.63 USD/MWh); iv) a variable charge for repayment of fuel costs, all of them at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales under ES Resolution No. 22/16

On March 22, 2013 the Energy Secretariat published ES Resolution No. 95/13 that aimed at adapting the system for the remuneration of the power generation plants not subject to special regimes, such as Energía Plus and WEM Supply Contracts.

ES Resolution No. 529/14 was published on May 20, 2014, amending and extending application of ES Resolution No. 95/13. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of a new item, called Remuneration for Non-recurring Maintenance.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

c) Sales under ES Resolution 22/16 (Cont'd)

As established by ES Resolution No. 529/14, commercial management and fuel dispatch were to be centralized in the Dispatch Management Agency (CAMMESA) as from February 2014. Costs associated with the operation were no longer recognized as the contractual relationships between the WEM Agents and their suppliers of fuels and related inputs became extinguished. ES Resolution No. 1281/06 (Energía Plus) was excluded from these regulations.

ES Resolution No. 482/15 was published on July 10, 2015, amending and extending application of ES Resolution No. 529/14. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of two new items: 2015-2018 Resource for FONINVEMEM investments" and "Incentives for Energy Production and Operating Efficiency".

On March 30, 2016, ES Resolution No. 22/16 was published amending ES Resolution No. 482/15 above mentioned. The main change was the increase in the remuneration payable to the generators, implemented through a price increase.

This new resolution will enable increase the company's operating results, generating an additional cash flow that improved its working capital position. This resolution provided for its application retroactively to February 2016. There was a 70% increase in the fixed charge remunerating available power and of 40% in the variable cost for the energy generated.

The remuneration schedule updated under Resolution No. 22/16 basically consisted of the following items:

1. Fixed cost: This item adjusted the values recognized for Power Made Available. The price at which the Power Made Available was remunerated depended on the following technology:

Power Plant	Classification	Fixed cost as per Res. No. 22 $/M Whrp
GLB/GR	TG Units with Power (P) < 50 MW (small)	152.30
GM	CC Units with Power (P) < 150 MW (small)	101.20

   This price could be increased by a percentage established by Resolution No. 22/16 This percentage was determined on the basis of the monthly availability, historical availability, according to the time of year and the technology for generation. The Resolution stated that this seasonal percentage could reach up to 110% of the fixed cost determined according to the same Resolution.

2. Variable cost: this cost was paid on the basis of the power generated and the fuel used. The recognized prices rose from 33.10 $/MWh to 46.30 $/MWh for the generation using Natural Gas, and from 57.90 $/MWh to 81.10 $/MWh using Gas Oil.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

c) Sales under ES Resolution No. 22/16 (Cont'd)

3. Additional remuneration: this was determined based on total generation and included two elements: a portion of 13.70 $ /MWh collected directly, and another, of 5.90 $ /MWh, allocated to a trust for new investments.

4. Remuneration for non-recurring maintenance: valued at 39.50 $/MWh for combined cycles and at 41.50 $/MWh for turbo generators (formerly at 24.70 $/MWh and 28.20 $/MWh, respectively), determined monthly on the basis of the electricity generated. The accumulated funds could be used for performing non-recurring maintenance works.

5. New charge called "2015-2018 Resource for FONINVEMEM investments" valued at 15.80 $/MWh, and determined monthly and based on generated power. This accumulated funds would be used for new investments in electric power generation. As a WEM agent and as part of that agreement to increase available thermal power generation, this recognition enabled the Company to participate in the new investments that will be made to diversify the electric power generation plants at a national level.

6. A new schedule of "Incentives to energy production and operating efficiency applicable to thermal power generation":

   - Additional remuneration for production: a remuneration could be received based on the volume of energy produced during the year, varying according to the type of fuel. This increase would be applied to the variable costs at 15% for liquid fuel and 10% for gas/carbon, when it reaches an accumulated value of 25% and 50%, respectively, out of the 92% of annual generation.

   - Additional remuneration for efficiency: an additional remuneration could be received if the fuel consumption objectives are accomplished. Actual consumption would be compared to reference consumption for each machine and type of fuel on a quarterly basis. The percentage difference was valued at the variable cost of operation and maintenance associated with the respective fuel, and was recognized as an additional item.

d) Sales under ES Resolution No. 19/17

MinEyM ES Resolution 19-E/17 was published on January 27, 2017, replacing ES Resolution 22/16. This resolution adapts certain remuneration criteria to economic conditions which are reasonable, foreseeable and efficient, through medium-term commitments.

The Generating Agents are excluded from this system in the framework of contracts regulated by Resolution No. 1281/2006, 220/2007, 21/2016 as well as any other type of WEM contract having a differential remuneration established or authorized by WEM competent authority.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

d) Sales under ES Resolution No. 19/17 (Cont'd)

Among the main changes, the remuneration is based on the Available Power and Energy generated, valued in US Dollars, simplifying their calculation.

It will be effective as from February 1, 2017.

The remuneration schedule updated under Resolution SE19-E/17 basically consists of the following items:

1. Remuneration per power: this is proportional to the available monthly power and a price in USD/MW-month that varies according to different conditions.

   - MINIMUM price of power per technology and scale.
   - BASE price according to the Offered Guaranteed Power. Valued as from May 2017 until October 2017 at 6,000 USD/MW-month and as from November 2017 onwards, 7,000 USD/MW-month.
   - ADDITIONAL price with maximum in accordance with additional availability Offered and allocated. Valued as from May 2017 until October 2017 at 1,000 USD/MW-month and as from November 2017 onwards, 2,000 USD/MW-month.

2. Remuneration per Energy: It is comprised by:

   2.1 Energy generated: It is the remuneration received for the energy effectively generated, valued according to the type of fuel at 5 USD/MWh for Natural Gas and 8 USD/MWh for Gas Oil or Fuel Oil.
   2.2 Energy operated: The generators received an additional remuneration of 2 USD/Mwh, irrespective of the type of fuel, for the Energy Operated, represented by the integration of hourly powers in the period.
   2.3 Additional remuneration incentive for efficiency:
   2.3.1 Additional remuneration variable cots efficient thermal power generation: The generator will receive an additional remuneration if the fuel consumption objectives are accomplished.
   2.3.2 Additional remuneration for thermal power generators of little use: An additional remuneration is established according to the frequency of starts based on the energy generated.
   2.3.2.1 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Use Factor (which is defined as the use factor of the nominal power recorded over the last twelve-month period. It will have a value of 0.5 for thermal units with Use factor < 30% and 1.0 for those with Use factor < 15%. For the rest of the cases it will be 0.
   2.3.2.2 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Start Factor (which is determined based on the starts recorded over the last twelve-month period. It will have a value of 0 for <= 74, 0.1 between 75 and 149 and 0.2 for more than 150 starts).

NOTE 3: BASIS FOR PRESENTATION

These interim condensed financial statements for the six and three-month periods ended June 30, 2017 and 2016 were prepared in accordance with the provisions of IAS 34. This interim condensed financial information must be read jointly with the Company's annual financial statements at December 31, 2016.

The presentation in the interim condensed statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within the twelve months after the end of the reporting period. In addition, the Company reports on the cash flow from operating activities using the indirect method. The fiscal year commences on January 1 and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year, in proportion to the period elapsed.

These interim condensed financial statements are stated in pesos. They have been prepared under the historical cost convention, modified by the measurement of financial assets and liabilities at fair value through profit or loss.

The interim condensed financial statements for the six and three-month periods ended June 30, 2017 and 2016 have not been audited. Company's management estimates that they include all adjustments necessary to reasonably present the results for each period. The results for the six and three-month periods ended June 30, 2017 and 2016 do not necessarily reflect a proportionate percentage of the Company's results for the full year.

These interim condensed financial statements were approved for issuance by the Company's Board of Directors on August 11, 2017.

Comparative information

Balances at December 31, 2016 and for the six and three-month period at June 30, 2016, disclosed in these interim condensed financial statements for comparative purposes, arise from financial statements at that dates. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

A final merger agreement was entered into on November 15, 2016 establishing a merger of GFSA through absorption into GMSA effective as from January 1, 2017. The increase in the variations is mainly due to this condition. The information is not comparative.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these interim condensed financial statements are consistent with those used in the audited financial information corresponding to the last fiscal year, which ended on December 31, 2016, except for those mentioned below:

NOTE 4: ACCOUNTING POLICIES (Cont'd)

There are no new IFRS or IFRIC applicable as from the current period which have a material impact on the interim condensed financial statements of the Company.

These interim condensed financial statements must be read together with the audited financial statements at December 31, 2016 prepared under IFRS.

4.1 New accounting standards, amendments and interpretations issued by the IASB

At the time of issuing their next annual financial statements, the Company will apply the standards which become effective in the year 2017 as indicated in Note 4 to the financial statements at December 31, 2016 (IAS 7 "Statement of Cash Flows" and IAS 12 "Income Tax"). The Company estimates that the amendments will not impact on the results of operations or on the financial position of the Company, it will only imply new disclosures.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these interim condensed financial statements were prepared.

In the preparation of these interim condensed financial statements, certain critical judgments made by the Management when applying Company's accounting policies and sources of information used for the pertinent estimates are the same as those applied to the audited financial statement for the year ended December 31, 2016.

NOTE 6: FINANCIAL RISK MANAGEMENT

The Company's activities are disclosed under sundry financial risks: market risk (including the foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These interim condensed financial statements do not include the information required for the annual financial statements regarding risk management. They must be read jointly with the financial statements for the year ended December 31, 2016. No changes have been made to risk management policies since the annual closing.

NOTE 7: SALES REVENUE

	06.30.17	06.30.16
Sale of electricity Res. Nos. 95/529/482/22/19	17,846,252	51,622,540
Energy sales in the spot market	66,416,296	167,725,737
Energía Plus sales	541,371,014	410,025,933
Sale of electricity Res. No. 220	518,385,170	435,548,553
	1,144,018,732	**1,064,922,763**

NOTE 8: COST OF SALES

	06.30.17	06.30.16
Purchase of electric energy	(407,906,504)	(287,020,943)
Gas and gasoil consumption at the plant	(129,705,071)	(334,882,092)
Fees and compensation for services	(1,477,429)	(4,097,345)
Salaries and social security charges	(51,011,188)	(32,637,182)
Other employee benefits	(3,090,356)	(2,000,654)
Taxes, rates and contributions	(8,568,325)	(8,299,896)
Maintenance services	(82,704,992)	(63,097,171)
Depreciation of property, plant and equipment	(106,590,326)	(57,403,478)
Per diem, travel and representation expenses	(1,539,939)	(375,049)
Insurance	(10,269,518)	(7,626,771)
Communication expenses	(2,374,747)	(1,439,492)
Sundry	(1,606,140)	(2,287,636)
	(806,844,535)	**(801,167,709)**

NOTE 9: SELLING EXPENSES

	Note	06.30.17	06.30.16
Salaries and social security charges		-	(417,274)
Taxes, rates and contributions		(958,909)	(219,810)
Recovery of Turnover tax	27	19,643,732	-
Bad debts		15,459	(2,010,873)
		18,700,282	**(2,647,957)**

NOTE 10: ADMINISTRATIVE EXPENSES

	06.30.17	06.30.16
Fees and compensation for services	(13,874,872)	(9,621,877)
Salaries and social security charges	-	(1,251,821)
Other employee benefits	(182,039)	(521,043)
Taxes, rates and contributions	(407,583)	(689,633)
Per diem, travel and representation expenses	(572,690)	(1,117,194)
Insurance	(118,472)	(184,613)
Office expenses	(1,653,553)	(1,076,784)
Communication expenses	(111,268)	(5,613)
Leases	(1,962,000)	-
Sundry	(137,359)	(1,125,148)
	(19,019,836)	**(15,593,726)**

NOTE 11: FINANCIAL RESULTS

	06.30.17	06.30.16
Financial income		
Commercial interest	2,943,893	5,218,446
Interest on loans granted	8,055,225	-
Total financial income	**10,999,118**	**5,218,446**
Financial expenses		
Interest on loans	(133,524,037)	(107,412,456)
Commercial and other interest	(7,370,342)	(6,877,135)
Bank expenses and commissions	(2,053,586)	(4,697,479)
Total financial expenses	**(142,947,965)**	**(118,987,070)**
Other financial results		
Exchange difference, net	(35,107,083)	(52,045,285)
Changes in the fair value of financial instruments	40,982,686	8,287,290
Other financial results	(29,806,591)	(27,771,569)
Total other financial results	**(23,930,988)**	**(71,529,564)**
Total financial results, net	**(155,879,835)**	**(185,298,188)**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Original values						Depreciation					Net book value at end of year/period	
Type of asset	At beginning of year/period	Addition due to merger	Increases	Transfers/ withdrawals	Technical revaluation	At the end of year/period	Accumulated at beginning of year/period	Addition due to merger	For the period / year (1)	Technical revaluation	Accumulated at the end of year/period	At 06.30.17	At 12.31.16
Land	184,769,155	341,200	1,647,739	-	-	186,758,094	-	-	-	-	-	186,758,094	184,769,155
Buildings	92,314,799	16,439,100	-	6,962,156	-	115,716,055	-	-	1,726,641	-	1,726,641	113,989,414	92,314,799
Facilities	238,766,199	49,460,000	263,349	-	-	288,489,548	-	-	12,037,034	-	12,037,034	276,452,514	238,766,199
Machinery	2,947,847,599	642,121,700	20,571,851	45,358,900	-	3,655,900,050	-	-	91,366,651	-	91,366,651	3,564,533,399	2,947,847,599
Works in progress - Extension of Plant	987,294,546	-	3,452,839,402	(52,321,056)	-	4,387,812,892	-	-	-	-	-	4,387,812,892	987,294,546
Computer and office equipment	7,473,494	202,354	560,052	-	-	8,235,900	3,754,470	18,453	806,858	-	4,579,781	3,656,119	3,719,024
Vehicles	6,512,931	-	252,281	-	-	6,765,212	1,403,710	-	653,142	-	2,056,852	4,708,361	5,109,222
Spare parts and materials	32,000,000	-	-	-	-	32,000,000	-	-	-	-	-	32,000,000	32,000,000
Total at 06.30.17	**4,496,978,723**	**708,564,354**	**3,476,134,674**	-	-	**8,681,677,751**	**5,158,180**	**18,453**	**106,590,326**	-	**111,766,959**	**8,569,910,793**	-
Total at 12.31.16	**1,208,996,997**	**1,069,605,208**	**1,606,372,161**	-	**612,004,357**	**4,496,978,723**	**2,816,102**	**731,624**	**115,459,849**	**(113,849,395)**	**5,158,180**	-	**4,491,820,544**
Total at 06.30.16	**1,208,996,997**	**1,069,605,208**	**440,648,002**	-	-	**2,719,250,207**	**2,816,102**	**731,624**	**57,403,478**	-	**60,951,204**	**2,658,299,003**	-

(1) Depreciation charges for the six-month period ended June 30, 017 and for the year ended December 31, 2016 were allocated to the cost of sales including $ 72,917,753 and $ 69,914,512, respectively, due to a higher value for technical revaluation.

NOTE 13: CASH AND CASH EQUIVALENTS

	06.30.17	12.31.16
	371,145	317,866
Banks in local currency	16,650,894	63,525,280
Banks in foreign currency	10,744,956	2,292,705
Mutual funds	188,179,780	360,217,751
Checks to be deposited	50,320,989	18,600,989
	266,267,764	**444,954,591**

For the purposes of the cash flow statement, cash, cash equivalents and bank overdraft facilities include:

	Note	06.30.17	06.30.16
Cash and cash equivalents		266,267,764	243,059,119
Cash and cash equivalents (bank overdrafts included)		**266,267,764**	**243,059,119**

NOTE 14: CAPITAL STATUS

Social capital subscribed at June 30, 2017 amounted to $ 138,172,150.

At the Extraordinary Meeting of Shareholders held on October 15, 2015 which approved the merger through absorption of GMSA (the merging company), GISA, GLBSA and GRISA (the merged companies), a capital increase was resolved considering the respective swap ratio as from the effective merger date (January 1, 2016) in the amount of $49,454,007, taking the share capital to $125,654,080 and delegating to the Board, pursuant to Section 188 of the General Companies Law No. 19550, the issuance date of the shares mentioned. In this sense, on January 11, 2016, the Board approved the issue of 49,454,007 ordinary, registered non-endorsable shares of $1 par value each and entitled to one voting right per share, corresponding to the above-mentioned capital increase. This capital increase and the pertinent amendment to bylaws have been duly registered with the Superintendency of Commercial Companies.

Also, the Ordinary and Extraordinary Shareholders' Meeting held on October 18, 2016 approved the merger through absorption of GMSA (the continuing company) and GFSA (merged company) within the framework of the merger process; a GMSA capital increase was decided from $125,654,080 to $138,172,150 by issuing 12,518,070 new ordinary registered non-endorsable shares of GMSA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2017), delegating to the Board of Directors the power to decide when the new shares will be issued. In this sense, on January 10, 2017, the Board approved the issue of 12,518,070 ordinary, registered non-endorsable shares of $1 par value each and entitled to one voting right per share, corresponding to the above-mentioned capital increase. Furthermore, as a result of that capital increase, the amendment to section 5 of corporate bylaws was approved. This capital increase and the pertinent amendment to bylaws have been duly registered with the Superintendency of Commercial Companies.

NOTE 15: EARNINGS PER SHARE

Basic

The basic earnings per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the period.

	06.30.17	06.30.16
Income for the period	113,285,530	32,967,276
Weighted average of outstanding ordinary shares	138,172,150	125,654,080
Basic earnings per share	**0.8199**	**0.2624**

There are no differences between the calculation of the basic earnings per share and diluted earnings per share as there are no preferred shares or negotiable obligations convertible into ordinary shares.

NOTE 16: LOANS

Non-Current	06.30.17	12.31.16
International bond	2,892,847,835	2,659,743,432
BAF Loan	-	631,249,936
Cargill loan	211,849,491	-
Negotiable obligations	1,165,687,784	139,283,447
CAMMESA	7,311,762	10,123,978
Other bank debts	735,317	-
Finance lease debts	19,785,764	17,776,508
	4,298,217,953	**3,458,177,301**
Current		
International bond	98,615,023	89,615,062
BAF loan	-	3,840,614
Cargill loan	53,081,895	-
Syndicated loan	247,048,162	-
Negotiable obligations	305,356,644	84,703,205
CAMMESA	8,124,480	6,749,323
Other bank debts	571,420,935	93,451,938
Finance lease debts	8,637,558	6,508,125
	1,292,284,697	**284,868,267**

At June 30, 2017, the total financial debt amounts to $ 5,591 million. The following table shows the total debt at that date.

NOTE 16: LOANS (Cont'd)

	Principal	Balances as of June 30, 2017	Interest rate	Currency	Date of issuance:	Maturity date:
		(Pesos)	(%)			
Loan Agreement						
Cargill	USD 16,000,000	264,931,386	LIBOR + 5.5%	USD	June 28, 2017	June 12, 2020
Syndicated	USD 15,000,000	247,048,162	6.5%	USD	June 12, 2017	June 5, 2018
Subtotal		**511,979,548**				
Debt securities						
International Bonds	USD 180,000,000	2,991,462,858	9.625%	USD	July 27, 2016	July 27, 2023
Class IV NO	$7,969,464	8,315,599	BADLAR + 6.5%	ARS	July 17, 2015	July 17, 2017
Class V NO	$135,161,548	132,455,457	BADLAR + 4%	ARS	June 30, 2016	June 30, 2018
Class VI NO	USD 34,696,397	573,129,538	8%	USD	February 16, 2017	February 16, 2020
Class VII NO	$553,737,013	567,008,514	BADLAR + 4%	ARS	February 16, 2017	February 16, 2019
Class II NO (GFSA)	$78,745,284	77,528,934	BADLAR + 6.5%	ARS	March 8, 2016	March 8, 2018
Class III NO (GFSA)	$110,459,507	112,606,386	BADLAR + 5.6%	ARS	July 6, 2016	July 6, 2018
Subtotal		**4,462,507,286**				
Other liabilities						
CAMMESA		15,436,242				
Chubut loan	USD 3,042,128	50,114,338	LIBOR + 5%	USD	December 1, 2016	December 1, 2017
Supervielle loan	USD 3,668,441	60,860,375	7%	USD	February 1, 2017	August 1, 2018
Hipotecario loan	USD 20,000,000	328,254,667	10%	USD	January 11, 2017	January 11, 2021
Itaú loan	USD 4,375,000	74,163,988	4.25%	USD	January 11, 2017	July 11, 2017
Santander Río loan	USD 2,362,500	39,181,786	4.75%	USD	March 14, 2017	March 14, 2018
BST loan	USD 1,000,000	16,507,787	6.50%	USD	June 21, 2017	June 5, 2018
Other bank debts (GFSA)		3,073,311				
Finance lease		28,423,322				
Subtotal		**616,015,816**				
Total financial debt		**5,590,502,650**				

a) International Bond Issuance

On July 7, 2016, GMSA, GFSA and CTR obtained under Resolution No. 18110 authorization from the CNV for the co-issuance of ordinary guaranteed unsubordinated bonds, not convertible into shares, in the local and international markets. Bonds for USD 250 million were issued on July 27, 2016, and will mature within 7 years. The Bonds are unconditionally and fully guaranteed by ASA.

The Bonds have a Fitch B+ rating and a Moody's B3 rating.

This issuance has permitted financing investments under the Company's expansion plans, by reason of the award by the Energy Secretariat of Wholesale Demand Contracts under Resolution 115/2016 dated June 14, 2016, as well as the Group's projects under way, totalizing works for the installation of a 460-MW nominal capacity. In addition, it allows for improving the Group's financial profile with the early repayment of existing loans, obtaining a term for financing in accordance with the projects under financing and also a considerable decrease in related costs, which implies greater financial efficiency and release of guarantees.

NOTE 16: LOANS (Cont'd)

a) International Bond Issuance (Cont'd)

International Bonds:

Principal: Nominal value: USD 250,000,000; value allocated to GMSA: USD 180.000.000 (Considering GFSA merger effect).

Interest: Interest accrues at a fixed rate of 9.625%.

Amortization term and method: Interest on the International Bonds shall be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 and ending on the due date.

Principal on the Bonds shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

The balance for that International Bond at June 30, 2017 amounts to $2,991,462,858.

By reason of the international Bond issuance, the Company has assumed certain standard commitments that are typical of this type of issuances, and the specific conditions are detailed in the respective prospectus. At the date of these interim condensed financial statements, the Company is complying with all the commitments undertaken in its indebtedness.

With the proceeds from the issue of the International Bond, a prepayment of the following financial loans has been made, with the release of the pertinent guarantees:

- Banco de la Provincia de Córdoba loans
- Banco Hipotecario loan
- ICBC loan (GISA)
- Nuevo Banco de La Rioja loan
- Banco Ciudad loan
- Banco Chubut loan
- Banco Supervielle loan
- Banco Macro loan
- Syndicated loan
- Banco de la Provincia de Buenos Aires loan (GFSA)
- Syndicated loan (GFSA)

<u>NOTE 16</u>: LOANS (Cont'd)

b) Loan BAF Latam Trade Finance Funds B.V.

On February 11, 2016, GMSA, on its own and as the continuing company of GISA and GRISA as a result of the merger through absorption duly informed on November 10, 2015 entered into a loan agreement with BAF Latam Trade Finance Funds B.V. which granted a credit line for a total amount of USD $ 40,000,000 to be used for (i) financing of the project for the installation of a new turbine of 50 MW in its power plant in La Rioja USD 19,867,305 including the cancellation of the price balance owed to Siemens Industrial Turbomachinery AB for the import of a gas turbine SGT800; (ii) the prepayment of the balance of USD 20,132,695 of the loan agreement entered into on May 4, 2011, between GISA (debtor), UBS Securities LLC (moneylender) and UBS AG Stamford Branch (administrative agent).

The most relevant provisions are the following:

Principal: nominal value: USD 40,000,000.

Interest: fixed rate 10% annual.

Amortization method: interests are paid quarterly, as from the following date: May 15, 2016 Principal will be fully repaid at maturity: February 15, 2019

On March 29, 2017, USD 30 million have been repaid.

On June 28, 2017, the remaining balance of the loan USD 10 million was repaid, GMSA is in the process of releasing the guarantees provided. See note 19.2

c) Negotiable obligations

To improve the financial profile of the company, on October 17, 2012 GMSA obtained, under CNV Resolution No. 16942, authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (non-convertible into shares), for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

At June 30, 2017, there are outstanding negotiable obligations Class IV, V, VI and VII (GMSA), and Class II and III Negotiable Obligations (GFSA) issued by the Company for the following amount and conditions:

Class IV NO:

Principal: Nominal value: $ 130,000,000

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations: (Cont'd)

Interest: (i) from the issue and settlement date and up to and including nine (9) months after the issue and settlement, interest shall accrue at a fixed interest rate of 28 %; (ii) from the start of the tenth (10th) month, counted as from the issue and settlement date, up to but not including the date on which principal is fully amortized, interest shall accrue at annual variable rates equal to the aggregate of: (a) Private banks BADLAR rate plus (b) 6.50%.

Amortization term and method: Interest on Class IV Negotiable Obligations are paid quarterly in arrears, on the following dates: October 15, 2015, January 15, 2016, April 15, 2016, July 15, 2016, October 17, 2016, January 16, 2017, April 17, 2017 and July 17, 2017.

Principal on Class IV Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 33% of nominal value of the negotiable obligations and the last installment to 34% of nominal value, payable on January 16, 2017, April 17, 2017 and July 17, 2017, respectively.

The proceeds from the issuance of Class IV negotiable obligations were applied to the partial pre-settlement of principal on Class III negotiable obligations for an amount of $ 87,824,000. The remainder was applied to investments and working capital. This enabled improving the Company's financial profile.

On June 30, 2016, Class V Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class IV Negotiable Obligations (GMSA) and Class III Negotiable Obligation (GISA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class IV Negotiable Obligation was $ 75,141,860, leaving a principal balance of $ 54,858,140.

Subsequently, the Company repurchased a portion of the secondary market issue. The balance due for this Negotiable Obligation at December 31, 2016 amounted to $ 26,178,849.

On February 16, 2017, Class VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class IV and V Negotiable Obligations (GMSA) and Class II and III Negotiable Obligations (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class IV Negotiable Obligation was $ 1,340,000, leaving a principal balance of $ 15,704,532.

The remaining balance of principal corresponding to that Negotiable Obligation at June 30, 2017 amounts to $ 7,969,464.

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class V Negotiable Obligations:

Principal: Nominal value: $200,000,000

Interest: BADLAR rate plus 4%

Amortization term and method: Interest on Class V Negotiable Obligations will be paid quarterly in arrears, on the following dates: September 30, 2016, December 30, 2016, March 30, 2017, June 30, 2017, September 30, 2017, December 30, 2017, March 30, 2018 and June 30, 2018.

Principal on Class V Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the negotiable obligations and the last installment to 40% of nominal value, payable on December 30, 2017, March 30, 2018 and June 30, 2018, respectively.

The proceeds from the issue of Class V Negotiable Obligations were applied to the repurchase of the remaining balance of Class III Negotiable Obligations of GISA, investments and working capital.

On February 16, 2017, Class VI and VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class IV and V Negotiable Obligations (GMSA) and Class II and III Negotiable Obligations (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class V Negotiable Obligation was $ 64,838,452, with a balance of principal of $ 135,161,548.

The remaining balance of principal corresponding to that Negotiable Obligation at June 30, 2017 amounts to $ 135,161,548.

Class VI Negotiable Obligations:

Principal: Nominal value: USD 34.696.397

Interest: 8% annual nominal, paid quarterly as from May 16, 2017 to maturity.

Amortization term and method: one-off payment once 36 months have elapsed from disbursement of funds

Payment was made in cash and in kind, in this latter case, through the swap of Class V Negotiable Obligations for USD 448,262.

The proceeds from the issue of Class VI Negotiable Obligations were applied to investments in fixed assets of the different enlargement projects of GMSA and refinancing of liabilities, improving the Company's indebtedness profile.

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class VI NO: (Cont'd)

The remaining balance of principal on that NO at June 30, 2017 amounts to USD 34,696,397.

Class VII NO:

Principal: Nominal value: $ 553,737,013

Interest: BADLAR rate plus 4% Payable on a quarterly basis from May 16, 2017 to maturity.

Amortization term and method: in three payments once 18 (30%), 21 (30%) and 24 (40%) months have elapsed from disbursement of funds.

Payments were made in cash and in kind, in this latter case, through the swap of Class II (GFSA) NOs for $ 55,876,354, Class III (GFSA) NOs for $ 51,955,592, Class IV NOs for $ 1,383,920 and Class V NOs for $ 60,087,834. The proceeds from the issue of Class VII NOs were applied to investments in fixed assets of the different enlargement projects of GMSA and refinancing of liabilities, improving the Company's indebtedness profile.

The remaining balance of principal corresponding to that NO at June 30, 2017 amounts to $ 553,737,013.

Class II NOs (GFSA):

Principal: nominal value: $ 130,000,000 (Pesos one hundred and thirty million)

Interest: BADLAR rate plus 6.5 %. The interest rate applicable during the first 12 months may never be lower than the minimum rate of 33%.

Repayment: Interest will be paid quarterly in arrears, on the following dates: (i) June 08, 2016; (ii) September 08, 2016; (iii) December 08, 2016; (iv) March 08, 2017; (v) June 08, 2017; (vi) September 08, 2017; (vii) December 08, 2017 and (viii) March 08, 2018; or if that date was not a business day, the date for interest payment to be considered shall be the first immediate following business day.

Principal shall be amortized in 3 (three) quarterly and consecutive installments, the first two equivalent to 30% of nominal value of Class II NOs and the remaining equivalent to 40% of nominal value of Class II NOs, at the dates in which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018, or if that date was not a business day, on the first following business day. Maturity of Class II NO: March 08, 2018

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class II NO (GFSA): (Cont'd)

On February 16, 2017, Class VI and VII NO were issued, a portion in cash and the remainder through a voluntary swap for Class II NOs (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class II NO was $ 51,254,716.

The remaining balance of principal corresponding to that NO at June 30, 2017 amounts to $78,745,284.

Class III NO (GFSA):

Principal: nominal value: $ 160,000,000 (Pesos one hundred and sixty million)

Interest: private banks BADLAR rate plus 5.6 %

Repayment: Interest will be paid quarterly in arrears, on the following dates: (i) October 06, 2016; (ii) January 06, 2017; (iii) April 06, 2017; (iv) July 06, 2017; (v) October 06, 2017; (vi) January 06, 2018; (vii) April 06, 2018 and (viii) July 06, 2018; or if that date was not a business day, the date for interest payment to be considered shall be the first immediate following business day.

Principal shall be amortized in 3 (three) quarterly and consecutive installments, the first two equivalent to 30% of nominal value of Class III NOs and the remaining equivalent to 40% of nominal value of Class III NOs, at the dates in which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) January 06, 2018; (ii) April 06, 2018; (iii) July 06, 2018, or if that date was not a business day, on the first following business day.

Maturity of Class III NO: July 06, 2018

The proceeds from the issue of Class III NOs were applied to the repayment of the loan with Puente Hnos. S.A., to the repurchase of the remaining balance of Class I (GFSA) NOs, working capital and investment in fixed assets; with the process to formalize the release of timely granted guarantees having been complied with.

On February 16, 2017, Class VI and VII NOs were issued, a portion in cash and the remainder through a voluntary swap for Class III NOs (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class III NO was $ 49,540,493.

The remaining balance of principal corresponding to that NO at June 30, 2017 amounts to $110,459,507.

NOTE 16: LOANS (Cont'd)

d) Cargill Loan

On June 28, 2017, the Company obtained a loan from Cargill Limited for USD 16,000,000 in 36 installments, with a grace period of 12 months. It will be amortized in half-year installments of principal and interest at a LIBOR 360 + 5.5%.

e) Syndicated Loan

On June 13, 2017, the Company obtained a syndicated loan with Banco de Servicios and Transacciones for USD 15,000,000 in 12 consecutive and monthly installments at a fixed rate of 6.5%.

At the date of these interim condensed financial statements, the Company complies with the covenants related to the financial ratios.

f) Loan CAMMESA (GRISA)

At June 30, 2017, GMSA holds financial debts with CAMMESA for $15,436,242, guaranteed by the assignment of 100% of the present and future credit rights for the sale of electricity in the Spot market of the WEM, from the implementation of a trust agreement in accordance with Law No. 24441.

This debt was incurred to finance the program for repairing the gas turbines, and for the control systems of turbines and generators, improving the protection system, adapting the natural gas feeding system and other ancillary works.

This loan has a repayment period set in 48 monthly and consecutive installments, to which interest must be added applying the rate equivalent to the average return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the WEM. At the date of these interim condensed financial statements, 24 installments have been paid, totaling $13,498,637.

The remaining balance of principal corresponding to that debt at June 30, 2017 amounts to $13,498,637.

g) Loan CAMMESA (CTMM)

On August 9, 2016, the Company signed a new mutuum agreement with CAMMESA whereby the financing of the execution of several maintenance works in the MMARCC01 and MMARCC02 units was formalized for an amount of up to USD 6,888,920 plus VAT. The most important tasks to be performed include the Overhaul, the replacement of DB20 Brown Boveri switches, the replacement of the CC (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

At June 2017, the Company made four filings for $10,470,144 through a note to CAMMESA for the accumulated amount paid until May 2017 inclusive.

NOTE 16: LOANS (Cont'd)

g) Loan CAMMESA (CTMM) (Cont'd)

At June 30, 2017, the total amount of disbursements received from CAMMESA amounts to $ $ 10,451,294 and is included in the caption Current Trade Receivables, net of receivables for Remuneration for Non-Recurring Maintenance.

The due dates of Company loans and their exposure to interest rates are as follow:

	06.30.17	12.31.16
Fixed rate:		
Less than 1 year	869,064,912	93,455,683
Between 1 and 2 years	4,866,950	-
Between 2 and 3 years	528,271,834	604,897,002
After 3 years	2,931,478,778	2,686,096,366
	4,333,682,474	**3,384,449,051**
Variable rate		
Less than 1 year	423,219,785	191,412,584
Between 1 and 2 years	664,160,153	153,587,756
Between 2 and 3 years	60,282,537	13,455,141
After 3 years	109,157,701	141,036
	1,256,820,176	**358,596,517**
	5,590,502,650	**3,743,045,568**

Company loans are denominated in the following currencies:

	06.30.17	12.31.16
Argentine Pesos	937,163,832	265,144,586
US Dollars	4,653,338,818	3,477,900,982
	5,590,502,650	**3,743,045,568**

Changes in Company loans were as follows:

	06.30.17	06.30.16
Loans at beginning of year	3,743,045,568	288,518,491
Addition due to merger	424,285,829	490,716,207
Loans received	2,175,818,974	1,692,688,655
Loans paid	(944,166,843)	(544,346,233)
Accrued interest	331,697,715	112,760,910
Interest paid	(287,330,177)	(107,538,173)
Exchange difference	199,055,652	38,660,290
Bank overdraft	-	(61,236,231)
Capitalized expenses/present values	(51,904,068)	37,592,349
Loans at period end	**5,590,502,650**	**1,947,816,265**

NOTE 17: ALLOWANCES/ PROVISIONS

	For trade receivables:	For contingencies
Balances as of December 31, 2016	2,732,633	9,135,552
Decreases	(76,869)	(1,002,004)
Balances as of June 30, 2017	**2,655,764**	**8,133,548**

Allowances and provisions include contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Income / (Loss)	
	$	
a) Sales of energy	**06.30.17**	**06.30.16**
Other related parties:		
Solalban Energía S.A.	61,042,811	49,332,694
RGA	26,144,376	21,795,938
	87,187,187	**71,128,632**
b) Purchase of gas and energy		
Other related parties:		
Solalban Energía S.A.	-	(71,252)
RGA (*)	(763,498,317)	(236,344,176)
	(763,498,317)	**(236,415,428)**
c) Administrative services		
Other related parties:		
RGA	(11,255,523)	(3,759,464)
	(11,255,523)	**(3,759,464)**
d) Rental		
Other related parties:		
RGA	(1,962,000)	-
	(1,962,000)	**-**
e) Other purchases and services received		
Other related parties:		
BDD	(120,297)	-
AJSA	(10,396,473)	(5,475,881)
ASA	(1,150,972)	-
	(11,667,742)	**(5,475,881)**

(*) Corresponding to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for power generation.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

	Income / (Loss)	
f) Recovery of expenses	$	
	06.30.17	**06.30.16**
Other related parties:		
RGA	380,957	88,487
GROSA	5,512,459	5,741,818
CTR	6,791,188	10,823,686
GFSA (1)	-	3,569,426
AESA	99,951	-
	12,784,556	**20,223,417**
g) Recovery due to financial cost		
Other related parties:		
RGA	-	(3,515,702)
	-	**(3,515,702)**
h) Purchase of spare parts		
Other related parties:		
GROSA	-	(43,559)
GFSA (1)	-	(10,572,050)
	-	**(10,615,609)**
i) Interest generated due to loans granted		
Other related parties:		
Directors	2,389,536	-
AISA	5,665,689	-
	8,055,225	-
j) Gas pipeline work		
Other related parties:		
RGA	(80,206,785)	-
	(80,206,785)	-

(1) Company merged with GMSA as from January 01, 2017 under a merger through absorption.

k) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their fees at June 30, 2017 and 2016 amounted to $5,239,603 and $3,609,204, respectively.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

k) Remuneration of key managerial staff (Cont'd)

	06.30.17	06.30.16
Salaries	(5,239,603)	(3,609,204)
	(5,239,603)	**(3,609,204)**

l) Balances at the date of the statements of financial position

	06.30.17	12.31.16
Current trade receivables with other related parties		
Solalban Energía S.A.	16,588,866	-
GROSA	2,773,281	2,773,281
CTR	1,815,000	1,815,000
	21,177,147	**4,588,281**
Other current receivables with other related parties		
AESA	101,357	-
ASA	71,941,726	60,162,259
AISA	72,464,384	66,798,695
AJSA	1,343,243	-
CTR	9,236,155	8,061,229
GROSA	15,053,289	8,060,360
Directors	-	15,112,286
	170,140,154	**158,194,829**
Other non-current receivables with other related parties		
GROSA	20,785,080	-
Directors	4,806,742	-
	25,591,822	**-**
Current trade payables with other related parties		
RGA	17,345,472	94,027,202
AJSA	-	13,351,020
Solalban Energía S.A.	-	541,641
	17,345,472	**107,919,863**
Other current debts with other related parties		
BDD	145,559	-
GFSA (1)	-	2,752,893
	145,559	**2,752,893**

(1) Company merged with GMSA as from January 1, 2017 under a merger through absorption.
(2) For assignment of receivables with Directors of GMSA to GROSA dated 06/30/2017.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

m) Loans granted to related parties

	06.30.17	12.31.16
Loans to Albanesi Inversora S.A.		
Balances at beginning of year	66,798,695	-
Loans granted	-	60,000,000
Accrued interest	5,665,689	6,798,695
Balance at year end	**72,464,384**	**66,798,695**

Entity	Amount	Interest rate	Conditions
At 06.30.17			
AISA	60,000,000	BADLAR + 3%	Maturity date: 1 year, automatically until 5 years.
Total in pesos	**60,000,000**		

Loans to Directors	06.30.17	12.31.16
Balances at beginning of year	15,112,286	-
Loans granted	8,090,000	15,112,286
Assigment (2)	(20,785,080)	-
Accrued interest	2,389,536	-
Balance at closing	**4,806,742**	**15,112,286**

Entity	Amount	Interest rate	Conditions
At 06.30.17			
Directors	4,806,742	BADLAR + 3%	Maturity date: 3 years
Total in pesos	**4,806,742**		

(2) For assignment of receivables with Directors of GMSA to GROSA dated 06/30/2017.

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No provisions have been recorded for these receivables from related parties in any of the periods covered by these interim condensed financial statements. Trade payables with related parties arise mainly from transactions of purchases of gas and fall due in the month following the transaction date. Transactions with related parties are conducted in conditions similar to those carried out with independent parties.

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS

19.1 Other commitments

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at June 30, 2017 and periods in which those obligations must be fulfilled are detailed below. These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered with private customers.

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

19.1 Other commitments (Cont'd)

	Total	Up to 1 year	From 1 to 3 years
Sale commitments[(1)]			
Electric energy and power - Plus	816,185,580	816,185,580	-

(1) Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at June 30, 2017, under ES Resolution No. 1281/06.

19.2 Loan BAF Latam Trade Finance Funds B.V.

On February 11, 2015, BAF Latam Trade Finance Funds B.V. became a subordinated beneficiary of the guarantee package provided to UBS AG Stamford Branch under the Contract of Assignment of Fiduciary Rights and Trust for Guarantee Purposes originally executed on May 4, 2011 as collateral for due and proper compliance with all of the payment obligations assumed under the UBS AG Loan. After the UBS AG loan was repaid in full in February 2016, BAF Latam Trade Finance Funds B.V. became the only beneficiary as to all the assets and rights assigned as collateral in accordance with that Contract, with Banco de Servicios y Transacciones S.A. acting as trustee and Generación Mediterránea as trustor.

The rights assigned under the contract are detailed below:

- All the GMSA rights under the Project Documents.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due by the Debtors under present and future Electricity Sales Transactions carried out on the Energía Plus market.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due by GMSA to any Insurance Company, at the date of the amendment or at a future date.
- Fiduciary ownership of the Real Estate Property existing at the date and of any incorporated in the future.
- Fiduciary ownership of the Company's assets.
- The right to make all kinds of claims and file all actions in the event of nonpayment.
- Any collection right related to the rights assigned in these paragraphs.
- Any and all rights that ASA has or may have with GMSA by reason of any Irrevocable Capital Contribution.
- All the Funds existing in GMSA Account that have been received by GMSA in relation to the assigned rights.

At the date of issue of these interim condensed financial statements, and considering that the loan from BAF was repaid on June 28, 2017, GMSA is in the process of releasing the guarantees provided.

NOTE 20: WORKING CAPITAL

The Company reports at June 30, 2017 a deficit in working capital of $ 348,520,408 (calculated as current assets less current liabilities), which means a decrease of $2,098,113,136, compared to the surplus in working capital at the closing of the previous year ended December 31, 2016 ($1,749,592,728 at 12/31/2016). The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

NOTE 21: DOCUMENTATION STORAGE

On August 14, 2014, the CNV adopted General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. It is informed that the Company has sent for storage its work papers and non-sensitive information for the not yet statute-barred fiscal years to the following supplier:

Entity responsible for warehousing of information - Domicile
Iron Mountain Argentina S.A. – Av. Amancio Alcorta 2482, C.A.B.A.
Iron Mountain Argentina S.A. – San Miguel de Tucumán 601, Spegazzini, Ezeiza.

A detail of the documentation sent for preservation is available at the registered office of that entity, as well as the documentation referred to by article 5, clause a.3), Section I of Chapter V of Title II of the REGULATIONS (N.T. 2013 and their amendments).

NOTE 22: SEGMENT REPORTING

The information on exploitation segments is presented in accordance with the interim information furnished to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

Management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as having a single segment, the generation and sale of electricity.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

NOTE 23: PRESENTATION TO CAMMESA

On June 19, 2015 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTMM. Since the effective date of that Resolution, in February 2014 and until June 2015, the Company has generated a total of 540,614MWh, equivalent to the amount of $14,268,553.

On August 26, 2015, the Company filed a new note to CAMMESA, updating the amount of the request detailed in the above paragraph of Resolution No. 529/14.

On September 7, 2015, the Company provided, at the request of CAMMESA, further information and an update of the amounts to be invested, including a brief description of the work to be performed to accomplish the objectives in each case and a work schedule.

On January 27, 2016, the Energy Secretariat partially accepted the request sent by the Company, as mentioned in the preceding paragraphs, and authorized financing for up to USD 6,888,920, plus VAT. This financing will be repaid applying the accumulated receivables in favor of the Company and the receivables to which the Company is entitled by application of the Remuneration for Non-Recurring Maintenance.

On June 10, 2016 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTLB and CTRi. Since the effective date of that Resolution, in February 2014 and until April 2016 inclusive, GLB has generated a total of 60,166MWh, equivalent to the amount of and GR generated a total of 51,564MWh, equivalent to the amount of $3,068,853. In addition, a note about non-recurring maintenance was filed with CAMMESA by both CTLB and CTRi, for a total amount of USD 953,000 plus VAT. The technical team from CAMMESA completed the visits to the power plants and issued a report on CTLB and CTRi which is under economic assessment.

On August 9, 2016, the Company signed a new mutuum agreement with CAMMESA whereby the financing of the execution of several maintenance works in the MMARCC01 and MMARCC02 units was formalized for an amount of up to USD 6,888,920 plus VAT. The most important tasks to be performed include the Overhaul, the replacement of DB20 Brown Boveri switches due to obsolescence, the replacement of the CC excitation system (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

On December 2, 2016, a new works plan for CTMM was filed with CAMMESA. It details the following schedule:

	Total 2015		Total 2016		Total 2017		Total 2018	
USD without VAT	311,142	5%	195,007	3%	5,242,017	76%	1,140,754	17%

Between November 2016 and June 2017, the Company made five filings through note to CAMMESA for $ 10,470,144.

At June 30, 2017, the total amount of disbursements received from CAMMESA amounts to $ 10,451,294. The Company records an accumulated balance for non-recurring maintenance of $ 44,103,331, net of the payments received.

NOTE 24: MERGER

a) GMSA - GISA - GLBSA - GRISA MERGER THROUGH ABSORPTION

On November 10, 2015, GMSA, GISA, GLBSA and GRISA entered into a final merger agreement (the "Final Merger Agreement"), whereby it was decided to merge the companies GISA, GLBSA and GRISA into GMSA (the "Corporate Reorganization").

The Corporate Reorganization allows to enhance and optimize the performance of the economic activities and the operating, administrative and technical structures of the Participating Companies to achieve synergies and operating efficiency through only one operating unit. Considering that the participating companies are electric power generating agents in the WEM and that their main line of business is the generation and sale of electric power, the Merger will be beneficial for the following reasons: a) the type of business activity of the participating companies, which enables integration and complementation for greater operating efficiencies; b) a simplification of the participating companies' corporate structure by consolidating the companies' activities in only one entity; c) the synergy of the union of the different Group companies will make the exercise of control, management and administration of the energy business more effective; d) the obtainment of a larger scale, permitting to increase the financial ability to develop new projects; e) a better allocation of existing resources; f) benefiting from a centralized administration, unifying the political and strategic decision-making processes in relation to the business, thus eliminating multiple costs (legal, accounting, administrative, financial and other costs); and g) the creation of more career opportunities for the employees of the participating companies. Furthermore, the above-mentioned benefits will be obtained without incurring tax costs, as the Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839.

As a result of the merger and as approved in the Final Merger Agreement, as from the Effective Date of Merger (January 1, 2016): (a) the equities of all merged companies (GISA, GLBSA and GRISA) were fully transferred to GMSA, thus acquiring the ownership of all rights and obligations of GISA, GLBSA and GRISA, subject to the registration of the final merger agreement in the Public Registry under the Superintendency of Commercial Companies (IGJ); (b) GISA, GLBSA and GRISA were dissolved without liquidation, being absorbed by GMSA; (c) GMSA capital stock increased from $ 76,200,073 to $ 125,654,080, amending the bylaws of the continuing company.

On March 22, 2016, the CNV approved under Resolution No. 18003 the Merger through Absorption under the terms of Section 82 of General Companies Law No. 19550, and was registered with the IGJ on May 18, 2016. In turn, on March 22, 2016, the CNV approved under Resolutions Nos. 18004 and 18006 the early dissolution of GISA and the transfer of the public offering from GISA to GMSA, respectively. The dissolutions without liquidation of GISA, GRISA and GLBSA were registered with the IGJ on May 18, 2016.

<u>NOTE 24:</u> MERGER (Cont'd)

b) GMSA-GFSA MERGER THROUGH ABSORPTION

On November 15, 2016, GMSA and GFSA entered into a final merger agreement (the "GMSA-GFSA Final Merger Agreement"), whereby it was decided to merge the company GFSA into GMSA (the "GMSA-GFSA Corporate Reorganization").

The GMSA-GFSA Corporate Reorganization comprises the same objectives and benefits as those already mentioned for the merger described in the preceding point; as was explained for that case, the above-mentioned benefits will be obtained without incurring tax costs, as the GMSA-GFSA Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839.

On October 18, 2016, GMSA held an Ordinary and Extraordinary Meeting of Shareholders and GFSA an Extraordinary Meeting of Shareholders, in both cases by virtue of the merger of GFSA into GMSA, at which the shareholders approved the corporate reorganization referred to above, as well as the respective documentation.

At GFSA Meeting of Shareholders the following was also approved: (i) The early dissolution without liquidation of GFSA as a result of the merger, and its deregistration as a corporation in due course; (ii) the transfer to GMSA so that the latter may assume the obligations arising under the Class II and Class III Negotiable Obligations issued by GFSA under the Program for the Issuance of Ordinary Negotiable Obligations (Not Convertible into Shares) for an amount of up to USD 50,000,000 (or its equivalent in other currencies), and that GFSA requests from the pertinent agencies the transfer to GMSA of the negotiable obligations for public offering, listing and trading.

Further, the Shareholders' Meeting of GMSA, within the framework of the merger process, among other issues, approved a capital increase from $ 125,654,080 to $ 138,172,150 by issuing 12,518,070 new ordinary registered non-endorsable shares of GMSA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2017), delegating to the Board of Directors the power to decide when the new shares will be issued. Furthermore, as a result of that capital increase, the amendment to Section 5 of corporate bylaws was approved.

By reason of the merger, and as set forth in the GMSA-GFSA Final Merger Agreement approved by the Extraordinary Meeting of Shareholders of GFSA and Ordinary and Extraordinary Shareholders Meeting of GMSA, both held on October 18, 2016, as from the Effective Merger Date (January 1, 2017): (a) all of GFSA's assets were transferred to GMSA, thus acquiring the ownership of all rights and obligations of GFSA; (b) GFSA was dissolved without liquidation, therefore it was absorbed by GMSA; (c) GMSA capital stock was increased from $ 125,654,080 to $ 138,172,150, with the consequent amendments to the bylaws of the merging company.

NOTE 24: MERGER (Cont'd)

b) GMSA – GFSA merger through absorption (Cont'd)

On March 2, 2017, the CNV approved under Resolution No. 18537 the Merger through Absorption under the terms of Section 82 of General Companies Law No. 19550 and the capital increase, with the pertinent amendment to the bylaws, decided within the framework of the merger, ordering that the respective documents be sent to the IGJ for registration purposes. The merger was registered with the IGJ on March 17, 2017. Also, by Resolution No. 18538 dated March 2, 2017, the CNV approved the dissolution without liquidation of GFSA, which was registered with the IGJ on March 17, 2017. On May 10, 2017, the CNV approved by Resolution No. 18648 the transfer of the public offering from GFSA to GMSA for the issuance of simple negotiable obligations, not convertible for shares, for a nominal value of up to USD 50,000,000; said public offering had been granted under Resolution No. 17402 whereby Class II and Class III Negotiable Obligations were issued. On July 24, 2017, the CNV approved by Resolution No. 18848 the transfer of authorization No. 18110 of the public offering for the co-issuance of negotiable obligations not convertible for shares for a nominal value of up to USD 250,000,000.

NOTE 25: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

Siemens Industrial Turbomachinery AB

On June 14, 2016 a Deferred Payment Agreement was entered into with Siemens Industrial Turbomachinery AB, by means of which, upon compliance of the preceding conditions set forth in the agreement, the Company obtained commercial financing for 50% of the amount of the contract signed for the CTMM plant enlargement, equivalent to SEK 177,000,000 (approximately USD 21 million).

The commercial financing granted will be repaid in 24 equal and consecutive monthly installments of 4.17% of the total amount of each, with the first installment being payable in August 2017. Payments shall be made in SEK (Swedish Crown).

On September 13, 2016, four Deferred Payment Agreements were executed with Siemens Industrial Turbomachinery AB for the turbines to be installed in CTE and CTI whereby, once fulfilled the preceding conditions fixed in the agreements, the Company will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of CTI and the work of Ezeiza, equivalent to SEK 438,960,000 (approximately USD 50.7 million).

The commercial financing to be granted will be repaid in 24 monthly installments, with the first installment of two agreements being payable in September 2017 and the rest in April 2018. Payments shall be made in SEK (Swedish Crown).

<u>NOTE 25:</u> EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Future contractual obligations of the contract with Siemens Industrial Turbomachinery AB by calendar year is as follows:

Commitments (1)		SEK	**Total**	**2017**	**2018**	**2019**	**2020**
			USD				
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTMM	177,000,000	**21,042,388**	4,383,831	10,521,194	6,137,363	-
Siemens Industrial Turbomachinery AB for the acquisition of three turbines Siemens SGT 800	CTE	263,730,000	**31,353,159**	3,507,065	14,387,733	12,169,515	1,288,846
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTI	175,230,000	**20,831,964**	1,753,532	9,127,136	8,662,450	1,288,846

(1) The commitment is expressed in dollars, on the basis of the time of payment according to the particular conditions of the contract.

Pratt & Whitney Power System Inc

GFSA signed an agreement with Pratt & Whitney Power System Inc. for the purchase of the FT4000™ SwiftPac® 60 turbine, including whatever is necessary for its installation and start-up. The agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount is disclosed in non-current trade payables for the equivalent to $199,560,000 million. Financing will accrue annual interest at a rate of 7.67% and will be calculated on a monthly basis of 30 days/360 days annual, with interest capitalized on a quarterly basis.

Future contractual obligations of the contract with PWPS by calendar year is as follows:

	Total	2016	2017	2018	2019	2020	2021	2022	2023
Commitments (1)	USD								
PWPS for the purchase of the FT4000TM SwiftPac® turbine	17,975,401	750,000	750,000	750,000	750,000	3,743,495	3,743,495	3,743,495	3,744,916

(1) (1) The commitment is expressed in dollars, on the basis of the time of payment according to the particular conditions of the contract.

NOTE 26: OPERATIONAL ALL RISK INSURANCE

All-risk insurance with business interruption insurance coverage

The Company has taken out all risk insurance for up to 12 months to cover any physical, sudden and accidental loss or damage, including damages to machinery, directly and fully attributable to any cause, with the consequent business interruption. This policy includes coverage of losses generated by business interruption as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to defray despite its inactivity, such that the insured would be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, which are not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, or for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

Contractors' All-risk and assembly insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Contractors' all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided that they are not expressly excluded from the policy.

The policy includes delay in start-up (DSU) or advance loss of profit (ALOP) insurance of up to 12 months, providing coverage for the expected commercial profit margin for sales of energy and power, discounting the variable costs during the period of repair or replacement of the damaged equipment.

Once all pieces of equipment are in operation, the new assets will be covered by the All-risk insurance that Albanesi Group has taken out, and which covers all power plants in operation.

NOTE 27: EXEMPTION GRANTED BY THE GENERAL REVENUE BOARD OF TUCUMAN

On March 3, 2017, the General Revenue Board of Tucuman resolved to exempt revenue generated by the electricity generation activity from Turnover Tax in that jurisdiction. This exemption is retroactive to the commencement of activities by the Company; therefore, an action has been filed for refund of the amounts of $ 19,643,732 deposited into the provincial tax authorities for this item. In addition, this request exempted from Public Health Tax only the staff assigned to the generation of electricity, and from stamp tax the works and power stations directly affecting performance of Company's activity.

NOTE 28: SUBSEQUENT EVENTS

a) Commercial operation of CTMM

On July 6, 2017, the Company obtained the authorization to start commercial operation of the two new Siemens SGT 800 turbines of 50 MW each, installed in CTMM.

NOTE 28: SUBSEQUENT EVENTS (Cont'd)

b) Creation of a program for the co-issuance

On August 8, 2017, through the Extraordinary Shareholders' Meeting, the creation of a program was approved for the co-issuance of simple negotiable obligations no convertible for shares with CTR for a total outstanding nominal value of up to USD 100,000,000 (US Dollars hundred million) or its equivalent in other currencies.

NOTE 29: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LENGUAGE

These financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with accounting principles generally accepted in Argentina. The effects of the differences between the accounting principles generally accepted in Argentina and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, statements of comprehensive income, changes in equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Argentina.

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at June 30, 2017 and June 30, 2016

1. Brief description of the activities of the issuing company, including reference to relevant circumstances subsequent to the closing date.

In accordance with the provisions of CNV General Resolution No. 368/01, and subsequent amendments, we present below an analysis of the results of operations of GMSA and its net worth and financial position, which must be read together with the interim condensed financial statements attached.

A final merger agreement was entered into on November 15, 2016 establishing a merger of GFSA through absorption into GMSA effective as from January 1, 2017. The increase in the variations is mainly due to this condition. The information is not comparative.

	Six-month period ended June 30,			
	2017	**2016**	**Variation**	**Variation %**
Sales by type of market	GWh			
CAMMESA 220 sales	352	285	67	24%
Energía Plus sales	348	388	(40)	(10%)
Spot Sales	139	212	(73)	(34%)
Sale of electricity Res. No. 95/529/482/22/19	191	188	3	2%
	1,030	**1,073**	**(43)**	**(4%)**

The sales for each market (in millions of pesos) are shown below:

	Six-month period ended June 30,			
	2017	**2016**	**Variation**	**Variation %**
Sales by type of market	(in millions of pesos)			
CAMMESA 220 sales	518.4	435.5	82.9	19%
Energía Plus sales	541.4	410.0	131.4	32%
Spot Sales	66.4	167.7	(101.3)	(60%)
Sale of electricity Res. No. 95/529/482/22/19	17.8	51.7	(33.9)	(65%)
	1,144.0	**1,064.9**	**79.1**	**7%**

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at June 30, 2017 and June 30, 2016

Profit/Loss for the six-month period ended June 30, 2017 and 2016 (in thousands of pesos):

	2017	2016	Variation	Variation %
Sales of energy	1,144.0	1,064.9	79.1	7%
Net sales	**1,144.0**	**1,064.9**	**79.1**	**7%**
Purchase of electric energy	(407.9)	(287.0)	(120.9)	42%
Gas and gasoil consumption at the plant	(129.7)	(334.9)	205.2	(61%)
Salaries, social security charges and employee benefits	(54.1)	(34.6)	(19.5)	56%
Maintenance services	(82.7)	(63.1)	(19.6)	31%
Depreciation of property, plant and equipment	(106.6)	(57.4)	(49.2)	86%
Insurance	(10.3)	(7.6)	(2.7)	36%
Taxes, rates and contributions	(8.6)	(8.3)	(0.3)	4%
Others	(6.9)	(8.2)	1.3	(16%)
Cost of sales	**(806.8)**	**(801.1)**	**(5.7)**	**1%**
Gross income	**337.2**	**263.8**	**73.4**	**28%**
Salaries, social security charges and employee benefits	-	(0.4)	0.4	(100%)
Taxes, rates and contributions	(0.9)	(0.2)	(0.7)	350%
Recovery of Turnover tax	19.6	-	19.6	100%
Bad debts	-	(2.0)	2.0	(100%)
Selling expenses	**18.7**	**(2.6)**	**21.3**	**(819%)**
Salaries, social security charges and employee benefits	(0.2)	(1.8)	1.6	(89%)
Fees and compensation for services	(13.9)	(9.6)	(4.3)	45%
Per diem, travel and representation expenses	(0.6)	(1.1)	0.5	(45%)
Sundry	(4.3)	(3.1)	(1.2)	39%
Administrative expenses	**(19.0)**	**(15.6)**	**(3.4)**	**22%**
Other operating income	0.4	(1.0)	1.4	(140%)
Operating income	**337.3**	**244.6**	**92.7**	**38%**
Commercial interest	2.9	5.2	(2.3)	(44%)
Loan interest	(125.5)	(107.4)	(18.1)	17%
Tax interest	(7.4)	(6.9)	(0.5)	7%
Bank expenses and commissions	(2.1)	(4.7)	2.6	(55%)
Exchange differences, net	(35.1)	(52.0)	16.9	(33%)
Other financial results	11.3	(19.5)	30.8	(158%)
Financial and holding results, net	**(155.9)**	**(185.3)**	**29.4**	**(16%)**
Income/(loss) before tax	**181.4**	**59.3**	**122.1**	**206%**
Income tax	(68.1)	(26.3)	(41.8)	159%
Result for the period	**113.3**	**33.0**	**80.3**	**243%**

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Summary of activity at June 30, 2017 and June 30, 2016

Sales:

Net sales for the year ended June 30, 2017 amounted to $1,144.0 million, compared with $1,064.9 million for the same period in 2016, showing an increase of $79.1 million (7%).

During the first six months of 2017, the sale of electricity was 1,032 GWh, representing a 4% decrease compared with the 1,073 GWh for the same period in 2016.

Below we discuss the major income sources of the Company and their performance in the six-month period ended June 30, 2017 as compared with the same period of the prior year:

(i) $541.4 million from sales under Energía Plus, up 32% from the $410.0 million sold in the same period in 2016. This variation is explained by the favorable effect on the price as a result of the increase in the exchange rate.

(ii) $518.4 million for sales of electricity in the forward market to CAMMESA under the framework of Resolution No. 220/07, which represented an increase of 19% from the $435.5 million for the same period in 2016. This variation is explained by an increase in the price due to the increase in the exchange rate, an increase in the sales volume and the impact of the merger of GFSA through absorption into GMSA.

(iii) $66.4 million for electricity sales on the spot market, which represented a decrease of 60% from the $167.7 million for the same period in 2016. This variation is explained by the management of excess generation volumes made by CAMMESA and the impact of the merger of GFSA through absorption into GMSA.

(iv) $17.8 million for electricity sales under Resolution No. 95/529/482/22/19, which represented a decrease of 65% from the $51.6 million for the same period in 2016.

Cost of sales:

The total cost of sales for the six-month period ended June 30, 2017 reached $806.8 million, compared with $801.1 million for the same period in 2016, reflecting a $5.7 million (1%) increase.

The main costs of sales of the Company and their performance in the current period compared with the same period of the previous fiscal year are detailed below in millions of pesos:

(i) $407.9 million for purchases of electricity, up 42% from the $287.0 million in the same period in 2016, as a result of the price effect due to exchange rate variation and merger.

(ii) $129.7 million for the cost of gas and gas oil consumption at the plant, reflecting a 61% drop from the $334.9 million for the same period in 2016. This variation was due to a lower dispatch by CAMMESA.

(iii) $82.7 million in maintenance services, up 31% from the $63.1 million in the same period in 2016. This variation is due to the variation in the dollar exchange rate and merger of GFSA through absorption into GMSA.

Summary of activity at June 30, 2017 and June 30, 2016

(iv) A depreciation of property, plant and equipment of $106.6 million, which represents a 86% increase from the depreciation of $57.4 million in the same period in 2016. This variation is mainly originated in the higher amortization value for the captions: land, building, facilities and machinery, as a result of their revaluation at December 31, 2016; and the impact of the merger of GFSA through absorption into GMSA.

(v) $54.1 million for payroll and social security charges, up 56% from the $34.6 million for the same period in 2016, mainly due to a salary increases granted and the impact of the merger of GFSA through absorption into GMSA.

(vi) $10.3 million for insurance, which represented a 36% increase from the $7.6 million for the same period in 2016, related to the exchange rate variation.

Gross income:

The gross income recorded for the six-month period ended June 30, 2017 was $337.2 million, compared with a profit of $263.8 million for the same period in 2016, accounting for a 28% increase. This is due to the variation in the exchange rate and the merger of GFSA through absorption into GMSA.

Selling expenses:

Selling expenses for the six-month period ended June 30, 2017 amounted $18.7 million profit, compared with $2.6 million loss for the same period in 2016, reflecting an improvement of $21.3 million (819%). On March 3, 2017, the revenue department of the General Revenue Board of Tucuman resolved to exempt GMSA from payment of Turnover Tax in that jurisdiction, amending the tax determined as from the period December 2011.

Administrative expenses:

Administrative expenses for the six-month period ended June 30, 2017 amounted to $19.0 million, up $3.4 million (a 22% increase) from $15.6 million recorded in the same period in 2016.

The main components of the Company's administrative expenses are listed below:

(i) $13.9 million of Fees and compensation for services, which represented an increase of 45% from the $9.6 million for the same period in the previous fiscal year.

(ii) $4.3 million in sundry expenses, accounting for a 39% increase from the $3.1 million for the same period of the previous fiscal year. Main variations are due to the captions office expenses and taxes and contributions.

(iii) $0.2 million in salaries and social security charges, reflecting a 89% decrease from the $1.8 million in the same period in year 2016. The decrease in payroll is mainly due to the hiring of services provided by third parties.

Operating income:

The operating income recorded for the six-month period ended June 30, 2017 was $337.3 million, compared with $244.6 million profit recorded for the same period in year 2016, accounting for a 38% increase.

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Summary of activity at June 30, 2017 and June 30, 2016

Financial results:

Financial results for the six-month period ended June 30, 2017 amounted to a total loss of $155.9 million, compared with a loss of $185.3 million for the year 2016, which accounts for a 16% decrease.

The most salient aspects of this variation are listed below:

(i) $125.5 million of financial interest losses, up 17% compared with the $107.4 million loss for the same period in 2016 as a result of an increase in the financial debt generated by the merger through absorption.

(ii) A profit of $11.3 million under other financial results, down 158% from the loss of $19.5 million recorded in the same period in year 2016.

(iii) $35.1 million losses for net exchange differences, accounting for a 33% decrease from the $52.0 million losses recorded in the same period of the previous fiscal year.

Income/(loss) before tax:

The Company reported income before tax of $181.4 million for the six-month period ended June 30, 2017, which represents a 206% increase compared with the income of $59.3 million recorded for the same period in the previous year.

The income tax charge amounted to $68.1 million for the current period compared to $26.3 million in the same period in the previous fiscal year.

Net profit/loss

The net result for the six-month period ended June 30, 2017 was a profit of $113.3 million, which compares with the profit of $33.0 million reported in the same period in 2016, accounting for a 243% increase.

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Summary of activity at June 30, 2017 and June 30, 2016

2. Equity structure presented comparatively with the previous period:
(in millions of pesos)

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Non-current assets	8,652.0	2,705.0	869.9	913.0	376.5
Current assets	1,989.1	1,312.6	224.6	273.2	215.4
Total Assets	**10,641.1**	**4,017.6**	**1,094.5**	**1,186.2**	**591.9**
Shareholders' equity	2,094.6	1,231.8	474.8	478.9	103.1
Total shareholders' equity	**2,094.6**	**1,231.8**	**474.8**	**478.9**	**103.1**
Non-Current Liabilities	6,208.8	2,272.8	263.3	387.5	201.7
Current Liabilities	2,337.7	513.0	356.4	319.8	287.1
Total Liabilities	**8,546.5**	**2,785.8**	**619.6**	**707.3**	**488.8**
Total liabilities and shareholders' equity	**10,641.1**	**4,017.6**	**1,094.5**	**1,186.2**	**591.9**

3. Breakdown of results presented comparatively with the previous period:
(in millions of pesos)

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Ordinary operating income	337.3	244.6	67.9	71.0	37.8
Financial and holding results	(155.9)	(185.3)	(45.2)	(61.9)	(42.5)
Ordinary net income	**181.4**	**59.3**	**22.7**	**9.1**	**(4.7)**
Income tax	(68.1)	(26.3)	(7.7)	(3.7)	0.9
Net income/(loss)	**113.3**	**33.0**	**14.9**	**5.4**	**(3.8)**
Other comprehensive income	-	-	-	358.9	-
Total comprehensive income	**113.3**	**33.0**	**14.9**	**364.3**	**(3.8)**

Summary of activity at June 30, 2017 and June 30, 2016

4. Breakdown of cash flows presented comparatively with the previous period:
(in millions of pesos)

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Funds generated by (used in) operating activities	566.0	(404.9)	85.4	57.7	14.4
Funds generated by (used in) investment activities	(1,729.7)	(347.4)	(3.9)	(3.6)	(5.7)
Funds generated by (used in) financing activities	944.3	1,038.2	(82.5)	(27.1)	15.2
(Decrease) / Increase in cash and cash equivalents	**(219.4)**	**285.9**	**(1.0)**	**27.0**	**23.9**

5. Ratios presented comparatively with the previous period:

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Liquidity (1)	0.85	2.56	0.68	0.73	0.76
Solvency (2)	0.25	0.44	0.76	0.24	0.22
Tied-up capital (3)	0.81	0.67	0.77	0.59	0.65
Indebtedness ratio (4) (*)	6.69	5.47	1.22	1.74	2.00
Interest coverage ratio (5)	4.07	2.64	2.22	1.89	1.81

(1) Current assets / Current liabilities

(2) equity / total liabilities

(3) non-current assets / total assets

(4) Financial debt / annual EBITDA

(5) Annual EBITDA / annual financial interest accrued

(*) According to the guidelines for calculating the debt ratio included in the International Bond prospectus, at June 30, 2017 this ratio records a value of 6.34.

Summary of activity at June 30, 2017 and June 30, 2016

6. Brief remarks on the outlook for fiscal year 2017:

Commercial and Operating Area

The Company expects that the various generating units will continue to operate normally in line with dispatches defined by CAMMESA. The main objective is to maintain a high level of availability of the Power Plants, which ensures the profitability of the Company. For this purpose, a thorough preventive maintenance plan of the generating units is made which guarantees the high availability of the turbo generators of the Power Plants.

The Company is developing investment projects that will imply an increase of the generation capacity by 400 MW.

Two projects with contracts under ES Resolution 220/07 are in progress for a total of 150 MW of additional generation capacity which is detailed below.

In CTRi, a Siemens SGT-800 of 50 MW nominal capacity has been installed. On May 20, 2017, CAMMESA authorized the commercial operation.

Further, a Siemens SGT-800 of 50 MW nominal capacity has been installed in CTMM. On July 6, 2017, CAMMESA authorized the commercial operation under a contract of ES Resolution No. 220/07.

Under the framework of Resolution No. 21/16, the Company presented projects to enlarge the power generation capacity by 250MW, which were awarded through a bidding process.

The projects are set within the framework of agreements entered into with CAMMESA under Resolution No. 21/16 S.E.

A 100 MW expansion of the generating capacity was commenced at CTI with the installation of two Siemens SGT-800 turbines of 50 MW each. The first stage (50MW) is estimated to come into commercial operation in the third quarter of 2017, and the second stage in the first quarter of 2018 (50MW).

Also, the construction of a new plant commenced in the Province of Buenos Aires (CTE) with a generating capacity of 150 MW, with the installation of three Siemens SGT-800 turbines of 50 MW each. The first stage (100MW) is estimated to come into commercial operation in the third quarter of 2017, and the second stage in the first quarter of 2018 (50MW).

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Summary of activity at June 30, 2017 and June 30, 2016

Financial condition

In the current period, the Company has the objective of improving the financing structure and ensuring the progress of investment works according to the budgeted schedules.

Bonds for USD 250 million were co-issued by GMSA, CTR and GFSA on July 27, 2016, and will mature within 7 years. The international bond is secured by ASA. From the total issued, USD 173 million were allocated to GMSA, and USD 7 million to GFSA, to prepay financial debts and the financing of investment projects.

Also, we would like to highlight that Negotiable Obligations Class VI and VII have been issued for USD 34 million and $ 553 million, respectively. This indebtedness allowed the refinancing of financial liabilities, improving the cost and term conditions and allocate funds to investment projects.

The actions mentioned allowed the improvement of the working capital and financial debt profile, extending maturity dates and reducing the financial cost of the Company, ensuring, in addition, the financing of investment projects.

ADDITIONAL INFORMATION REQUIRED BY SECTION 12, CHAPTER III, TITLE IV, OF THE NATIONAL SECURITIES COMMISSION REGULATIONS, FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

General matters referred to the activity of GMSA

1. Significant and specific legal regimes implying contingent decline or renewal of benefits comprised in these legal provisions.

   There are none.

2. Significant changes in the company activities or similar circumstances that took place during the fiscal years corresponding to the financial statements, that affect their comparability with those presented in previous years, or that could affect comparability with those to be presented in future years.

   There are none.

3. Breakdown of receivables and liabilities balances according to their maturity and due date

	Trade receivables	Other financial assets at fair value through profit and loss	Other receivables	Trade payables	Loans	Salaries and social security charges	Tax payables and deferred tax liability	Other debts
					$			
To be due								
First quarter	401,731,910	30,451,950	934,617,663	883,699,601	707,476,620	12,437,263	17,483,356	145,559
Second quarter	248,570,629	-	1,438,362	129,258,771	176,889,032	-	-	-
Third quarter	-	-	1,438,362	-	192,448,722	2,349,024	-	-
Fourth quarter	-	-	1,438,362	-	215,470,323	-	-	-
More than one year	9,203,849	-	72,785,531	917,031,046	4,298,217,953	-	985,475,531	-
Subtotal	**659,506,388**	**30,451,950**	**1,011,718,280**	**1,929,989,418**	**5,590,502,650**	**14,786,287**	**1,002,958,887**	**145,559**
Past due	-	-	-	-	-	-	-	-
Without stated term	-	-	71,941,726	-	-	-	-	-
Total at 06.30.17	**659,506,388**	**30,451,950**	**1,083,660,006**	**1,929,989,418**	**5,590,502,650**	**14,786,287**	**1,002,958,887**	**145,559**
Non-interest bearing	615,403,057		1,011,195,622	1,730,429,418	-	14,786,287	1,002,958,887	145,559
At fixed rate	-	-	-	199,560,000	(1) 4,333,682,474	-	-	-
At floating rate	44,103,331	30,451,950	72,464,384		(1) 1,256,820,176	-	-	-
Total at 06.30.17	**659,506,388**	**30,451,950**	**1,083,660,006**	**1,929,989,418**	**5,590,502,650**	**14,786,287**	**1,002,958,887**	**145,559**

(1) See Note 16 to the condensed interim financial statements at June 30, 2017.

4. Breakdown of receivables and liabilities according to the financial impact of maintaining the balances.

Captions	Type and amount of foreign currency	Exchange rate at closing (1)	Net book value 06.30.17	Net book value 12.31.16
			$	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents				
Cash	USD 6,595	16.530	109,018	105,226
Banks	USD 650,028	16.530	10,744,956	2,292,705
Trade receivables				
Trade payables - Energía Plus	USD 10,811,135	16.530	178,708,058	104,995,841
Trade payables - Resolution No. 220/07 - Resolution No. 19/17	USD 22,528,091	16.530	372,389,341	57,950,769
Trade payables - Rental of tanks	USD 641,404	16.530	10,602,401	10,127,762
Total Current Assets			**572,553,774**	**175,472,303**
Total Assets			**572,553,774**	**175,472,303**
LIABILITIES				
CURRENT LIABILITIES				
Trade payables				
Related parties	USD 1,046,168	16.580	17,345,472	107,378,222
Suppliers	USD 1,768,928	16.630	29,417,278	83,280,447
Suppliers	SEK 230,358,818	2.001	461,040,138	-
Financial debts				
Foreign loan	USD 58,741,523	16.630	976,871,522	186,907,614
Total current liabilities			**1,484,674,410**	**377,566,283**
NON-CURRENT LIABILITIES				
Trade payables				
Suppliers	USD 12,000,000	16.630	199,560,000	-
Suppliers	SEK 358,484,584	2.001	717,471,046	250,442,290
Financial debts				
Foreign loan	USD 221,074,401	16.630	3,676,467,296	3,290,993,368
Total non-current liabilities			**4,593,498,342**	**3,541,435,658**
Total Liabilities			**6,078,172,752**	**3,919,001,941**

(1) Banco Nación exchange rates prevailing at period end. An average exchange rate is applied to intercompany balances.

5. Companies under Sect. 33, Law No. 19550:

Participation percentage in companies Sect. 33, Law No. 19550:

There is none.

Accounts payable and receivable with companies Sect. 33, Law No. 19550:

See Note 18 to the interim condensed financial statements at June 30, 2017.

6. Trade receivables or loans against directors, syndics, members of the surveillance committee or their relatives in the second degree inclusive.

   See Note 18 to the interim condensed financial statements at June 30, 2017.

7. Frequency and scope of the physical inventory of materials and spare parts.

   The Company keeps a permanent record of its inventories, verifying it on a yearly basis.

   There are no impaired, damaged, out of service or idle assets.

Fair values

8. Source of the data used in calculating the fair values for the valuation of inventories, property, plant and equipment, and other significant assets.

   See Note 4 to the financial statements at December 31, 2016.

Property, plant and equipment

9. Release of the Reserve for technical revaluation when part of it had been previously reduced to absorb losses.

   There are none.

10. Value of unused Property, plant and equipment due to obsolescence.

    There are none.

Equity interest in other companies

11. Equity interests in other companies in excess of that is permitted by Sect. 31 of Law No. 19550.

    There are none.

Recoverable values

12. Criteria followed to determine significant recoverable values of the items Property, plant and equipment and Material and spare parts, applied as the limit to their accounting valuation.

    See Note 4 to the financial statements at December 31, 2016.

Insurance

13. Insured items:

Kind of risk	Insured amount 2017	Insured amount 2016
Operational all risks - Material damage	USD 335,200,000	SEK 265,200,000
Operational all risks - Loss of profit	USD 74,965,990	USD 42,168,517
Contractors' all-risk - enlargement of power plants - material	USD 248,437,714	USD 285,706,443
Contractors' all-risk - enlargement of power plants - alop	USD 89,400,838	USD 99,746,356
RC - Siemens STG-800	-	USD 5,000,000
Civil liability	USD 9,000,000	USD 9,000,000
Civil Liability (primary)	USD 5,000,000	USD 4,000,000
Civil liability of Directors and Executives	USD 15,000,000	USD 15,000,000
Transport Siemens STG-800	USD 146,113,119	USD 103,890,000
Automobile	$1,380,000	$1,394,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Directors' bond	$450,000	$450,000
Customs bond	$1,489,076,513	$1,009,906,781
Environmental bond	$13,021,315	$14,017,389
Authorization for project commercial operation bond	$520,494,334	$499,810,500
Technical equipment insurance	USD 208,807	USD 89,287
Personal accidents	$250,000	$250,000
Personal accidents	USD 500,000	USD 500,000
Life insurance - mandatory life insurance	$41,480	$33,330
Life - group life insurance (LCT, employment contract law)	Disability 1 salary per year Death 1/2 salary per year	Disability 1 salary per year Death 1/2 salary per year
Life - Additional group life insurance	24 salaries	24 salaries

Insurance is bought at market values, which widely cover accounting values.

Operational all risk:

The all-risk insurance covers for all the risks of loss or physical damage caused to property owned by or under the charge of the insured while situated in the place(s) described in the policy, provided that such damage occurs accidentally, suddenly or unexpectedly, and makes it necessary to repair and/or replace such property as a direct consequence of any of the risks covered by the policy. This policy includes coverage of loss of profits, with the aim of covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.
In October 2015, the insurance policy has been renewed, under better coverage conditions and by reducing 10% the premium rate.

Civil liability:

These policies cover underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to property of third parties, caused and /or derived from the development of the insured activity and product liability, subject to the terms, conditions, limitations and exclusions contained in the policy.

They are structured as follows:

An individual policy for each of the Group companies was taken out, with a compensation limit of USD 1,000,000 - per event and two reinstatements during the effective term of the policy.

In addition, an insurance policy common to all companies has been taken out with a compensation limit of USD 9,000,000- per event and during the effective term of the policy in excess of USD 1,000,000 - (individual policies), with two reinstatements exclusively for operations liability and without reinstatement for product liability.

Transport insurance:

The Company has an insurance policy that covers transportation of all generators of Albanesi Group under the modality of sworn statement to be presented monthly in arrears. It covers losses or damages of goods of the insured as a result of its mobilization during transportation, which may be international, national or urban, either by land, air or sea.

Mandatory life insurance:

Mandatory life insurance is a coverage that the employer has mandatorily to take out on behalf of its employees. It covers the risk of death of worker on an employment relationship, for any cause, without limitations of any kind, 24 hours a day, in or outside the country.
The insured amount is $ 20,000, as established by the National Insurance Superintendency.

Life insurance (LCT, employment contract Law):

This insurance covers underlying obligations from the Employment Contract Law, in case the company has to pay compensation in case of a total and permanent disability or death of the employee, whichever the case.

Group Life insurance:

The Company has taken out a group life insurance policy, on behalf of all Group employees. It grants compensation in case of death, double severance pay in case of accidental death, partial losses due to accident, advances for terminal diseases, organ transplant and birth of child after death.

Automobile insurance:

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

Customs Guarantees:

- Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

- Temporary export: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

Directors' bond:

It is the guarantee required by the General Companies Law (Law 19550, section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This guarantee covers the Company in case of non-compliance with obligations by Directors or Managing partners while performing their duties.

Environmental bond:

The environmental bond for damage with group incidence covers the environmental bond established by the General Law on Environment 25675, section 22 in agreement with the provisions of enforcement authorities.

Financial bond:

It guarantees that the money received by the customer on account of advance, will be applied to the effective compliance with the contract agreed upon.

Positive and negative contingencies

14. Elements considered to calculate provisions whose balances, considered individually or in the aggregate, exceed 2% of the equity.

Allowances and provisions were recognized in the cases in which, considering a present obligation in charge of the Company, whether legal or constructive, arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate could be made of its amount.

The amount recorded as allowances and provisions was the best estimate of the resource outflow necessary to settle the present obligation, at the end of the reporting period, considering the pertinent risks and uncertainties. When a provision is measured using the estimated cash outflow for settling the present obligation, the amount recorded represents the present value of that cash flow.

The following have been set up:

a. Allowances deducted from assets:

The allowance for bad debts has been set up based on a historical analysis of accounts receivable to assess the recoverability of the credit portfolio.

b. Included in liabilities:

These provisions have been set up to cover potential contingent situations that could give rise to future payment obligations. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

15. Contingent situations not accounted for at the date of the financial statements.

    There are none.

Irrevocable contributions on account of the future subscription of shares

16. Status of the procedure for its capitalization.

    There are none.

17. Unpaid cumulative dividends on preferred shares.

    There are none.

18. Conditions, circumstances or terms for the cease of restrictions on the distribution of unappropriated earnings.

    See Note 14 of the financial statements at December 31, 2016. There are no changes as to the information timely provided.

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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the President and Directors of
Generación Mediterránea S.A.
Legal address: Leandro N. Alem 855 - 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68243472-0

Introduction

We have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30, 2017, the statement of comprehensive income for the six and three-month period ended June 30, 2017, the statements of changes in equity and of cash flows for the six-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2016 and its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 “Interim Financial Information” (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standards on Review Engagements (ISRE) 2410 “Review of the interim financial information performed by the independent auditor of the entity”, adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company.

Price Waterhouse & Co. S.R.L. es una firma miembro de la red global de PricewaterhouseCoopers International Limited (PwCIL). Cada una de las firmas es una entidad legal separada que no actúa como mandataria de PwCIL ni de cualquier otra firma miembro de la red.

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Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim condensed financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with regulations in force

In accordance with current regulations, we report that:

a) the interim condensed financial statements of the Company are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the interim condensed financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;

c) we have read the summary activity and the additional information to the notes to the interim condensed financial statements required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations, on which we have no observations to make insofar as concerns matters within our field of competence;

d) at June 30, 2017 the debt accrued by Generación Mediterránea S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $ 1,263,996 none of which was claimable at that date.

Autonomous City of Buenos Aires, August 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

Free translation from the original prepared in Spanish for publication in Argentina

Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30, 2017, the statement of comprehensive income for the six-month period ended June 30, 2017, the statements of changes in equity and of cash flows for the six and three-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2016 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed financial statements mentioned in paragraph 1, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34). Our responsibility is to express a conclusion based on the review performed with the scope detailed in paragraph 3.

3. Our review was carried out in accordance with standards applicable to syndics. Those standards require that the procedures established in Technical Pronouncement No. 33 of the Argentina Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements be performed, and include verifying the consistency of the documents reviewed with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their limited review report on the condensed interim statements at the same date as this report without observations. A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company. We have not assessed the administrative, financing, marketing or operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

4. As indicated in Note 3, the interim condensed financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed financial statements mentioned in paragraph 1, for their presentation in accordance with the pertinent regulations of Law No. 19550, the National Securities Commission and standards mentioned in paragraph 2.

6. The provisions of Section 294 of the Law No. 19550 have been duly fulfilled.

Autonomous City of Buenos Aires, August 11, 2017

Marcelo P. Lerner
Full Syndic
For the Syndics' Committee