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Albanesi S.A.

Interim Condensed Consolidated Financial Statements

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

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Albanesi S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND 2015

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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 interim condensed consolidated financial statements of the Company.

Terms	Definitions
/day	Per day
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
AFSA	Albanesi Fuegoína S.A.
AISA	Albanesi Inversora S.A.
AFIP	Federal Administration of Public Revenue
ASA	Albanesi 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
CTR	Central Térmica Roca S.A.
CVP	Variable Production Cost
Dam ³	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
ENARSA	Energía Argentina S.A.
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
GMSA	Generación Mediterránea S.A.
GFSA	Generación Frías S.A.
GI	Generación Independencia located in San Miguel de Tucumán, province of Tucumán (merged with GMSA).
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GLB	Generación La Banda located in La Banda, province of Santiago del Estero (merged with GMSA)

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GLSA	Generación Litoral S.A.
GM	Generación Mediterránea located in Río IV, province of Córdoba
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GR	Generación Riojana located in La Rioja, province of La Rioja (merged with GMSA)
GROSA	Generación Rosario S.A.
	Large Demand from Distributors, with declared or demanded supplies of over 300kW.
GUDIs	
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
The Company/The Group	Albanesi S.A. and its subsidiaries
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 10 ⁶
ARG 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

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Albanesi S.A.

Composition of the Board of Directors and Syndics' Committee as of June 30, 2016

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

Alternate Directors

Armando Losón (h)

José L. Sarti

Juan G. Daly

María de los Milagros D. Grande

Ricardo M. Lopez

Romina S. Kelleyian

Full Syndics

Enrique O. Rucq

Francisco A. Landó

Marcelo P. Lerner

Alternate Syndics

Carlos I. Vela

Juan Cruz Nocciolino

Augusto N. Arena

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Albanesi S.A.

Interim Condensed Consolidated Financial Statements

For the six-month periods ended June 30, 2016
presented in a comparative format
Stated in pesos

Corporate name: Albanesi S.A.
Legal domicile: Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity: Investing and financial activities
Tax Registration Number: 30-68250412-5

DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Of by-laws or incorporation agreement: June 28, 1994
Latest amendment: March 22, 2016 (registration pending)

Registration number with the Superintendency of
Commercial Companies: 6216 of Book 115, Volume A of Corporations

Expiration of By-laws or incorporation agreement: June 28, 2093

CAPITAL STATUS (Note 10)			
Shares			
Number	Type	Number of votes per share	Subscribed and paid in
62,455,160	Ordinary, registered, non-endorsable shares of \$ 1 par value each	1	\$
			62,455,160

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Interim Condensed Consolidated Statement of Financial Position

At June 30, 2016 and December 31, 2015

Stated in pesos

	Note	06.30.16	12.31.15
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,387,182,467	3,010,734,850
Investments in associates	8	248,870,745	243,127,929
Investments in other companies	31	129,861	129,861
Deferred tax assets		198,827	-
Other receivables		19,435,719	40,138,353
Trade receivables		118,848,145	3,886,527
Total non-current assets		3,774,665,764	3,298,017,520
CURRENT ASSETS			
Inventories		19,159,643	15,897,222
Income tax credit balance, net		5,121,021	2,020,791
Other receivables		743,214,312	221,597,328
Trade receivables		486,587,485	382,504,984
Other financial assets at fair value through profit and loss		-	1,210,961
Cash and cash equivalents	9	278,987,801	31,565,698
Total current assets		1,533,070,262	654,796,984
Total Assets		5,307,736,026	3,952,814,504

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

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Interim Condensed Consolidated Statement of Financial Position (Cont'd)

At June 30, 2016 and December 31, 2015

Stated in pesos

	Note	06.30.16	12.31.15
EQUITY			
Share capital	10	62,455,160	4,455,160
Legal reserve		1,942,908	-
Technical revaluation reserve		1,200,255,860	1,226,610,421
Translation reserve		(2,942,300)	(2,857,973)
Other comprehensive income		(1,603,279)	(1,594,964)
Retained earnings		42,458,307	43,137,735
Equity attributable to the owners		1,302,566,656	1,269,750,379
Non-controlling interest		70,160,619	69,378,408
Total equity		1,372,727,275	1,339,128,787
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	13	8,125,610	9,949,496
Deferred tax liabilities		564,178,630	548,354,489
Other liabilities		100,000,000	100,000,000
Defined benefit plans		6,131,450	4,819,097
Loans	12	2,144,108,874	780,887,813
Trade payables		182,782,705	157,068,465
Total non-current liabilities		3,005,327,269	1,601,079,360
CURRENT LIABILITIES			
Other liabilities		124,935,917	116,786,152
Social security debts		5,978,760	8,641,658
Defined benefit plan		857,422	857,422
Loans	12	489,196,370	583,831,816
Current income tax, net		110,902	729,121
Tax payables		20,315,200	11,737,109
Trade payables		288,286,911	290,023,079
Total current liabilities		929,681,482	1,012,606,357
Total liabilities		3,935,008,751	2,613,685,717
Total liabilities and equity		5,307,736,026	3,952,814,504

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

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Interim Condensed Consolidated Statement of Comprehensive Income

For the six and three-month periods ended June 30, 2016 and 2015

Stated in pesos

	Note	Six-month period at		Three-month period at	
		06.30.16	06.30.15	06.30.16	06.30.15
Sales revenue	14	1,258,816,453	793,745,398	674,821,659	452,442,973
Cost of sales	15	(929,398,042)	(610,127,474)	(536,103,540)	(360,674,091)
Gross income		329,418,411	183,617,924	138,718,119	91,768,882
Selling expenses	16	(5,331,318)	(5,937,144)	(4,435,625)	(3,219,132)
Administrative expenses	17	(22,795,803)	(19,872,108)	(8,086,499)	(11,883,567)
Income from interests in associates	8	5,742,816	1,069,442	8,087,857	440,494
Other operating income	18	1,229,987	17,092,645	(2,196,727)	17,092,645
Other operating expenses	18	(970,403)	(36,901,477)	(970,403)	(36,901,477)
Operating income		307,293,690	139,069,282	131,116,722	57,297,845
Financial income	19	5,218,446	3,135,822	3,575,727	982,107
Financial costs	19	(188,548,604)	(74,596,080)	(85,858,849)	(38,333,452)
Other financial results	19	(84,666,608)	(24,160,516)	(22,573,966)	(3,939,614)
Financial results, net	19	(267,996,766)	(95,620,774)	(104,857,088)	(41,290,959)
Income before tax		39,296,924	43,448,508	26,259,634	16,006,886
Income tax		(21,950,527)	(8,058,510)	(12,369,016)	1,161,680
Gain from continuing operations		17,346,397	35,389,998	13,890,618	17,168,566
Discontinued operations	24	-	(13,592,762)	-	(8,539,566)
Income for the period		17,346,397	21,797,236	13,890,618	8,629,000
Other Comprehensive Income					
<i>Items that may be reclassified to profit/loss</i>					
Translation difference		(158,127)	(2,535,318)	(113,662)	1,412
Effect of hyperinflation		73,795	59,278	3,018	25,968
<i>Items that will not be reclassified to profit/loss</i>					
Income related to defined benefit plans		(13,463)	(19,166)	(6,730)	(9,583)
Impact on income tax		4,713	6,708	2,356	3,354
Other comprehensive income for the period		(93,082)	(2,488,498)	(115,018)	21,151
Comprehensive income for the period		17,253,315	19,308,738	13,775,600	8,650,151
Income (Loss) for the period attributable to:					
Owners of the company		16,103,746	21,929,214	13,266,031	9,367,980
Non-controlling interest		1,242,651	(131,978)	624,587	(738,980)

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

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Interim Condensed Consolidated Statement of Comprehensive Income (Cont'd)

For the six and three-month periods ended June 30, 2016 and 2015

		Six-month period at		Three-month period at	
	Note	06.30.16	06.30.15	06.30.16	06.30.15
Income (Loss) for the period attributable to the owners of the company:					
Continuing operations		16,103,746	34,502,985	13,266,031	17,166,637
Discontinued operations	24	-	(12,573,771)	-	(7,798,657)
		<u>16,103,746</u>	<u>21,929,214</u>	<u>13,266,031</u>	<u>9,367,980</u>
Comprehensive income (loss) for the period attributable to:					
Owners of the company		16,011,104	19,441,438	13,151,236	9,389,442
Non-controlling interest		1,242,211	(132,700)	624,364	(739,291)
Earnings (Loss) per share attributable to the owners of the company					
Basic and diluted earnings per share from continuing operations	20	0.44	7.74		
Basic and diluted (loss) per share from discontinued operations	20	-	(2.82)		

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

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Interim Condensed Consolidated Statement of Changes in Equity
For the six-month periods ended June 30, 2016 and 2015
Stated in pesos

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

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Interim Condensed Consolidated Statement of Cash Flows

For the six-month periods ended June 30, 2016 and 2015

Stated in pesos

	Notes	06.30.16	06.30.15
Cash flow provided by operating activities:			
Income for the period		17,346,397	21,797,236
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax on continuing operations and discontinued operations		21,950,527	13,509,322
Income from investments in associates	8	(5,742,816)	(1,069,442)
Depreciation of property, plant and equipment	7	86,873,496	52,835,808
Amortization of Intangible assets		-	2,376
Decrease in provisions	13	(1,823,886)	718,037
Doubtful debt expenses	13 & 16	3,870,073	-
Fair value adjustments to other receivables and other liabilities		(5,695,574)	(1,757,324)
Benefit plans accrual	15	1,298,888	923,359
Residual value of property, plant and equipment		-	696,979
Interest, exchange differences and other financial results		161,369,085	90,209,231
Income for sale of interests in subsidiaries	24	-	(17,085,139)
Net income for sale of components and spare parts		-	(6,634,575)
Results from changes in the fair value of financial instruments	19	(11,087,045)	4,491,887
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(236,103,478)	(4,908,870)
(Increase) Decrease in other receivables ⁽¹⁾		(489,497,888)	47,566,419
(Increase) in inventories		(3,262,421)	(5,935,461)
Increase (Decrease) in trade payables		23,978,072	(21,270,699)
(Decrease) Increase in other liabilities		(4,123,756)	24,608,502
Increase (Decrease) in social security charges and taxes		19,152,478	(20,571,342)
Cash flow (used in) generated by operating activities		(421,497,848)	178,126,304
Cash flow provided by investment activities			
Dividend received		-	2,520,000
Proceeds from sale of investment in subsidiaries		-	108,026
Payments for the acquisition of property, plant and equipment	7	(362,046,672)	(146,926,735)
Payment of financial instruments		-	(12,526,220)
Redemption of mutual funds		1,210,961	-
Cash flow (used in) investment activities		(360,835,711)	(156,824,929)
Cash flow provided by financing activities:			
Dividends paid to non-controlling interest by the subsidiaries		(485,000)	(1,808,817)
Contributions of equity by the non-controlling interest		25,000	-
Repayment of loans and interest	12	(820,077,230)	(193,939,727)
Proceeds from loans		1,884,490,330	181,498,049
Cash flow generated by (used in) financing activities		1,063,953,100	(14,250,495)
INCREASE IN CASH AND CASH EQUIVALENTS		281,619,541	7,050,880
Cash and cash equivalents at the beginning of the period		(38,660,701)	11,157,579
Financial results of cash and cash equivalents		7,230,657	10,903,095
Cash and cash equivalents at the end of the period	9	250,189,497	29,111,554
		281,619,541	7,050,880

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

⁽¹⁾ Include advances to suppliers for the purchases of assets (Note 4.2)

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Interim Condensed Consolidated Statement of Cash Flows (Cont'd)

For the six-month periods ended June 30, 2016 and 2015

Stated in pesos

	<u>Notes</u>	<u>06.30.16</u>	<u>06.30.15</u>
Material transactions not showing changes in cash			
Acquisition of property, plant and equipment not yet paid	7	(6,198,325)	(12,078,020)
Purchase of components and spare parts not yet paid		-	(16,854,134)
Sales of property, plant and equipment not yet collected		-	72,980,329
Financial costs capitalized in property, plant and equipment	7	(95,076,116)	-
Other comprehensive income for the period		(93,082)	2,488,498
Balances offset on the sale of subsidiary		-	28,000,000
Capitalization of other debts		(58,000,000)	-
Compensation for dividends allocated		41,194,827	-

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Notes to the Interim Condensed Consolidated Financial Statements

For the six-month periods ended June 30, 2016 and 2015

and the fiscal year ended December 31, 2015

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Albanesi Group through ASA and AISA is engaged in the power generation and selling meanwhile through RGA it is engaged in the gas selling and transportation business.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the oil basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of incorporation	Main business activity	% participation in decision-making	
			06.30.16	12.31.15
GMSA	Argentina	Generation of electric energy	95.00%	95.00%
GISA ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GRISA ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GLB ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GFSA	Argentina	Generation of electric energy	95.00%	95.00%
GROSA	Argentina	Generation of electric energy	95.00%	95.00%
Solalban Energia S.A.	Argentina	Generation of electric energy	42.00%	42.00%
GLSA	Argentina	Generation of electric energy	95.00%	-
AVSA	Argentina	Hydrocarbon generation	99.99%	99.99%

(1) Companies merged with GMSA within the framework of the merger through absorption process as described in Note 29.

The generation segment of Albanesi Group, through ASA and AISA (ASA's subsidiary) has an installed capacity of approximately 892 MW, which accounts for 4% of the installed capacity of Argentina. In addition, considering the different projects underway, Albanesi Group, through ASA, AISA and Albanesi Energia S.A. (ASA's subsidiary) will have an installed capacity of approximately 1522 MW.

On November 10, 2015, the Final Merger Agreement was signed, which establishes the merger through absorption of GISA, GLBSA and GRISA with GMSA (the continuing company) effective as from January 1, 2016. On March 18, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550 and ordered that the file be sent to the IGJ for its registration, which is pending at the date of issue of these financial statements. (See Note 29)

On December 5, 2015 GFSA was authorized for commercial operation in the WEM. GFSA entered into with CAMMESA a WEM supply agreement for 55.5 MW. 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.

The total investment made by GFSA is equivalent to USD 55 million. Most remarkable are the installation of a turbine FT4000 with a capacity to generate 60 MW; the installation of a main transformer of 75 MVA and two transformers for ancillary services at the power station, of 2 and 3 KVA; the construction of two storage tanks for diesel-oil; construction of a water treatment plant; and civil works and electric works performed for the proper start-up of the Power Plant.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 1: GENERAL INFORMATION (Cont'd)

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained the authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. On December 29, the Company issued Class I Negotiable Obligations for \$ 70 million.

RGA, in turn, is the leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants.

In the year 2015, the Company has sold its interest in BDD and AJSA to RGA. As a result, the interim condensed consolidated financial statements at June 30, 2016 do not include BDD and AJSA and the statements of income and cash flows include the Company only in the period in which ASA held its control. In view of the above, the comparability of these statements is affected.

New projects

GMSA, ASA's subsidiary, announced a plan to increase generation of electricity in its installed plants in different locations in Argentina, which involves works for an investment of approximately USD 342 million and would contribute 400 MW new to the national system.

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 18.2 million. The payment of the turbine Siemens SGT800 was completed in February 2016 and arrived at the plant in June 2016. The assembly of the turbine and auxiliary equipment has been contracted with Siemens. The power transformer has been bought and progress is being made with civil works as scheduled. Other necessary tasks for the assembly and set-up of the turbine have been also performed. Among the main investments, we can mention the installation of a gas compression plant, a water treatment plant and a gasoil separation plant. In addition, connections to the high-voltage network will be built, the gas distribution system of ECOGAS will be adjusted and a cooling system will be installed for the incoming air of the turbine. The total investment of the project amounts to USD 42.7 million. We estimate the start-up of commercial operations in the fourth quarter of 2016.

Furthermore, on March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB to carry out the project to enlarge the Power Plant by 100 MW from the existent 250 MW with the installation of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement agreement falls within the scope of ES Resolution 220/07. An investment of USD 80 million is expected for these works. Commercial operation is scheduled to begin in the second quarter of 2017. At the date of these interim condensed consolidated financial statements, the Company completed payment to Siemens Industrial Turbomachinery AB of USD 21.7 million for the purchase of one of turbines and a deferred payment contract was signed with the supplier for the purchase of the other turbine. It is estimated that turbines will arrive at the plant in October 2016.

Under the framework of Resolution No. 21/16, GMSA 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 Ezeiza stage I and II and GI stages I and II, stated in US dollars and effective for 10 years as from the date scheduled or date of commercial authorization, whichever occurs first.

In relation to Resolution No. 21/16 previously described, we will proceed to enlarge by 100 MW the power generation capacity in GI, through the installation of two Siemens SGT-800 turbines of 50 MW each. The estimated investment amounts to USD 76.3 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 the second stage in the first quarter of 2018.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 1: GENERAL INFORMATION (Cont'd)

New projects (Cont'd)

On April 30, 2016, GMSA signed a contract with Siemens Industrial Turbomachinery AB for the purchase of a SGT-800 turbine of 50 MW. At June 30, 2016, an advance payment of USD 2.2 million has been made.

In relation to Resolution No. 21/16 previously described, we will build a new plant in the Province of Buenos Aires (Ezeiza Power Plant) with 150 MW of power generation capacity, through the installation of three Siemens turbines SGT-800 of 50 MW each. The estimated investment amounts to USD 125.2 million.

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

On April 30, 2016, GMSA signed a contract with Siemens Industrial Turbomachinery AB for the purchase of two SGT-800 turbines of 50 MW each.

At June 30, 2016, GMSA has paid a 10% advance to Siemens Industrial Turbomachinery AB under the purchase contract of two SGT-800 turbines, equivalent to USD 4.4 million.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION

The regulatory aspects about electricity generation applicable for these interim condensed consolidated financial statements are consistent with those used in the financial information used for the last fiscal year, which ended on December 31, 2015, except for certain changes mentioned below.

a) Sales to the Spot Market (ES Resolution 95/13 and amendments)

On March 22, 2013 the Energy Secretariat issued ES Resolution 95/13 that aims at adapting the system for the remuneration of the generation pool without affecting special regimes, such as Energía Plus and WEM Supply Contracts.

ES Resolution 529/14 was published on May 20, 2014, amending and extending application of ES Resolution 95/13. The main change is 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".

ES Resolution 529/14 establishes that from February 2014, commercial management and fuel dispatch will be centralized in the Dispatch Management Agency (CAMMESA). Costs related to operation will cease to be recognized as the contractual relationships between WEM agents and their suppliers of fuel and inputs are terminated. ES Resolution 1281/06 (Energía Plus) is excluded from these regulations.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

ES Resolution 482/15 was published on July 10, 2015, amending and extending application of ES Resolution 529/14. The main change is the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of two new items, called "Resource for FONINVEMEM investments 2015-2018" and "Incentives for energy production and operational efficiency".

ES Resolution 22/16 was published on March 30, 2016, amending ES Resolution 482/15 already mentioned. The main change is the increase in the remuneration payable to the generators, implemented through a price increase.

The new resolution will allow increasing the operating results of the Company, generating an additional cash flow that will improve their working capital position. The resolution established its retrospective application as from February 2016. There is a 70% increase in the fixed charge paid for the available power and 40% increase in the variable cost for the power generated.

The remuneration system, updated by Res. 22/16, basically comprises the following items:

- 1) **Fixed cost:** this item adjusts the values recognized for Power Made Available. The price set as remuneration for the Power Made Available according to the technology used is presented below:

Power Plant	Classification	Fixed Cost as per Res. 22/16	Fixed Cost as per Res. 482/15
		\$/MWhrp	\$/MWhrp
GLB/GR	TG Units with Power (P) < 50 MW (small)	152.3	89.60
GROSA	TV Units with Power (P) > 100 MW (large)	129.2	76.00
GM	CC Units with Power (P) < 150 MW (small)	101.20	59.50

This price may be increased by a percentage established in Res. No. 22/16. It is established that this percentage will be determined on the basis of the monthly availability or the historical availability, according to the time of year and the technology for generation. The Resolution states that this seasonal percentage can reach up to 110% of the fixed cost determined according to the same Resolution.

- 2) **Variable cost:** this is paid based on the electricity generated and the fuel used, and the value is the same for the technologies used by all the Group. The prices recognized by new Res. No. 22 are 46.30 \$/MWh for generation with natural gas, 81.10 \$/MWh with gas oil and fuel oil; while the former resolution recognized 33.10 \$/MWh for generation with natural gas and 57.90 \$/MWh with gas oil.
- 3) **Additional remuneration:** this is determined based on total generation and includes two elements: a portion that is collected directly by the generating companies, and another that is allocated to a trust for new investments.

Power Plant	Classification	Additional remuneration \$/MWh as per Res. 22		Additional remuneration \$/MWh as per Res. 482	
		Directly	Trust Fund	Directly	Trust Fund
GLB/GR	TG Units with Power (P) < 50 MW (small)	13.70	5.90	13.70	5.90
GROSA	TV Units with Power (P) > 100 MW (large)	11.70	7.80	11.70	7.80
GM	CC Units with Power (P) < 150 MW (small)	13.70	5.90	13.70	5.90

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

- a) Sales to the Spot Market (ES Resolution 95/13 and amendments) (Cont'd)
- 4) Remuneration of non-recurring maintenance: this is determined monthly on the basis of the electricity generated. The accumulated funds can be used for performing non-recurring maintenance works.

Power Plant	Classification	Res. 22	Res. 482
		\$/MWh	\$/MWh
GLB/GR	TG Units with Power (P) < 50 MW (small)	45.10	28.20
GROSA	TV Units with Power (P) > 100 MW (large)	45.10	28.20
GMSA	CC Units with Power (P) < 150 MW (small)	39.50	24.70

- 5) Resource for FONINVEMEM investments 2015-2018: valued at \$ 15.80 per MWh, this is determined monthly on the basis of the electricity generated. The accumulated funds will be used for new investments in electricity generation. The Company being a generating agent in the WEM and a party to the agreement to increase the availability of thermal power generation, this recognition will enable the Group to have a participation in the new investments made to diversify the pool of electricity generators in Argentina.

Power Plant	Classification	Res. 422 \$/MWh
GLB/GR	TG Units with Power (P) < 50 MW (small)	15.80
GROSA	TV Units with Power (P) > 100 MW (large)	15.80
GMSA	CC Units with Power (P) < 150 MW (small)	15.80

The balance not recognized for this item amounts to \$ 23,923,310.

- 6) New system of "Incentives for energy production and operational efficiency applicable to thermal generation":
- Additional remuneration based on production: an additional remuneration can be received based on the volume of energy produced during the year, according to the type of fuel used. This increase to be applied to variable costs will be of 15% for liquid fuel and 10% for gas/coal, when they reach an accumulated value of 25% and 50% of 92% annual generation, respectively.
 - Additional remuneration based on efficiency: an additional remuneration can be received based on the achievement of goals for fuel consumption. On a quarterly basis, actual consumption will be compared with reference consumption for each type of machine and fuel. The difference percentage will be valued at the variable cost of operation and maintenance associated to the pertinent fuel, and recognized as additional remuneration.

NOTE 3: BASIS FOR PRESENTATION

These interim condensed consolidated financial statements for the six and three-month periods ended June 30, 2016 and 2015 were prepared in accordance with IAS 34 "Interim Financial Reporting". These interim condensed consolidated financial information must be read jointly with the Company's financial information at December 31, 2015.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

The presentation in the interim condensed consolidated 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, and those held for sale. In addition, the Company reports on the cash flow from operating activities using the indirect method. The fiscal year commences on January 1st and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year.

These interim condensed consolidated 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 preparation of these interim condensed consolidated financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these interim condensed consolidated financial statements, as well as the income and expenses recorded in the period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The interim condensed consolidated financial statements for the six and three-month period ended June 30, 2016 and 2015 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 then ended do not necessarily reflect a proportionate percentage of the Company's results for the full year.

These interim condensed consolidated financial statements for the six and three-month period ended June 30, 2016 and 2015 were approved for issuance by the Company's Board of Directors on May 10, 2016.

Comparative information

Balances at December 31, 2015 and for the six and three-month periods ended June 30, 2015 disclosed for comparative purposes arise from financial statements at that date. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these interim condensed consolidated financial statements are consistent with those used in the financial information used for the last fiscal year, which ended on December 31, 2015.

Under IAS 29 Financial Reporting in Hyperinflationary Economies, an entity's functional currency is that of a hyperinflationary economy, irrespective of whether the financial statements are based on a historical cost or current cost approach. Financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. To this end, in general terms, non-monetary items include inflation from the acquisition date of the item or the restatement date, as applicable. To determine whether there is a hyperinflationary economy, the standard provides a series of factors to be taken into account, among others, a cumulative inflation rate over three years that is approaching, or exceeds, 100%.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

At June 30, 2016 it is not possible to calculate the cumulative inflation rate over three years ended as of that date based on the official information published by INDEC (National Institute of Statistics and Census) since in October 2015 the Institute discontinued the calculation of the Wholesale Consumer Price Index ("IPIM", for its acronym in Spanish) and resumed calculation in January 2016.

At the end of the reporting period, the Board of Directors considers that the Argentine peso is not a currency of a hyperinflationary economy based on the guidelines set in IAS 29 and the government expectation that inflation levels will fall, and therefore these interim condensed consolidated financial statements have not been restated in constant currency.

However, over the last years, some macroeconomic variables affecting the Group's business, like salaries and input prices, have changed significantly. This situation must be considered when assessing and interpreting the Group's financial situation and results disclosed in these interim condensed consolidated financial statements.

4.1) New accounting standards, amendments and interpretations

The following standards, modifications and interpretations of standards were published by the IASB and IFRIC. Those standards, modifications and interpretations that could have potential impact on the Group at the time of their application are described below.

4.1.1) New standards, modifications and interpretations not yet effective and not early adopted by the Company

IFRS 16 "Leases" was issued on January 13, 2016 by the IASB and supersedes the current guidelines of the IAS 17. This standard defines a lease as a contract, or part of a contract, that conveys the right to use an asset (underlying assets) for a period of time in exchange for consideration.

Under this standard, a liability must be recognized for lease arrangements to show future lease payments and a right-of-use asset in almost all cases. This is a significant change as regards IAS 17 in which lessees were required to make a distinction between financial lease (disclosed in the statement of financial position) and operating lease (without impact on the statement of financial position). IFRS 16 contains an optional exception for some short-term leases and for leases of low-value assets, however, this exception can only be applied by lessees. It is effective for fiscal years beginning on or after January 1, 2019.

IAS 7 "Statement of cash flows": In February 2016, IASB published an amendment whereby an entity is required to disclose information for users to understand the changes in liabilities generated by financing activities. This includes the changes in cash flows, such as the uses of funds and loan amortization; and the changes not involving cash outflows, such as acquisitions, sales and unrealized exchange differences. It applies for annual periods beginning on or after January 1, 2017.

IAS 12 "Income tax": In February 2016, IASB published certain amendments to clarify the requirements on recognition of deferred tax assets for unrealized losses. The amendments explain how to recognize deferred tax when an asset is measured at fair value and that fair value is below the tax base of the asset. The amendments also explain other issues related to the recognition of deferred tax assets. The amendments will be effective as from January 1, 2017.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1.1) New standards, modifications and interpretations not yet effective and not early adopted by the Company (Cont'd)

IFRS 2 Share-based payments: In June 2016, an amendment was published which clarifies the measurement basis for cash-settled share-based payments and the accounting for amendments that change a compensation from cash-settled to equity-settled. It sets forth an exception for IFRS 2 as to requiring that the compensation be treated as fully settled with equity instruments when the employer is compelled to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authorities. It is applicable for all annual periods commencing on or after January 1, 2018.

The Group is assessing the impact of these new standards and amendments.

4.2) Advances to suppliers

The Group has adopted as accounting policy to disclose advances to suppliers under other current receivables, until the assets are received. Advances to suppliers made in foreign currency are recorded under the cost model, and are not subject to revaluation or recognition of the effects of the exchange rate.

At June 30, 2016, the Group recorded a balance of advance to suppliers of \$ 465,093,789.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed consolidated financial statements requires Company Management to make estimates and assumptions 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 preparing these interim condensed consolidated financial statements, the critical judgments delivered by the Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the consolidated financial statements for the fiscal year ended December 31, 2015.

NOTE 6: FINANCIAL RISK MANAGEMENT

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

No changes have been made to risk management policies since the annual closing.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE					DEPRECIATION					Net value	
	Value at beginning of the period	Increases/ Transfers (1)	Reclassification and/or disposals	Decrease due to deconsolidation	Revaluation on Original value	Value at end of the period of the period	Accumulated at beginning of the period	For the period (2) and (3)	Reclassification on and/or disposals	Decrease due to deconsolidation		Revaluation Accum. depreciation
Land	77,046,621	2,477,951	-	-	-	79,524,572	-	-	-	-	-	79,524,572
Real property	62,451,734	458,290	-	-	-	62,910,024	-	900,173	-	-	-	62,009,851
Computer and office equipment	5,714,885	1,219,967	-	-	-	6,934,852	2,861,148	560,021	-	-	-	3,421,169
Vehicles	2,579,121	1,078,341	-	-	-	3,657,462	807,535	277,610	-	-	-	1,085,145
Facilities	202,936,357	139,375	-	-	-	203,075,732	54,239	5,693,535	-	-	-	197,327,958
Electrical facilities	27,532,711	-	-	-	-	27,532,711	8,290,707	1,921,774	-	-	-	10,212,481
Tools	3,033,309	192,078	-	-	-	3,225,387	490,618	263,531	-	-	-	2,471,238
Tanks	13,026,620	-	-	-	-	13,026,620	4,231,755	879,567	-	-	-	7,915,298
Pressure-regulation station	264,888	-	-	-	-	264,888	132,443	13,694	-	-	-	118,751
Boiler	97,914,915	-	-	-	-	97,914,915	30,318,749	6,706,601	-	-	-	60,889,565
Civil works	15,086,573	-	-	-	-	15,086,573	6,303,358	867,974	-	-	-	7,915,241
Machinery	2,528,595,078	8,683,096	-	-	-	2,537,278,174	16,621,917	68,761,577	-	-	-	2,451,894,680
Furniture and fixtures	418,413	73,476	(1,800)	-	-	490,089	206,561	27,334	(1,800)	-	-	257,994
Filtering equipment	1,691	-	-	-	-	1,691	634	105	-	-	-	952
Works in progress	14,169,181	432,710,803	-	-	-	446,879,984	-	-	-	-	-	446,879,984
Leasehold improvements in progress	14,001,254	13,789,736	-	-	-	27,790,990	-	-	-	-	-	27,790,990
Inputs and spare parts	16,281,163	2,498,000	-	-	-	18,779,163	-	-	-	-	-	18,779,163
Total at 06.30.16	3,081,054,514	463,321,113	(1,800)	-	-	3,544,373,827	70,319,664	86,873,496	(1,800)	-	-	3,387,182,467
Total at 12.31.15	2,089,488,947	349,663,728	(1,177,093)	(107,756,915)	750,835,847	3,081,054,514	59,993,689	111,512,180	(512,498)	(20,322,586)	(80,351,121)	3,010,734,850
Total at 06.30.15	2,089,488,947	159,004,755	(696,979)	(10,836,744)	-	2,236,959,979	59,993,689	52,835,808	-	(5,762,790)	-	107,066,707

(1) Includes acquisition of assets for the project of start-up and extension of the electricity generation plant.

(2) Depreciation was allocated to cost of sales, administrative and selling expenses, except for the depreciation corresponding to discontinued operations for \$ 2,441,082 in the period of 2015.

(3) Depreciation charges for the periods of 2016 and 2015 were allocated to cost of sales, including \$ 36,202,137 and \$ 16,150,489 for higher value from the technical revaluation. Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 8: EQUITY INTEREST IN ASSOCIATE

At June 30, 2016 and December 31, 2015, the Group's associate is Solalban Energía S.A.

In the course of 2008, ASA associated with Solvay Indupa S.A.I.C., with an interest percentage of 42%, to establish Solalban Energía S.A., with the purpose of building a thermal power plant with a 165-MW generation capacity, located at the petrochemical complex of Bahía Blanca, province of Buenos Aires (see description of the associate in Note 1 to the consolidated financial statements).

Changes in the investments in the Group's associates for the three-month period ended June 30, 2016 and 2015:

	06.30.16	06.30.15
At the beginning of the period	243,127,929	183,358,371
Allocated dividends	-	(2,520,000)
Income from interest in associate	5,742,816	1,069,442
Period end	248,870,745	181,907,813

Below is a breakdown of the investments and the value of interests held by the Company in the associate at June 30, 2016 and December 31, 2015, as well as the Company's share in the income/loss of the associate for the periods ended on June 30, 2016 and 2015:

Name of issuing entity	Main business activity	% share interest		Equity value		Company's interest in gains and losses	
		06.30.16	12.31.15	06.30.16	12.31.15	06.30.16	06.30.15
Associates							
Solalban Energía S.A.	Electricity	42%	42%	248,870,745	243,127,929	5,742,816	1,069,442
				248,870,745	243,127,929	5,742,816	1,069,442

Information required by Appendix C, in compliance with Section I, Chapter III, Title IV of the restated text of the CNV.

Financial information corresponding to the associate Solalban Energía S.A. is summarized below.

Summarized statement of financial position:

	06.30.16	12.31.15
Total non-current assets	716,371,064	742,892,951
Total current assets	296,344,941	206,801,187
Total Assets	1,012,716,005	949,694,138
 Total Equity	 592,549,391	 578,876,022
Total non-current liabilities	209,904,520	215,318,213
Total current liabilities	210,262,094	155,499,903
Total Liabilities	420,166,614	370,818,116
Total Liabilities and Equity	1,012,716,005	949,694,138

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 8: EQUITY INTEREST IN ASSOCIATE (Cont'd)

Summarized statement of income and statement of comprehensive income:

	06.30.16	06.30.15
Sales revenue	415,440,207	279,321,189
Income for the period	13,673,369	2,546,292
Other comprehensive income	-	-
Total income for the period	13,673,369	2,546,292

Statement of cash flows:

	06.30.16	06.30.15
Funds generated by operating activities	10,917,002	33,411,111
Funds used in investment activities	(2,955,344)	(1,541,739)
Funds used in financing activities	(8,273,863)	(10,119,728)
Decrease in cash for the period	(312,205)	21,749,643

The information above shows the balances recorded in the financial statements of the associate (not the share of the Group in those amounts) adjusted by differences in accounting policies for valuation of property, plant and equipment under the revaluation model.

NOTE 9: CASH AND CASH EQUIVALENTS

	06.30.16	12.31.15
Cash	298,155	292,377
Checks to be deposited	9,986,018	2,675,095
Banks	59,757,359	17,591,637
Mutual funds	208,946,269	11,006,589
Cash and cash equivalents (bank overdrafts excluded)	278,987,801	31,565,698

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

	06.30.16	06.30.15
Cash and cash equivalents	278,987,801	60,532,993
Bank overdrafts (Note 12)	(28,798,304)	(31,421,439)
Cash and cash equivalents (bank overdrafts included)	250,189,497	29,111,554

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 10: CHANGES IN CAPITAL

Share capital at June 30, 2016 is comprised of:

Capital	Amount \$	Date	Approved by	Date of registration with the Public Registry of Commerce:
			Body	
Total at 12.31.11	30,100,000			
Capitalization of debt	10,000,000	12/31/12	Extraordinary Shareholders' Meeting	09/16/13
Total at 12.31.12	40,100,000			
Capitalization of debt	20,000,000	12/30/13	Extraordinary Shareholders' Meeting	09/25/14
Total at 12.31.13	60,100,000			
Capital reduction	(55,644,840)	07/16/14	Ordinary Shareholders' Meeting	09/25/14
Total at 12.31.14	4,455,160			
Total at 12.31.15	4,455,160			
Capitalization of debt	58,000,000	03/22/16	Extraordinary Shareholders' Meeting	Pending
Total at 06.30.16	62,455,160			

On July 16, 2014, the Ordinary Meeting of Shareholders resolved to reduce capital in the amount of \$ 55,644,840, with the share capital amounting to \$ 4,445,160. On March 22, 2016, the Extraordinary Shareholders' Meeting decided to increase the capital in the amount of \$ 58,000,000, with the share capital amounting to \$ 62,455,160.

NOTE 11: DISTRIBUTION OF PROFITS

Dividends

In accordance with Law No. 25063, passed in December 1998, the dividends that are distributed or that the Company receives from its subsidiaries, in cash or in kind, in excess of the taxable profits accumulated at the end of the year immediately prior to the date of payment or distribution will be subject to 35% withholding for income tax, as single and final payment. For the purposes of this tax, accumulated taxable profits are the balances of taxable profits accumulated at December 31, 1997, less the dividends paid plus the taxable profits determined as from January 1, 1998.

NOTE 12: LOANS

<u>Non-Current</u>	<u>06.30.16</u>	<u>12.31.15</u>
CAMMESA	187,253,495	207,353,297
Finance lease debts	2,658,016	1,206,711
Syndicated Loan	70,567,516	103,628,231
ICBC loan	36,985,000	63,495,000
Negotiable obligations	394,738,037	283,097,323
UBS loan - principal	-	90,857,513
Debt under BAF loan	595,302,462	-
Debt under Credit Suisse loan	831,947,241	-
Other bank debts	24,657,107	31,249,738
	<u>2,144,108,874</u>	<u>780,887,813</u>

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

<u>Current</u>	<u>06.30.16</u>	<u>12.31.15</u>
Bank overdrafts	28,798,304	70,226,399
Finance lease debts	1,647,670	2,677,542
Other bank debts	127,892,185	112,459,425
UBS loans	-	170,172,470
ICBC loan	33,430,444	6,507,192
Debt under Credit Suisse loan	56,616,916	-
Debt under BAF loan	3,613,287	-
Syndicated Loans	79,185,523	61,094,287
Negotiable obligations	151,262,719	153,945,181
CAMMESA	6,749,322	6,749,320
	<u>489,196,370</u>	<u>583,831,816</u>

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

	<u>06.30.16</u>	<u>12.31.15</u>
Fixed rate		
Less than 1 year	23,421,422	244,110,172
Between 1 and 2 years	-	90,857,513
Between 2 and 3 years	595,302,462	-
	<u>618,723,884</u>	<u>334,967,685</u>
Floating rate		
Less than 1 year	465,774,948	339,721,644
Between 1 and 2 years	736,591,212	651,406,800
Between 2 and 3 years	222,301,928	34,654,912
After 3 years	589,913,272	3,968,588
	<u>2,014,581,360</u>	<u>1,029,751,944</u>
	<u>2,633,305,244</u>	<u>1,364,719,629</u>

Company loans are denominated in the following currencies:

	<u>06.30.16</u>	<u>12.31.15</u>
Argentine pesos	1,145,352,343	1,103,689,646
US dollars	1,487,952,901	261,029,983
	<u>2,633,305,244</u>	<u>1,364,719,629</u>

Changes in loans during the period were as follow:

	<u>06.30.16</u>	<u>06.30.15</u>
Loans at beginning of year	1,364,719,629	957,825,947
Loans received	1,890,688,655	193,576,069
Loans paid	(639,109,238)	(116,627,589)
Accrued interest	192,337,054	88,751,293
Interest paid	(180,967,992)	(77,312,138)
Exchange difference	38,660,290	16,568,477
Bank overdrafts	(41,428,095)	9,082,623
Decrease for sale of investment in subsidiaries	-	(910,109)
Capitalized expenses/present values	8,404,941	(4,334,341)
Loans at year end	2,633,305,244	1,066,620,232

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

The balance of the loan at June 30, 2016 amounts to \$2,633 million. The following table shows the Group's financial debt at that date.

	Borrower	Principal	Balance as of June 30, 2016 (Argentine Pesos)	Interest rate (%)	Currency	Issuance date	Maturity date
Loans							
BAF	GMSA	USD 40,000,000	598,915,749	10%	USD	February 11, 2016	February 15, 2017
Credit Suisse	GMSA	USD 60,000,000	888,564,157	Libor + 9.625%	USD	June 01, 2016	June 03, 2021
ICBC	GMSA	\$ 70,000,000	70,415,444	BADCOR + 5.5%	ARS	July 02, 2015	August 08, 2019
Syndicated Borrowing ICBC/ ITAU/ BST/ Chubut/ BNA/ Hipotecario/ Ciudad	GMSA	\$ 90,000,000	40,540,692	BADCOR + 6.25%	ARS	July 28, 2010	May 9, 2017
Syndicated Borrowing ICBC/ BST/ Hipotecario	GFSA	\$ 100,000,000	109,212,347	BADLAR + 6.25%	ARS	March 31, 2015	March 31, 2021
Subtotal			1,707,648,388				
Debt securities							
Class IV NO	GMSA	\$ 54,858,140	56,309,289	BADLAR + 6.5%	ARS	July 17, 2015	July 17, 2017
Class V NO	GMSA	\$ 200,000,000	195,702,443	BADLAR + 4%	ARS	June 30, 2016	June 30, 2018
Class I NO	GFSA	\$120,000,000	95,222,116	BADLAR + 5.4%	ARS	September 29, 2014	September 29, 2017
Class II NO	GFSA	\$ 130,000,000	130,605,314	BADLAR + 6.5%	ARS	March 8, 2016	March 8, 2018
Class I NO	ASA	\$ 70,000,000	68,161,594	BADLAR + 5.5%	ARS	December 29, 2015	December 29, 2017
Subtotal			546,000,756				
Other loans							
CAMMESA			194,002,817				
Other financial debts			152,549,292				
Bank overdrafts			28,798,304				
Finance leases			4,305,686				
Subtotal			379,656,099				
Total loans			2,633,305,244				

The main financial debts detailed by company are shown below.

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A.

A.1) Loan from Credit Suisse Internacional

On June 1, 2016, GMSA entered into a loan agreement with Credit Suisse International, which disbursed a line of credit for a total amount of USD 60,000,000, divided into two disbursements made on June 2, 2016 and June 23, 2016. The loan will be applied to finance investments for 50 MW and 100 MW enlargements at GR and GM, respectively.

Principal: nominal value: USD 60,000,000.

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Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.1) Loan from Credit Suisse International (Cont'd)

Interest: Three month LIBOR rate + 9.625%.

Repayment: Interest will be paid quarterly as from the following date: September 02, 2016 Principal will be settled in 17 (seventeen) quarterly installments as from June 2017, the last installment becoming due on June 3, 2021.

The balance of the loan at June 30, 2016 amounts to \$888,564,157. The remaining principal balance at the date of presentation of the interim condensed consolidated financial statements amounted to USD 60,000,000.

In compliance with the provisions of the executed agreement, at the date these interim condensed consolidated financial statements were signed the amount of USD 60 million had been deposited into a restricted account in favor of Credit Suisse. Upon compliance with the minimum permanence time frames, as required under current regulations, the loan will be fully repaid before maturity. These are the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

At the date of these interim condensed consolidated financial statements, the GMSA is complying with covenants.

A.2) Loan from BAF Latam Trade Finance Funds B.V.

On February 11, 2015, 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: annual fixed rate 10%.

Repayment: interest will be paid on a quarterly basis, as from the following date: May 15, 2016. The principal will be fully settled at the due date: February 15, 2019.

The remaining balance for that loan at June 30, 2016 is \$598,915,749. The remaining principal balance at the date of presentation of the interim condensed consolidated financial statements amounted to USD 40,000,000.

At the date of these interim condensed consolidated financial statements, GMSA complies with the covenants.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.3) Syndicated loan

On July 28, 2010, GMSA took out a syndicated loan through a Loan Offer sent to Standard Bank Argentina S.A., Banco Itaú Argentina S.A., Banco de Servicios y Transacciones S.A., Banco del Chubut S.A., Banco de la Nación Argentina S.A., Banco Hipotecario S.A. and Banco de la Ciudad de Buenos Aires S.A. to finance the extension of the plant so as to obtain extra 60 MW by installing a new gas turbine, and to partially pre-settle the debt with Credit Suisse bank.

On September 21, 2011, GMSA executed an amendment to the Loan Offer, including HSBC Bank Argentina S.A. and Banco de la Provincia de Córdoba S.A. as lenders, to pre-settle the totality of the debt with Credit Suisse bank.

On March 22, 2013 GMSA executed a second amendment to the Loan Offer to partially prepay the syndicated loan by means of a future issue of Negotiable Obligations, and to define new repayment periods in line with the issuance of the Negotiable Obligations.

On May 21, 2013 GMSA issued Negotiable Obligations and made a partial early repayment of the principal for \$ 57,318,000 with funds from this issuance.

On May 8, 2014 GMSA made a third amendment to the Loan Offer by virtue of which, on May 9, 2014, a partial pre-settlement of the loan was made for \$ 54,508,500 of the principal.

Additionally, new settlement terms were agreed and guarantees established were released under the loan.

The most relevant provisions are the following:

Principal: the total principal due amounted to \$ 90,000,000, after the pre-settlement mentioned above.

Interest: adjusted BADLAR rate plus margin of 6.25%.

Repayment: Interest is settled on a quarterly basis from the date the last amendment entered into force (May 9, 2014). Principal will be settled in 11 (eleven) quarterly installments from November 10, 2014, the last becoming due on May 9, 2017.

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Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.3) Syndicated loan (Cont'd)

Main contractual requirements: The Loan Offer establishes certain guidelines relating to compliance with covenants involving financial ratios (leverage, minimum equity and EBITDA on interest expenses) to be submitted on a quarterly basis.

The amendment also establishes the assignment of collection rights under energy sales contracts and the posting of a bond by ASA and making available the annual financial statements and quarterly reviews.

The balance of the loan at June 30, 2016 amounts to \$ 40,540,692. The remaining balance of the loan principal at the date of issuance of the interim condensed consolidated financial statements amounts to \$ 29,700,000.

GMSA obtained from Industrial and Commercial Bank of China (ICBC), as lead arranger, lender and administrative agent, a waiver of compliance with certain commitments assumed by GMSA. Specifically, it requested a waiver of compliance of the Leverage ratio under clause 8.21 of the loan agreement until June 30, 2016.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016. With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GMSA is in the process of documenting the necessary formalities for such purpose (See Note 32.a).

A.4) Negotiable obligations

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA, through CNV Resolution 16942, was granted authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations 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, 2016 there are outstanding Class IV (GMSA) and III (GISA) Negotiable Obligations, issued in the amounts and under the conditions described below:

Class V Negotiable Obligations:

Principal: Nominal value: \$200,000,000

Interest: Private Banks BADLAR rate plus 4%

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.4) Negotiable obligations (Cont'd)

Term and repayment: interest on Class V Negotiable Obligations will be paid on a quarterly basis, past due, in 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 amount was paid in in cash and in kind, through the swap of GMSA Class IV Negotiable Obligations of \$75,141,860 and GISA Class III Negotiable Obligations for \$55,446,986. The proceeds from the issuance of Class V negotiable obligations were applied to the repurchase of the remaining balance of Class III negotiable obligations, investments and working capital. The swaps and subsequent repurchase of GISA Class III Negotiable Obligations improved the Company's financial profile.

The balance of the loan at June 30, 2016 amounts to \$195,702,443.

Class IV Negotiable Obligations (GMSA):

Principal: Nominal value: \$ 130,000,000

Interest: (i) from the date of issuance and liquidation until nine (9) months have elapsed from the date of issuance and liquidation, inclusive, the loan will accrue interest at a fixed rate of 28%; (ii) from the beginning of the tenth (10) month, counted as from the date of issuance and liquidation, until the date on which the principal is fully settled (not inclusive), interest will accrue at an annual floating rate equal to the sum of: (a) private banks BADLAR rate plus (b) 6.50%.

Repayment terms and conditions: interest on Class IV Negotiable Obligations will be paid on a quarterly basis, 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.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.4) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations (GMSA): (Cont'd)

The funds obtained through the issuance of Class IV Negotiable Obligations were allocated to the partial pre-payment of principal on Class III Negotiable Obligations for an amount of \$ 87,824,000. The remaining amount was allocated to investments and working capital. This enabled improving GMSA's financial profile.

On June 30, 2016, Class V Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap of Class IV (GMSA) and Class III (GISA) Negotiable Obligations, improving the Company's working capital and indebtedness profile (term and rate). The amount repaid of Class IV Negotiable Obligations totaled \$75,141,860, with an outstanding principal balance of \$54,858,140.

The balance of the loan at June 30, 2016 amounts to \$56,309,289.

Class III Negotiable Obligations (GISA):

Principal: nominal value: \$ 68.500.000

Interest: Private banks BADLAR rate plus a 6.5% margin.

Repayment: Interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: (i) May 6, 2015; (ii) August 6, 2015; (iii) November 6, 2015; (iv) February 6, 2016; (v) May 6, 2016; (vi) August 6, 2016; (vii) November 6, 2016; and (viii) February 6, 2017.

Principal on Class III Negotiable Obligations will be repaid in three quarterly installments: the first two equivalent to 30% of the nominal value of Class III Negotiable Obligations, and the third installment, to 40% of the nominal value, on the following dates: (i) August 6, 2016; (ii) November 6, 2016; and (iii) February 6, 2017. Maturity date of Class III Negotiable Obligations: February 6, 2017.

The funds were allocated to settle financial debt and to working capital.

On June 30, 2016, Class V Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap of Class IV (GMSA) and Class III (GISA) Negotiable Obligations, improving GMSA's working capital and indebtedness profile (term and rate). The amount repaid of Class III Negotiable Obligations totaled \$55,446,986. The Company repurchased the remaining balance of \$13,053,014, thus fully repaid Class III Negotiable Obligations (GISA).

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.5) Loan with ICBC (GISA)

On July 2, 2015 a loan agreement was entered into between GISA (company merged with GMSA), Industrial and Commercial Bank of China (Argentina) S.A. and RGA, the latter as surety. The purpose of the loan is to apply the funds received to finance working capital. The loan amount was \$ 70,000,000. The principal will be settled in 44 monthly installments, the first one of which must be paid on August 8, 2015; the loan accrues interest at Adjusted BADLAR rate plus a 3% annual nominal margin.

Furthermore, the loan agreement sets out certain contractual guidelines regarding compliance with the covenants related to financial indices (minimum equity requirements, EBITDA ratio on interest expenses and debt service coverage ratio) and indebtedness limits and EBITDA levels on a quarterly basis.

The balance of the loan at June 30, 2016 amounts to \$ 70,415,444. The remaining balance of the loan principal at the date of issuance of the interim condensed financial statements amounts to \$ 66,930,000.

On June 30, 2016, the Company obtained a waiver from ICBC, of the commitment taken on under clause 8 (v), regarding compliance with the leverage ratio.

At the date of signing of these interim condensed consolidated financial statements, the debt was repaid in full with the proceeds from the issuance of the International Bond, disbursed on July 27, 2016. With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GMSA is in the process of documenting the necessary formalities for such purpose (See Note 32.a).

A.6) Loan with CAMMESA (GRISA)

At June 30, 2016 GMSA holds financial debts with CAMMESA for \$ 17,796,391, guaranteed by the assignment of 100% of the present and future credit rights for the sale of energy in the Spot market of the WEM, upon implementation of a trust agreement in accordance with Law No. 24441.

This debt was incurred to finance the program for repairing the gas turbine, control 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 closing date of these interim condensed consolidated financial statements, 12 installments, equivalent to \$ 6,749,319, had been paid.

A.7) Borrowing from Banco Hipotecario S.A.

On October 19, 2015, GMSA took out a new loan from Banco Hipotecario S.A. for a total of \$ 8,200,000, to be repaid in 24 monthly installments; the first one was paid on November 16, 2015, accruing interest at BADCOR rate plus a 5.75% annual nominal margin. The remaining balance of principal on the loan at June 30, 2016 amounts to \$5,466,667.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.7) Loan from Banco Hipotecario S.A. (Cont'd)

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

A.8) Loans from Banco de la Provincia de Córdoba S.A.

On June 8, 2015, GMSA borrowed \$5,000,000 from Banco de la Provincia de Córdoba S.A. to be amortized in 24 monthly installments. The remaining balance of principal corresponding to the loan at June 30, 2016 amounts to \$ 2,500,040.

On May 10, 2015, GMSA also borrowed \$5,000,000 from Banco de la Provincia de Córdoba S.A. to be amortized in 24 monthly installments. The remaining balance of principal corresponding to the loan at June 30, 2016 amounts to \$ 4,791,670.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

A.9) Loan from Banco Chubut S.A.

On December 16, 2015 GMSA took out a loan from Banco Chubut S.A., also with the aim of applying the respective funds to finance working capital. The loan amount was \$ 15,000,000. Principal will be amortized in 1 payment, which must be made on May 16, 2016, and the loan accrues interest at a fixed rate of 29.98%. On June 30, 2016 the debt has been fully repaid.

On February 3, 2016, GMSA borrowed \$5,000,000 from Banco Chubut S.A. Principal will be repaid in 4 monthly installments, accruing interest at a fixed rate of 29.98%. On June 30, 2016 the debt has been fully repaid.

On June 28, 2016, GMSA borrowed \$20,000,000 from Banco de Chubut S.A. Principal will be repaid in 10 monthly installments, accruing interest at a fixed rate of 38.45%. The remaining balance of principal on that loan at June 30, 2016 is \$20,000,000.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

A.10) Loan from Banco Ciudad

On October 8, 2015, GMSA took out a loan for \$ 20,000,000 from Banco Ciudad. Principal shall be amortized in 31 monthly installments (with a grace period of 5 months) and the first installment shall be paid on April 8, 2016, accruing interest at an annual nominal BADCOR rate, plus a margin of 3%. The purpose of the loan is to allocate the funds received to working capital. The remaining balance of principal on that loan at June 30, 2016 is \$19,256,076.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A. (Cont'd)

A.11) Loan with Banco Macro

GMSA took out a loan from Banco Macro on January 21, 2016. The loan amount was \$ 10,000,000. Principal shall be amortized in 6 monthly installments, accruing interest at an annual nominal BADCOR rate, plus a margin of 2%. The remaining balance of principal corresponding to the loan at June 30, 2016 amounts to \$ 2,500,000.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

A.12) Loan with Banco Supervielle

On February 04, 2016, GMSA took out a borrowing from Banco Supervielle. The borrowing amount was \$ 15,000,000. Principal will be repaid in 12 monthly installments, accruing interest at a fixed rate of 35%. The remaining balance of principal on that borrowing at June 30, 2016 is \$ 10,770,063.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

A.13) Loan with Nuevo Banco de La Rioja (GRISA)

On August 14, 2013 Nuevo Banco de La Rioja S.A. granted a loan to GRISA (the merged company), within the Credit Line for Productive Investment, BCRA Communication "A" 5380, for \$6,000,000.

This loan has a payment period of 36 monthly and consecutive installments, calculated applying the French system and accruing interest at a fixed rate of 15.25%. The remaining balance of principal corresponding to the loan at June 30, 2016 amounts to \$ 408,276.

On April 11, 2016, GMSA took out a borrowing from Nuevo Banco La Rioja S.A.. The borrowing amount was \$ 10,000,000. Principal will be repaid in 36 monthly installments, accruing interest at an annual BADLAR rate, plus a margin of 6% without exceeding 35%. The balance of the loan at June 30, 2016 amounts to \$ 9,847,799.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (See Note 32.a).

B) LOAN AGREEMENT – GENERACIÓN FRÍAS S.A.

B.1) Loan from Banco de la Ciudad de Buenos Aires:

On July 8, 2014, a Loan Offer was signed with Banco de la Ciudad de Buenos Aires S.A. for \$ 30,000,000. The amount was disbursed on August 1, 2014. The loan offer provided for a grace period of 12 months and repayment in 25 monthly consecutive installments beginning in August 2015. The loan accrues interest at BADLAR private banks rate + 100 basic points.

The outstanding balance at June 30, 2016 amounts to \$ 19,135,319, including interest of \$ 429,274, net of transaction costs pending amortization.

The objective was to finance the works required for the installation of 60 MW of generation capacity.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENT – GENERACIÓN FRÍAS S.A. (Cont'd)

B.2) Negotiable obligations:

With the purpose of financing the company's investment project, on March 10, 2014 Generación Frías S.A. requested the CNV's authorization for entry into the public offering system through a Program of simple Negotiable Obligations (non-convertible to shares) for up to USD 50,000,000 (fifty million US dollars) or its equivalent in other currencies. Approval was granted on July 10, 2014.

At June 30, 2016 there are outstanding Class I and II Negotiable Obligations issued by GFSA in the amounts and under the conditions described below:

Class I Negotiable Obligations:

Principal: nominal value: \$ 120,000,000

Interest: Private banks BADLAR rate plus a 5.4% margin

Repayment: Interest of Class I Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: (i) December 29, 2014; (ii) March 29, 2015; (iii) June 29, 2015; (iv) September 29, 2015; (v) December 29, 2015; (vi) March 29, 2016; (vii) June 29, 2016; (viii) September 29, 2016; (ix) December 29, 2016; (x) March 29, 2017; (xi) June 29, 2017 and (xii) September 29, 2017; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The principal of the Class I Negotiable Obligations will be repaid in 7 quarterly installments, the first two ones equivalent to 10% of the nominal value of the Class I Negotiable Obligations, the subsequent four equivalent to 15% and the last one equivalent to 20% of their nominal value, on the following dates: (i) March 29, 2016; (ii) June 29, 2016; (iii) September 29, 2016; (iv) December 29, 2016; (v) March 29, 2017; (vi) June 29, 2017; (vii) September 29, 2017; or, if other than a business day or if such day does not exist, the immediately following business day.

Maturity date of Class I Negotiable Obligations: September 29, 2017.

The net remaining balance of transaction costs pending amortization for that class at June 30, 2016 amounts to \$ 95,222,116 including interest of \$ 206,450.

At the date of signing of these interim condensed consolidated financial statements, the balance of Class I Negotiable Obligations has been fully paid, through the partial prepayment on July 6, 2016, with the issue of Class III Negotiable Obligations (see Note 32.a) and subsequent repurchase of the remaining balance. With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GFSA is in the process of documenting the necessary formalities for such purpose.

Class II Negotiable Obligations:

Principal: nominal value: \$ 130,000,000

Interest: Private banks BADLAR rate plus a 6.5% margin. The interest rate to be applied in the first 12 months cannot be lower than the minimum rate of 33%.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENT – GENERACIÓN FRÍAS S.A. (Cont'd)

B.2) Negotiable obligations (Cont'd) :

Class II Negotiable Obligations (Cont'd)

Repayment: Interest of Class II Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: (i) June 8, 2016; (ii) September 8, 2016; (iii) December 8, 2016; (iv) March 8, 2017; (v) June 8, 2017; (vi) September 8, 2017; (vii) December 8, 2017, and (viii) March 8, 2018; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The principal of the Class II Negotiable Obligations will be repaid in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Class II Negotiable Obligations at the dates in which 18, 21 and 24 months respectively have elapsed, counted as from the date of issuance and liquidation, (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Maturity date of Class II Negotiable Obligations: March 8, 2018.

The net remaining balance of transaction costs pending amortization of that Class at June 30, 2016 amounted to \$ 130,361,990 including interest of \$ 2,611,993.

B.3) Syndicated loan

On March 31, 2015, Generación Frías S.A. entered into, jointly with Banco de Inversión y Comercio Exterior S.A. (BICE), Industrial and Commercial Bank of China Argentina S.A. (ICBC) and Banco Hipotecario S.A., a loan agreement for \$ 100 million. The first disbursement of \$ 90 million was made on April 1, 2015 and the second disbursement of \$ 10 million was made on April 21, 2015.

The loan had two tranches: (i) Tranche A for \$ 60 million, repayment term of 48 months and interest equivalent to adjusted BADCOR rate + 625 basic points; (ii) Tranche B for \$ 40 million, repayment term of 72 months and interest equivalent to BADLAR rate + 650 basic points.

Interest will be repaid on a quarterly basis from the first disbursement rate; the first date for payment of interest is July 1, 2015.

Principal will be repaid on a quarterly basis, with a grace period of 15 months as from the date of the first disbursement. For Tranche A, principal will be settled in 12 quarterly installments, the first one due on July 1, 2016 and the last one on April 1, 2019. For Tranche B, principal will be settled in 20 quarterly installments, the first one due on July 1, 2016 and the last one on April 1, 2021.

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Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENT – GENERACIÓN FRÍAS S.A. (Cont'd)

B.3) Syndicated loan (Cont'd)

Funds obtained from the loan have been allocated to the works for the installation of the new turbine.

The outstanding balance of the loan net of transaction costs pending amortization at June 30, 2016 amounted to \$ 109,212,347 including interest of \$ 10,324,391.

The loan agreement has provisions relating to compliance with the covenants involving financial ratios and limits are set in relation to indebtedness, as well as the granting of guarantees. At June 30, 2016, debt ratios on EBITDA were complied with as well as the interest coverage ratio, agreed upon in the covenants of the loan in effect.

At the date of these interim condensed consolidated financial statements, the debt has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016 (see Note 32.a). With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GFSA is in the process of documenting the necessary formalities for such purpose.

B.4) Loan from Banco de la Provincia de Buenos Aires

On April 20 a loan agreement was signed with Banco de la Provincia de Buenos Aires S.A. for \$7,000,000. Interest is paid on a monthly basis and principal upon maturity on October 20, 2016.

The outstanding balance at June 30, 2016 amounts to \$7,284,140, including interest of \$284,140, net of transaction costs pending amortization.

At the date of signing of these interim condensed consolidated financial statements, the debt was repaid in full with the proceeds from the issuance of the International Bond, disbursed on July 27, 2016 (see Note 32.a).

B.5) Loan from Puente Hnos. S.A.

The loan obtained on October 22, 2015 which at the closing of the year 2015 recorded a balance of \$ 53,158,369 was fully repaid with the issue of Class II NO.

On May 20, 2016 a new loan for \$50,000,000 was granted and at June 30, 2016 the balance outstanding amounted to \$49,663,883.

The Company repaid this loan with the proceeds from the issuance of Class III Negotiable Obligations of July 6, 2016 (see Note 32.a).

C) FINANCING BY CAMMESA – GENERACION ROSARIO S.A.

On September 28, 2010, through Note 6157/10 the Energy Secretariat (ES) instructed CAMMESA to summon the Generating Agents of the MEM with turbo-steam heat generation units to propose the works that are essential for increasing the generable power of their units, which must be available before winter 2011.

In November 2010, GROSA formally submitted to CAMMESA its proposal of the works to be performed for increasing the generable power capacity.

Through Note 7375 dated November 6, 2010, the ES informed on the approval of the project and directed CAMMESA to grant the financing required under the lines of Resolution SE 146/02 and Notes 6157/10 and 7375/10.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

C) FINANCING BY CAMMESA – GENERACION ROSARIO S.A. (Cont'd)

On February 3, 2011, GROSA entered into a loan agreement with CAMMESA, by means of which this financing was formalized, for an amount equivalent to \$ 44,856,418 in accordance with Resolution SE 146/02 and Notes 6157/10 and 7375/10.

The sums received will be repaid in 48 equal consecutive monthly installments, to which interest must be added as results from applying the rate equivalent to the average return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the Wholesale Electricity Market; the first installment is due in the month immediately following conclusion of the works, estimated for June 2011. The Wholesale Electricity Market will be in charge of paying the installments, as established in Note SE 6157/10 and Note 7375/10, and distribution among the demanding agents will be according to the criteria to be informed by the ES.

On August 12, 2011, the ES approved the request presented by GROSA to modify the original budget for the works in the amount of \$ 11,797,019.

The funds obtained from this agreement are applied to funding part of the works and/or maintenance to increase the power available in GROSA's turbo-steam units, and they are disbursed under the advanced payment mode, with partial advances according to the degree of progress of works as per the documents issued by GROSA and subject to CAMMESA's availability of funds as instructed by the ES.

As from the conclusion of the works in each unit, GROSA must guarantee a minimum 80% availability in the unit TV13 for a three-year period.

As a guarantee for the fulfillment of the obligations assumed by GROSA under this contract, that company assigned to CAMMESA 100% of its present and future credit rights, accrued or to be accrued, for its transactions in the Wholesale Electricity Market, up to the amount of the financing.

In August 2011, GROSA concluded the works committed, and from the month of September the units were subject to a minimum availability control as established in the loan agreement entered into with CAMMESA. In the event that GROSA fails to comply with this availability, the agreement foresees a penalty.

As of April 16, 2012, GROSA received a total of \$ 56,996,893 from CAMMESA.

From September 2011 through August 2015, the installments corresponding to principal were settled as established in the loan agreement described above, which was fully paid.

On March 13, 2012, GROSA executed a new loan agreement with CAMMESA, through which they formalized the financing of the second stage of the repair of the Sorrento Power Plant, with the purpose of extending the capacity for electricity generation to 130 MW, for an amount equivalent to \$ 190,480,000, shown under the caption Financial debts - non-current.

As 18 months have passed since the start of commercial operation of the unit TV13 with 130 MW of available power, and considering the frequent dispatches the unit had during this period, mostly with fuel oil, delivering 65,000 MWh per month on the average, on June 19, 2015 GROSA submitted to CAMMESA a request for funding to make additional investments on the boiler, steam turbine, transformers and ancillary equipment, so as to continue having availability and dispatch as required by the WEM.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

C) FINANCING BY CAMMESA – GENERACION ROSARIO S.A. (Cont'd)

It is to note that in the operation period mentioned above there was a significant decrease in specific consumption, which resulted in 15% savings in fuel as compared with the situation at the moment when GROSA took over the Sorrento Power Plant, as a result of the maintenance works and improvements done in the last few years.

The amount of the financing requested through note to CAMMESA for the concept of third stage of the repair of the Unit TV13 is USD 11,749,652 (not including taxes).

On July 20 and August 24, 2015, at the request of CAMMESA, GROSA presented additional information in relation to the request for funds mentioned above, including a schedule of the disbursements and also a detailed description of the works to be performed. For each item (electricity, instruments, tanks, fuel oil, natural gas, river water and demi water system, thermal cycle, boiler, turbine and ancillary equipment), the technical reasons for the relevant investment requested were explained, with a brief description of the proposal for achieving the objective in each case.

On October 21, 2015 the ES partially accepted the request submitted by GROSA, through the Notes mentioned in the above paragraphs, and authorized financing for up to USD 10,406,077 plus VAT. The financing will be repaid by applying the accumulated credit rights, or those to be accrued, for the Remuneration of Non-Recurring Maintenance set forth by Section 2 of ES Resolution No. 529/2014.

On December 18, 2015, GROSA filed a note before CAMMESA accompanying all the supporting documentation of the payments to the suppliers of materials and services corresponding to the works performed until that date, under the concept of third stage of the repair of the Unit TV13. The total amount of the documentation submitted on expenses paid is \$ 16,746,847 (including taxes).

On May 30, 2016, GROSA signed a new mutuum agreement with CAMMESA whereby the financing of the Third Stage for the Repair of the Unit TV13 was formalized for an amount of up to USD 10,406,077 plus VAT.

On June 15, 2016, a new note was sent to CAMMESA, substituting that submitted on December 18, 2015, to which all the supporting documentation was attached for the accumulated payments to suppliers of materials and services, corresponding to the works performed until May 2016. It was prepared under the new format requested by CAMMESA and for a total amount of \$ 25,038,168 (with taxes).

On June 30, 2016, CAMMESA made the first partial advance payment for \$ 10,000,000.

On July 15, 2016, a second note was filed with CAMMESA attaching payments to suppliers of materials and services for \$ 4,081,113 (with taxes), at June 30, 2016.

On July 21, 2016, CAMMESA made a second disbursement for \$ 15,000,000, completing the filings of payments made on June 15, 2016.

At June 30, 2016, the total balance for those financings amounts to \$176,206,426, which is disclosed in the caption non-current financial liabilities.

At the date of these interim condensed consolidated financial statements, GROSA has complied with the commitments undertaken.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 12: LOANS (Cont'd)

D) PROGRAM TO ISSUE NEGOTIABLE OBLIGATIONS OF ALBANESI S.A.

Class I Negotiable Obligations

With the purpose of improving the financial profile of the company, on November 17, 2015 ASA, through CNV Resolution 17,887, was granted authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations 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.

On December 29, 2015 ASA issued Class I Negotiable Obligations under the conditions described below:

Principal: Nominal value: \$ 70,000,000

Interest: Private Banks BADLAR rate plus a 5.5% margin.

Repayment: interest of Class I Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017; and December 29, 2017.

The principal of the Class I Negotiable Obligations will be repaid in three (3) consecutive installments, on a quarterly basis, the first two ones equivalent to 30% and the third one to 40% of the nominal value of the Negotiable Obligations, on the dates on which 18, 21 and 24 months are completed, respectively, counted as from the date of issuance; i.e., on June 29, 2017, September 29, 2017 and December 29, 2017.

The funds obtained through the issuance of Class I Negotiable Obligations were allocated to the partial settlement of the current liabilities held with the related company RGA.

NOTE 13: ALLOWANCES AND PROVISIONS

	For trade receivables	For other receivables	For impairment of inventories	For contingencies
Balance at December 31, 2014	1,058,886	1,133,755	57,466	10,581,411
Increases	-	-	-	718,037
Decreases	-	-	-	(1,349,952)
Deconsolidation due to sale of subsidiary	(219,634)	(1,133,755)	(57,466)	-
Balance at December 31, 2015	839,252	-	-	9,949,496
Increases	(1) 2,010,873	(1) 1,859,200	-	-
Decreases	-	-	-	(1,823,886)
Balance at June 30, 2016	2,850,125	1,859,200	-	8,125,610

(1) The expenses are stated as selling expenses.

Information required by Appendix e, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

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, the likelihood of occurrence is considered, taking into account the opinion of the Company's legal advisors.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 14: SALES REVENUE

	06.30.16	06.30.15
Sale of electricity Res. 95/529/482/22	115,553,403	101,602,520
Sale of electricity in the spot market	167,725,737	90,419,820
Sale under Energía Plus	410,025,933	254,645,281
Sale of electricity Res. 220	565,511,380	347,077,777
	<u>1,258,816,453</u>	<u>793,745,398</u>

NOTE 15: COST OF SALES

	06.30.16	06.30.15
Cost of purchase of electric energy	(288,032,571)	(175,512,306)
Cost of gas and gas oil consumption at the plant	(392,843,719)	(271,884,144)
Salaries and social security charges	(54,788,444)	(35,640,957)
Defined benefit plan	(1,298,888)	(923,359)
Other employee benefits	(2,000,654)	(654,499)
Rental	(2,111,850)	(1,185,932)
Professional fees	(5,019,911)	-
Depreciation of property, plant and equipment	(86,873,496)	(50,392,242)
Insurance	(11,723,782)	(8,547,980)
Maintenance	(68,207,119)	(53,430,236)
Electricity, gas, telephone and postage	(1,981,805)	(494,653)
Duties and taxes	(9,265,199)	(5,428,176)
Travel and per diem	(529,210)	(2,386,073)
Security guard and cleaning service	(1,584,497)	(2,035,917)
Miscellaneous expenses	(3,136,897)	(1,611,000)
	<u>(929,398,042)</u>	<u>(610,127,474)</u>

NOTE 16: SELLING EXPENSES

	06.30.16	06.30.15
Salaries and social security charges	(417,274)	(468,378)
Duties and taxes	(1,043,971)	(5,468,766)
Doubtful debt expenses	(3,870,073)	-
	<u>(5,331,318)</u>	<u>(5,937,144)</u>

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 17: ADMINISTRATIVE EXPENSES

	<u>06.30.16</u>	<u>06.30.15</u>
Salaries and social security charges	(3,621,035)	(5,422,815)
Other employee benefits	(521,043)	(376,853)
Rental	(11,000)	(47,601)
Professional fees	(13,578,952)	(8,628,472)
Depreciation of property, plant and equipment	-	(2,484)
Insurance	(187,715)	(82,876)
Maintenance	-	(30,668)
Electricity, gas, telephone and postage	(1,082,397)	(264,609)
Duties and taxes	(1,292,745)	(2,092,484)
Travel and per diem	(1,120,628)	(920,659)
Miscellaneous expenses	(1,380,288)	(2,002,587)
	<u>(22,795,803)</u>	<u>(19,872,108)</u>

NOTE 18: OTHER OPERATING INCOME AND EXPENSES, NET

	<u>06.30.16</u>	<u>06.30.15</u>
<u>Other operating income</u>		
Income for sale of interests in subsidiaries	-	17,085,139
Sundry income	1,229,987	7,506
Total Other operating income	<u>1,229,987</u>	<u>17,092,645</u>
 <u>Otros egresos operativos</u>		
Sundry expenses	(970,403)	(36,901,477)
Total otros ingresos operativos	<u>(970,403)</u>	<u>(36,901,477)</u>

NOTE 19: FINANCIAL RESULTS

	<u>06.30.16</u>	<u>06.30.15</u>
<u>Financial income</u>		
Commercial interest	5,218,446	3,135,822
Total financial income	<u>5,218,446</u>	<u>3,135,822</u>
 <u>Financial costs</u>		
Loan interest	(165,683,824)	(71,044,097)
Commercial interest and other	(15,116,987)	(1,095,829)
Bank expenses and commissions	(7,747,793)	(2,456,154)
Total financial expenses	<u>(188,548,604)</u>	<u>(74,596,080)</u>
 <u>Other financial results</u>		
Exchange differences, net	(76,635,826)	(3,241,620)
Changes in the fair value of financial instruments	11,087,045	(4,491,887)
Loss from currency position, net	(73,795)	(59,278)
Other financial results	(19,044,032)	(16,367,731)
Total other financial results	<u>(84,666,608)</u>	<u>(24,160,516)</u>
Total financial results, net	<u>(267,996,766)</u>	<u>(95,620,774)</u>

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NOTE 20: 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.

<u>Continuing operations</u>	<u>06.30.16</u>	<u>06.30.15</u>
Income for the period attributable to the owners:	16,103,746	34,502,985
Weighted average of outstanding ordinary shares	36,323,292	4,455,160
Basic and diluted earnings per share	0.44	7.74
<u>Discontinued operations</u>	<u>06.30.16</u>	<u>06.30.15</u>
Loss for the period attributable to the owners	-	(12,573,771)
Weighted average of outstanding ordinary shares	36,323,292	4,455,160
Basic and diluted loss per share	-	(2.82)

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Transactions with related companies and affiliates

		<u>06.30.16</u>	<u>06.30.15</u>
		<u>\$</u>	
		<u>Profit / (Loss)</u>	
Purchase of grapes			
Alto Valle del Río Colorado S.A.	Related company	-	(2,131,034)
Purchase of gas			
RGA ⁽¹⁾	Related company	(236,344,176)	(117,379,082)
Purchase of energy			
Solalban Energía S.A.	Affiliate company	(71,252)	(371,515)
Purchase of wines			
BDD	Related company	(2,142)	-
Purchase of flights			
AJSA	Related company	(5,475,881)	-
Sale of energy			
RGA	Related company	49,332,694	5,824,710
Solalban Energía S.A.	Affiliate company	21,795,938	2,952,271
Sale of components and spare parts			
CTR	Related company	1,227,987	72,578,818
Sale of investment in subsidiaries			
RGA	Related company	-	28,000,000
Sale of wines⁽²⁾			
CTR	Related company	-	1,964
Sale of flights⁽²⁾			
RGA	Related company	-	1,412,800

(1) Corresponds to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for electricity generation.

(2) The transactions with BDD and AJSA are disclosure as discontinued operation

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 21: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

		06.30.16	06.30.15
		\$	
		Profit / (Loss)	
Leases and services hired			
RGA	Related company	(4,403,962)	(2,854,188)
Reimbursement of expenses			
CTR	Related company	10,823,686	1,977,937
RGA	Related company	88,487	(9,647)
Financial cost recovery			
RGA	Related company	(3,515,702)	-
Collection of dividends			
Solalban Energía S.A.	Affiliate company	-	2,520,000

b) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their remuneration at June 30, 2016 and 2015 amounted to \$ 5,782,262 and \$ 3,745,361, respectively.

	06.30.16	06.30.15
Salaries	5,782,262	3,745,361
	<u>5,782,262</u>	<u>3,745,361</u>

c) Balances at the date of the consolidated statements of financial position

Captions	Type	06.30.16	12.31.15
NON-CURRENT ASSETS			
Other receivables			
RGA	Related company	607	739
		<u>607</u>	<u>739</u>
CURRENT ASSETS			
Trade receivables			
CTR	Related company	-	1,500,000
Solalban Energía S.A.	Affiliate company	-	18,215
		<u>-</u>	<u>1,518,215</u>
Other receivables			
Contributions pending paying-in	Minority interest	-	525,000
Shareholders' private accounts	Minority interest	92,457,362	62,142,446
CTR	Related company	47,591,710	33,237,850
		<u>140,049,072</u>	<u>95,905,296</u>
NON-CURRENT LIABILITIES			
Other liabilities			
RGA	Related company	100,000,000	100,000,000
		<u>100,000,000</u>	<u>100,000,000</u>
CURRENT LIABILITIES			
Trade payables			
BDD	Related company	-	10,620
Solalban Energía S.A.	Affiliate company	251,596	215,538
AJSA	Related company	1,774,012	2,940,772
RGA	Related company	111,866,127	85,705,783
		<u>113,891,735</u>	<u>88,872,713</u>

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NOTE 21: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

Captions	Type	06.30.16	12.31.15
CURRENT LIABILITIES (Contd.)			
Other liabilities			
AVRC	Related company		-
RGA	Related company	93,393,115	116,641,152
Shareholders' private accounts	Minority interest	145,000	145,000
		93,538,115	116,786,152

NOTE 22: WORKING CAPITAL

At June 30, 2016 the Company records a positive working capital of \$ 603,388,780 (calculated as current assets less current liabilities), while at December 31, 2015 the deficit in working capital amounted to \$ 357,809,373.

This improvement is mainly due to the following events mentioned below:

1. On February 11, 2016, GMSA received a bullet borrowing from BAF Latam Trade Finance Funds B.V, for an amount of USD 40 million, falling due three years as from the issuance date.
2. On June 1, 2016, GMSA was granted a loan from Credit Suisse International for USD 60 million falling due on June 3, 2021.
3. The start-up of the GFSA electricity generation plant, from which, based on the Group's projections, an annual income is estimated for an amount of USD 10.5 million (EBITDA), which will enable to decrease the deficit in working capital.
4. Obtaining additional cash flows due to the implementation of SE Resolution No. 22/2016, which allows increasing the operating results of certain related companies, thus substantially increasing the working capital position.

Furthermore, an International Bond for USD 250 million was issued on July 27, 2016, with GMSA, GFSA and CTR having co-issued 69%, 3% and 28%, respectively. Principal on the Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023. This represents an improvement in Group's working capital of approximately \$788 million at that date. See Note 32.a

In conclusion, we consider that the measures adopted will contribute to substantially improving liquidity and the indebtedness profile of the Company.

NOTE 23: SEGMENT REPORTING

The information on operating segments is presented in accordance with the internal information furnished to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Board of Directors.

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

Albanesi S.A performs activities in business segments, mainly organized based on the line of products:

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NOTE 23: SEGMENT REPORTING (Cont'd)

- The energy segment comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, provision of services, construction management and building of any nature.
- The business of air transportation service.
- The wine segment, which consists in the operation of wineries through the production and subsequent sale of wines and other beverages.

During 2015, ASA sold to RGA its equity interests in BDD and AJSA, companies engaged in the wine and air transport segments. In this way, ASA is focused on its main business, the electric power generation and sale.

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.

This is an analysis of the Group's business lines for the period ended June 30, 2016:

Information on consolidated income for the period ended June 30, 2016:

	Electricity	Wines	Air transportation service	Deletions	06.30.16
Operating income	1,258,816,453	-	-	-	1,258,816,453
Cost of sales and services	(929,398,042)	-	-	-	(929,398,042)
Gross income	329,418,411	-	-	-	329,418,411
Selling expenses	(5,331,318)	-	-	-	(5,331,318)
Administrative expenses	(22,795,803)	-	-	-	(22,795,803)
Income from interests in associates	5,742,816	-	-	-	5,742,816
Other operating income	1,229,987	-	-	-	1,229,987
Other operating expenses	(970,403)	-	-	-	(970,403)
Operating income	307,293,690	-	-	-	307,293,690
Financial results	(267,996,766)	-	-	-	(267,996,766)
Income/Loss before income tax	39,296,924	-	-	-	39,296,924
Income tax and minimum notional income tax	(21,950,527)	-	-	-	(21,950,527)
Income/Loss from continuing operations	17,346,397	-	-	-	17,346,397
Income/Loss from discontinued operations	-	-	-	-	-
Income for the period	17,346,397	-	-	-	17,346,397

Consolidated information on financial position at June 30, 2016

Assets	5,307,736,026	-	-	-	5,307,736,026
Liabilities	3,935,008,751	-	-	-	3,935,008,751
Investments in associates	248,870,745	-	-	-	248,870,745
Additions and transfers of property, plant and equipment	463,321,113	-	-	-	463,321,113
Depreciation of property, plant and equipment	86,873,496	-	-	-	86,873,496

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 23: SEGMENT REPORTING (Cont'd)

This is an analysis of the Group's business lines for the period ended June 30, 2015:

Information on consolidated income for the period ended June 30, 2015:

	Electricity	Wines	Air transportation service	Deletions	06.30.15
Operating income	794,861,264	-	-	(1,115,866)	793,745,398
Cost of sales and services	(611,243,340)	-	-	1,115,866	(610,127,474)
Gross income	183,617,924	-	-	-	183,617,924
Selling expenses	(5,937,144)	-	-	-	(5,937,144)
Administrative expenses	(19,872,108)	-	-	-	(19,872,108)
Income from interests in associates	1,069,442	-	-	-	1,069,442
Other operating income	17,092,645	-	-	-	17,092,645
Other operating expenses	(36,901,477)	-	-	-	(36,901,477)
Operating income	139,069,282	-	-	-	139,069,282
Financial results	(95,620,774)	-	-	-	(95,620,774)
Income/Loss before income tax	43,448,508	-	-	-	43,448,508
Income tax and minimum notional income tax	(8,058,510)	-	-	-	(8,058,510)
Total continuing operations	35,389,998	-	-	-	35,389,998
Discontinued operations	-	(6,787,065)	(6,805,697)	-	(13,592,762)
Total income for the period	35,389,998	(6,787,065)	(6,805,697)	-	21,797,236

kConsolidated information on financial position at December 31, 2015

Assets	3,952,814,504	-	-	-	3,952,814,504
Liabilities	2,613,685,717	-	-	-	2,613,685,717
Investments in associates	243,127,929	-	-	-	243,127,929
Additions and transfers of property, plant and equipment	348,406,368	1,098,761	158,599	-	349,663,728
Depreciation of property, plant and equipment	108,067,088	459,494	2,985,598	-	111,512,180

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Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 24: DISCONTINUED OPERATIONS

In the course of 2015, ASA sold its interests in BDD and AJSA to RGA. At June 30, 2015, these segments were not discontinued operations nor were they classified as held for sale; accordingly, the statement of comprehensive income in comparative format was modified, so as to disclose discontinued operations separate from continuing operations. Management has sold these segments as a result of the strategic decision of focusing especially on the generation and sale of electric power.

Sale of shares in Bodega del Desierto S.A.

On June 29, 2015, RGA accepted the offer for the sale of shares made by ASA on June 26, 2015. Through this offer, the Company sold to RGA for \$ 28,000,000 (pesos twenty-eight million) 29,205,494 shares in BDD of face value \$ 1 each and entitled to one vote per share, accounting for 90% of the share capital of Bodega del Desierto S.A. The result for the sale was \$ 17,085,139.

On June 30, 2015, RGA settled the debt for the purchase of 90% of the share capital in BDD from ASA.

Sale of shares in Alba Jet S.A.

On October 27, 2015, RGA accepted the offer for the sale of shares made by ASA on October 26, 2015. Through this offer, the Company sold to RGA for \$ 80,750,000 (pesos eighty million seven hundred and fifty thousand) 42,610,681 shares in Alba Jet S.A. of face value \$ 1 each and entitled to one vote per share, accounting for 95% of the share capital of Alba Jet S.A. The result for the sale was approximately \$ 59,556,530.

Below we present the summarized statement of comprehensive income of BDD and AJSA discontinued operations:

	06.30.16	06.30.15
Sales revenue	-	11,256,300
Cost of sales	-	(12,071,073)
Gross income	-	(814,773)
Selling expenses	-	(2,835,218)
Administrative expenses	-	(1,295,245)
Other operating income and expenses	-	83,359
Operating income	-	(4,861,877)
Financial results, net	-	(3,280,073)
Income before tax	-	(8,141,950)
Income tax	-	(5,450,812)
Loss from discontinued operations	-	(13,592,762)

Below is the summarized statement of cash flow of discontinued operations:

Statement of cash flows:

	06.30.16	06.30.15
Funds (used in) operating activities	-	(1,950,065)
Funds (used in) investment activities	-	(1,098,762)
Funds generated by financing activities	-	2,713,885
(Decrease) in cash for the period	-	(334,942)

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 25: RESTRICTED ASSETS AND OTHER COMMITMENTS

A. GMSA

A.1 Syndicated loan

To secure due and timely compliance with all of the payment obligations assumed and/or to be assumed by GMSA under the Syndicated Loan, ASA posted a suretyship on GMSA's obligations thereunder and an assignment in guarantee was agreed in favor of the administrative agent under the syndicated loan, of the rights to collect sums of money under certain Energia Plus sale transactions (conducted or to be conducted); 21 contracts of the Company were pledged as collateral for that assignment of rights.

At the date of these interim condensed consolidated financial statements, the Power Plant released the contracts assigned as collateral, corresponding to Vidriería Argentina S.A., Pilkington S.A., Arcor SAIC, Vicentin S.A., Holcim S.A., Chevron S.R.L., Axion Energy S.A., Coca Cola Femsa de Buenos Aires S.A. (City of Buenos Aires Plant), Coca Cola Femsa de Buenos Aires S.A. (Planta Monte Grande) and Rayen Cura SAIC.

The remaining balance of principal on the syndicated borrowing at June 30, 2016 is \$29.7 million. With the issuance of the international bond (see Note 32.a), however, the bond was repaid, therefore, the conditions have been met for the release of the guarantees provided. In this respect, GMSA is carrying out formalities to release the bond posted by ASA as suretyship and the contracts that had been assigned as collateral, as detailed below: Cerámica Lourdes, Acindar Industria Argentina de Areco S.A., SAF Argentina S.A., Danone Argentina S.A., Troy Resources Argentina LTD, Owen Illinois Argentina S.A., Casino de Rosario S.A., Buquebus (San Vicente Plant), Geminelli S.A., Noble Argentina S.A. and Oppfilm S.A.

A.2 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at June 30, 2016 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between the Company and large customers of the Forward Market under the ES regulations according to Resolution No. 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

	Total	Up to 1 year	From 1 to 3 years
<i>Sale commitments⁽¹⁾</i>			
Electric energy and power - Plus	835,757,208	782,431,900	53,325,308

- (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, 2016, under ES Resolution 1281/06.

A.3 Borrowing from 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 repayment of the UBS AG Loan in full during February 2016, BAF Latam Trade Finance Funds B.V. became the only beneficiary of all the assets and rights assigned as collateral under that contract, with Banco de Servicios y Transacciones S.A. acting as trustee and Generación Mediterránea, as trustor.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 24: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

A. GMSA (Cont'd)

The rights assigned under the contract are detailed below:

- All GMSA rights under the project documents.
- All GMSA rights pertaining to the Company to collect and receive all payments in cash or in kind, for any item, due to GMSA by the debtors under present and future Electricity Sales Transactions carried out on the Energía Plus market.
- All GMSA rights to collect and receive all payments in cash or in kind, for any item, due by GMSA to any insurance company, at this date or at a future date.
- Fiduciary ownership of the Real Estate Property existing at this date and any real estate property incorporated thereafter.
- Fiduciary ownership of GMSA assets.
- The right to make any claims and file any actions arising from the breach of the obligation to pay.
- Any collection right related to the rights assigned in these paragraphs.
- Each and every right available and/or that may become available to ASA in relation to GMSA arising from an irrevocable capital contribution.
- All the funds existing in the GMSA's account that have been received by GMSA in relation to the assigned rights.

B. GFSA

B.1 Other commitments - Contract with PWPS

On April 4, 2014 GFSA entered into a contract with PWPS for the purchase of a turbine FT4000™ SwiftPac® 60, including all the elements necessary for its installation and placement into service. The unit is composed of two gas turbines which transmit their mechanical power to only one generator of 60 MW. The machine transforms 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 converts the energy into electricity.

The purchase contract for the turbine amounts to a total of USD 26.87 million. At the date of issue of these financial statements, the advances amounting to USD 14.87 million agreed upon with the vendor have been fully paid and are disclosed as turbine under Property, plant and equipment.

In addition, the purchase agreement provides for financing for a term of 4 years for USD 12 million by PWPS as from the preliminary acceptance by GFSA. This amount is disclosed in non-current trade payables for the equivalent to \$ 180,480,000. 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, which at the date of signing of these interim condensed consolidated financial statements amounts \$ 2.3 million.

Future contractual obligations related to the contract with PWPS are shown below by calendar year:

	Total	2016	2017	2018	2019	2020	2021	2022	2023
<i>Commitments ⁽¹⁾</i>	USD								
PWPS for the purchase of a turbine FT4000™ SwiftPac®	17,975,401	750,000	750,000	750,000	750,000	3,743,495	3,743,495	3,743,495	3,744,916

- (1) The commitment is denominated in US dollars and considering the time of payment according to the particular conditions of the contract.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 24: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

C. GROSA

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S.A. unanimously approved a lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available fixed assets and spare parts. The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years. The first fee installment was invoiced on August 1, 2011.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S.A. was initiated. This situation does not affect the lease agreement mentioned above or the electric power generation business.

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

GMSA signed a contract with Siemens Industrial Turbomachinery AB on March 28, 2016 for the purchase of two Siemens SGT 800 turbines to increase the generation capacity at the Modesto Maranzana Thermal Power Plant situated in Río Cuarto, province of Córdoba.

On June 14, 2016 a Deferred Payment Agreement was signed by GMSA with Siemens Industrial Turbomachinery AB whereby, after compliance with the conditions precedent set forth in the agreement, GMSA will be granted a commercial loan to finance 50% of the contract amount, equivalent to SEK 177,000,000 (approximately USD 21.6 million).

The commercial loan to be granted shall be repaid in 24 equal and consecutive monthly installments of 4.17% of each installment total amount, with the first one falling due in August 2017. Payments shall be made in SEK (Swedish crowns).

Future contractual obligations related to the contract with Siemens Industrial Turbomachinery AB are shown below by calendar year:

	Total	2017	2018	2019
<i>Commitments ⁽¹⁾</i>	USD			
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	21,689,920	4,518,733	10,844,960	6,326,227

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

NOTE 27: LONG-TERM MAINTENANCE CONTRACT – GM AND GI POWER PLANTS

GMSA signed with the company PWPS a global service agreement (Long Term Service Agreement), for the GM and GI power plants.

As established in the contract, 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 USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In turn, 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. In addition, 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.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 28: GMSA – PRESENTATION TO CAMMESA

On June 19, 2015 GMSA submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution 529/14. Since the effective date of that Resolution, in February 2014 and until June 2015, GMSA has generated a total of 540,614 MWh, equivalent to the amount of \$ 14,268,553.

On August 26, 2015, GMSA made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution 529/14.

On September 7, 2015, GMSA 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.

GMSA reports an accumulated balance for “Non-Recurring Maintenance” of \$ 28,754,752 at June 30, 2016.

On January 27, 2016 the ES partially accepted the request submitted by GMSA, through the Notes mentioned in the above 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 GMSA and the receivables to which it is entitled by application of the Remuneration for Non-Recurring Maintenance.

On June 10, 2016 the GMSA submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution 529/14 of GR and GLB. 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 \$2,935,346 and GR generated a total of 51,564MWh, equivalent to the amount of \$3,068,853.

GMSA reports an accumulated balance for non-recurring maintenance of \$32,139,038 at June 30, 2016.

On August 9, 2016, GMSA 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.

NOTE 29: MERGER THROUGH ABSORPTION

On August 31, 2015, GMSA entered into a merger agreement (the “Merger Agreement”) whereby it started the merger through absorption process of the companies GISA, GLBSA and GRISA (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.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 29: MERGER THROUGH ABSORPTION (Cont'd)

As a result of the merger and as approved in the Merger Agreement and Final Merger Agreement, as from the Effective Date of Merger: (a) the equities of all merged companies (Generación Independencia S.A., Generación La Banda S.A., and Generación Riojana S.A.) 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 by-laws of the continuing company.

On March 22, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550 and ordered that the file be sent to the IGJ for registration purposes; the merger was registered on May 18, 2016 under number 8171, volume 79 of the Book of Companies by Shares.

NOTE 30: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV issued General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. To this end, it is informed that the Company stores its work papers and information at its principal place of business, located at Av. L.N. Alem 855, 14th floor - City of Buenos Aires.

NOTE 31: INVESTMENTS IN COMPANIES

To increase the thermal power generation capacity, the Argentine Government created in 2004 the FONINVEMEM, a fund administered by CAMMESA to make investments in thermal power generation. To finance the FONINVEMEM, the Energy Secretariat invited all WEM agents that held LVFVD due by the WEM, to express their decision to invest (or not) in the FONINVEMEM 65% of their receivables generated between January 2004 and December 2006.

The Company holds an equity interest of 0.0282% equivalent to 141 shares in Termoeléctrica José de San Martín S.A. and Termoeléctrica Manuel Belgrano S.A., which engage in equipment purchases, construction, operation and maintenance of the respective power plants. The fair value of the unlisted ordinary shares in Termoeléctrica José de San Martín S.A. and Termoeléctrica Manuel Belgrano S.A. has been estimated using a model of discounted cash flows based on dividends at June 30, 2016.

NOTE 32: SUBSEQUENT EVENTS

a) INTERNATIONAL ISSUANCE OF NEGOTIABLE OBLIGATIONS

On July 7, 2016, GMSA, GFSA and CTR got authorization from the CNV, under Resolution No. 18110, for the co-issuance in the domestic and international markets of guaranteed and unsubordinated ordinary Negotiable Obligations, not convertible into shares. Negotiable Obligations were issued on July 27, 2016 for USD 250 million, falling due within 7 years. All of the Negotiable Obligations are unconditionally guaranteed by ASA.

The Negotiable Obligations are rated B+ (Fitch ratings) / B3 (Moody's).

This issuance makes it possible to finance investments under the Company's expansion plans, with the award by the Energy Secretariat of Wholesale Demand Contracts under Resolution 115/2016 dated June 14, 2016, and the Group's projects under way to complete works for the installation of a nominal capacity of 460 MW. It will also improve the Group's financial profile, permitting it to repay existing loans before maturity within a financing term commensurate with the projects to be financed, as well as a considerable reduction of financing costs which involves a greater financial efficiency.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 32: SUBSEQUENT EVENTS (Cont'd)

a) INTERNATIONAL ISSUANCE OF NEGOTIABLE OBLIGATIONS (Cont'd)

International Negotiable Obligation:

Principal: Nominal value: USD 250,000,000

Interest: Accrues interest at a fixed rate of 9.625%

Payment term and method: Interest on the International Negotiable Obligation 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 Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

Prepayments of debt and release of guarantees

With the proceeds from the issuance of the International Bond described above, the following financial loans were repaid in advance:

GMSA

- Borrowings from Banco de la Provincia de Córdoba S.A.
- Borrowing from Banco Hipotecario S.A.
- Borrowing from ICBC (GISA)
- Borrowing from Nuevo Banco de La Rioja
- Borrowing from Banco Ciudad
- Borrowing from Banco Chubut
- Borrowing from Banco Supervielle
- Borrowing from Banco Macro

At the date of these interim condensed consolidated financial statements, the syndicated loan has been fully repaid with the proceeds from the issuance of the International Bond disbursed on July 27, 2016. With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GMSA is in the process of documenting the necessary formalities for such purpose.

GFSA

- Syndicated borrowing
- Borrowing from Banco de la Provincia de Buenos Aires

With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed consolidated financial statements, GFSA is in the process of documenting the necessary formalities for such purpose.

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Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 32: SUBSEQUENT EVENTS (Cont'd)

b) CLASS III NEGOTIABLE OBLIGATIONS (GFSA)

On July 6, 2016 GFSA issued Class III Negotiable Obligations for \$160 million.

Interest: private banks BADLAR rate plus 5.6 %

Repayment: Interest of Class III Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: (i) October 6, 2016; (ii) January 6, 2017; (iii) April 6, 2017; (iv) July 6, 2017; (v) October 6, 2017; (vi) January 6, 2018; (vii) April 6, 2018, and (viii) July 6, 2018; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The principal of the Class III Negotiable Obligations will be repaid in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Class III Negotiable Obligations at the dates in which 18, 21 and 24 months respectively have elapsed, counted as from the date of issuance and settlement, (i) January 6, 2018; (ii) April 6, 2018; (iii) July 6, 2018; if other than a business day, or if such day does not exist, on the first following business day.

Maturity date of Class III Negotiable Obligations: July 6, 2018

The amount was paid in in cash and in kind, through the swap of Class I Negotiable Obligations of \$79,600,000. The proceeds from the issuance of Class III Negotiable Obligations were applied to the repayment of the loan from Puente Hnos S.A., the repurchase of the remaining balance of Class I Negotiable Obligations, working capital and investments in fixed assets. The swap and subsequent repurchase of Class I Negotiable Obligations improved the Company's financial profile and created the conditions to release the guarantees granted and at the date of issue of these interim condensed consolidated financial statements, GFSA is formalizing this process.

c) REPURCHASE OF CLASS IV NEGOTIABLE OBLIGATIONS

On July 25, 2016, outstanding Class IV Negotiable Obligations for \$9,271,200 were repurchased by GMSA, and Negotiable Obligations for a nominal value of \$54,208,000 remain outstanding, of which Negotiable Obligations for \$44,936,800 are in the possession of holders other than the issuer.

NOTE 33: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE

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.

Summary of Activity at June 30, 2016 and 2015

1. Brief comment on the activities carried out by the issuer, including references to relevant events subsequent to the fiscal closing date.

Pursuant to the provisions of General Resolution N° 368/01 and subsequent modifications of the National Securities Commission (CNV), we present below an analysis of the results of the operations of Albanesi S.A.(the Company) and its equity and financial position, which should be read alongside the corresponding interim condensed financial statements.

Six-month period ended June 30,

	2016	2015	Var.	Var. %
	GWh			
Sales per type of market				
Sale of electricity Res. 95/529/482/22	835.4	875.6	(40.2)	(5%)
Sale of electricity Plus.	388.4	409	(20.6)	(5%)
Sales CAMMESA 220	284.6	418.9	(134.3)	(32%)
	1,508.4	1,703.5	(195.1)	(11%)

The sales to each market are presented below (in millions of pesos):

Six-month period ended June 30,

	2016	2015	Var.	Var. %
	(in millions of pesos)			
Sales per type of market				
Sales Spot Market 95 /529/482/22 and spot	283.3	192.0	91.3	48%
Sale of electricity Plus.	410.0	254.6	155.4	61%
Sales CAMMESA 220	565.5	347.1	218.4	63%
Total Sales	1,258.8	793.7	465.1	59%

Summary of Activity at June 30, 2016 and 2015

Results for the six-month period ended June 30 2016 and 2015 (in millions of pesos)

	2016	2015	Var.	Var. %
Sale of energy	1,258.8	793.7	465.1	59%
Net sales	1,258.8	793.7	465.1	59%
Cost of purchase of electric energy	(288.0)	(175.5)	(112.5)	64%
Cost of gas and gasoil consumption	(392.8)	(271.9)	(120.9)	44%
Salaries, wages and social sec. Contrib.	(54.8)	(35.6)	(19.2)	54%
Pension Plan	(1.3)	(0.9)	(0.4)	44%
Maintenance services	(68.2)	(53.4)	(14.8)	28%
Depreciation of property, plant and equipment	(86.9)	(50.4)	(36.5)	72%
Insurance	(11.7)	(8.5)	(3.2)	38%
Sundry	(25.7)	(13.9)	(11.8)	85%
Cost of sales	(929.4)	(610.1)	(319.3)	52%
Gross profit	329.4	183.6	145.8	79%
Salaries, wages and social sec. Contrib.	(0.4)	(0.5)	0.1	(20%)
Taxes, rates and contributions	(1.1)	(5.4)	4.3	(80%)
Doubtful debt expenses	(3.9)	-	(3.9)	100%
Selling expenses	(5.4)	(5.9)	0.5	(8%)
Salaries, wages and social sec. Contrib.	(3.6)	(5.4)	1.8	(33%)
Service Fees and retributions	(13.6)	(8.6)	(5.0)	58%
Travel & mobility and entertainment expense	(1.1)	(0.9)	(0.2)	22%
Taxes, rates and contributions	(1.3)	(2.1)	0.8	(38%)
Sundry	(3.2)	(2.9)	(0.3)	10%
Administrative expenses	(22.8)	(19.9)	(2.9)	15%
Gain/ on investments in related companies	5.7	1.1	4.6	418%
Other operating income	1.2	17.1	(15.9)	(93%)
Other operating expenses	(0.8)	(36.9)	36.1	(98%)
Operating income	307.3	139.1	168.2	121%
Commercial interest	5.2	3.1	2.1	68%
Interest paid on loans	(165.7)	(71.0)	(94.7)	133%
Exchange difference	(76.6)	(3.2)	(73.4)	2294%
Bank expense	(7.7)	(2.5)	(5.2)	208%
Sundry	(23.1)	(22.0)	(1.1)	5%
Financial loss	(267.9)	(95.6)	(172.3)	180%
Result before tax	39.4	43.5	(4.1)	(9%)
Income tax	(22.0)	(8.1)	(13.9)	172%
Result from continuing operations	17.4	35.4	(18.0)	(51%)
Discontinued operations	-	(13.6)	13.6	(100%)
Net income for the period	17.4	21.8	(4.4)	(20%)
Other Comprehensive Income	(0.1)	(2.5)	2.4	(96%)
Total Other Comprehensive Income	17.3	19.3	(2.0)	(10%)

Summary of Activity at June 30, 2016 and 2015

Sales:

Net sales for the period ended June 30, 2016 reached \$ 1,258.8 million, compared with \$ 793.7 million for the same period of 2015, representing an increase of \$ 465.1 million (or 59%).

During the first six months of 2016, energy sales reached 1,508.4 GWh, having decreased 11% from the 1,703.5 GWh sold in 2015.

The main sources of income of the Company and their behavior during the six-month period ended June 30, 2016, compared with the previous year are described below:

- (i) \$ 410.0 million from sales under “Energía plus”, a 61% increase from \$ 254.6 million for the same period of 2015. This variation is attributed to the effect on prices of the higher exchange rate.
- (ii) \$565.5 million from sales of electricity on the spot market to CAMMESA under the framework of Resolution 220/07, representing a 63% increase from the \$347.1 million in fiscal year 2015. This variation is explained by the start up of GFSA and a rise in prices of electricity due to the higher exchange rate. The rise was offset by a decrease of the sales volume.
- (iii) \$282.5 million from sales of electricity under Resolution 95/529/482/22 and on the spot market, showing a 47% increase from the sales of \$ 192.0 million in fiscal year 2015. This variation is explained by an increase in the price paid for electricity by enforcement of Res. 482/15, and a favorable effect on the sales volume.

Cost of sales

Cost of sales for the six-month period ended June 30, 2016 reached \$ 929.4 million, compared with \$ 610.1 million for the same period of 2015, representing an increase of \$ 319.3 million (or 52%).

The main costs of sales of the Company in millions of Pesos and their behavior during this period, compared with the same period of the previous year, are described below:

- (i) \$ 288.0 million for purchases of electricity, which increased 64% compared with \$ 175.5 million for the same period of 2015, as a result of higher costs required to supply “Energía Plus” spot market due to the variation in the exchange rate.
- (ii) \$ 392.8 million incurred in purchases of gas and gasoil consumed by the plant, reflecting an increase of 44% from the \$ 271.9 million for the same period of 2015. This variation is due to the price of gas explained by the increase in the exchange rate.
- (iii) \$ 54.8 million in salaries and social security contributions, reflecting a 54% increase from \$ 35.6 million for the same period of 2015, which is mainly attributed to wage increases granted and increase of staff hired.

Summary of Activity at June 30, 2016 and 2015

- (iv) \$ 68.2 million in maintenance services, reflecting a 28% increase from \$ 53.7 million for the same period of 2015. This increase is explained by the rise in the exchange rate offset by fewer operating hours, which have an impact on the cost of the maintenance contract with PWPS for certain subsidiaries. . It is worth noting that the cost of this contract is recognized by CAMMESA in the remuneration paid for operating and maintenance costs for sales according to Contract under Res. 220/07.
- (v) A charge of \$ 86.9 for depreciation of PP&E, up 72% from the \$ 50.4 million for the same period of 2015. This variation is mainly due to the higher depreciation value of PP&E as a result of their revaluation at December 31, 2015 and to the start-up of GFSA power plant.
- (vi) \$ 11.7 million paid for insurance, up 38% from the \$ 8.5 million for the same period of 2015 as a result of the variation in the exchange rate.

Gross income

The gross result for the period ended June 30, 2016 was a profit of \$ 329.4 million, compared with a profit of \$ 183.6 million for the period ended June 30, 2015, showing a 79% increase. This increase is mainly attributed to the effect of the exchange rate increase on the operating activity of the subsidiaries, the high availability at the power plants throughout the year, and the start-up of GFSA. Additionally, fees were increased due to the enforcement of Res. SE 22, which modified and expanded Resolution SE 482. This resolution allowed for increasing the operating results of the Company, generating an additional cash flow that improved its working capital position.

Selling expenses:

Selling expenses for the six-month period ended June 30, 2016 amounted to \$ 5.4 million, down 8% from the same period of 2015.

Administrative expenses

Total administrative expenses for the six-month period ended June 30, 2016 reached \$ 22.8 million, compared with \$ 19.9 million for the same period of 2015, representing an increase of \$ 2.9 million (or 15%).

(i) 13.6 million in Fees and compensation for services, which grew 58%, from \$ 8.6 million for the same period of 2015. This variation stems from an increase in tariffs for existing services and new services being engaged.

Other income and expenses

Other operating income for the period ended June 30, 2016 amounted to \$ 1.2 million, which accounted for a 93% decrease compared with the \$ 17.1 million for the same period of 2015. This decrease was mainly due to the sale of Albanesi S.A. shares in Bodega del Desierto S.A. for \$ 17.1 million in 2015, which were not considered core assets for the business.

Other operating expenses for the period ended June 30, 2016 amounted to \$ \$0.8 million, which accounted for a 98% decrease compared with the \$36.9 million for the same period of 2015. The decrease corresponds to the termination of the contract for the purchase of a turbine with General Electric in 2015.

Summary of Activity at June 30, 2016 and 2015

Operating income

The operating result for the period ended June 30, 2016 was a profit of \$ 307.3 million, compared with a profit of \$ 139.1 for the same period of 2015, representing an increase of 121%. This increase is mainly attributed to the effect of the increase of the exchange rate on the operating activity of the combined companies, the high availability at the power plants throughout the year and the start-up of GFSA power plant. Additionally, fees were increased due to the enforcement of Res. SE 22, which modified and expanded Resolution SE 482. This resolution allowed for increasing the operating results of the Company, generating an additional cash flow that improved its working capital position.

Financial results:

The financial result for the six-month period ended June 30, 2016 was a loss of \$ 267.9 million, compared with a loss of \$ 95.6 million for the same period of 2015, showing an 180% increase.

The most salient aspects of this variation are described below:

- (i) A loss of \$ 165.7 million due to interest paid on loans, up 133% from the loss of \$ 71.0 million for the same period of 2015 as a result of (i) an increase in the floating interest rates on the debt in pesos, (ii) start-up of GFSA power plant, and (iii) the effects of the increase in the exchange rate on the accrual of interest on loans in foreign currency.
- (ii) A loss of \$ 76.6 million as a result of the net exchange difference, this caption was 2294% higher than the prior year loss of \$ 3.2 million. The increase is due to a higher exposure in foreign currency for the financing of new projects and a higher increase of the average exchange rate for the period.

Income/Loss before tax

The Company reported a profit before tax of \$ 39.4 million for the period ended June 30, 2016, which compares with a profit of \$ 43.5 million for the same period of 2015.

The after-tax result was a loss of \$ 22.0 million for the period ended June 30, 2016, which compares with a loss of \$ 8.1 million for the same period of 2015.

Net Profit from continuing operations:

The net result from continuing operations for the period ended June 30, 2016 was a gain of \$17.4 million, compared with the loss of \$35.5 million for the same period of 2015.

Summary of Activity at June 30, 2016 and 2015

Net Result from discontinued operations:

The results from discontinued operations correspond to the sale of the interest held by BDD in the wine business, and the sale of the share in the air transport business held by AJSA. ASA sold its 90% and 95% interest to RGA on June 29 and October 27, 2015, respectively. The net result from discontinued operations for the six-month period ended June 30, 2015, was a loss of \$13.6 million.

Net income:

The net result for the period ended June 30, 2016, was a gain of \$17.4 million, which compared with \$21.8 million for the same period of 2015 reflecting a decrease of 16%.

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

	6.30.16	6.30.15
Non-Current Assets	3,774.7	2,412.5
Current Assets	1,533.1	572.1
Total Assets	5,307.8	2,984.6
Equity attributable to the owners	1,302.6	671.9
Equity not attributable to the parent	70.1	46.9
Total assets	1,372.7	718.8
Non-Current Liabilities	3,005.3	1,228.0
Current Liabilities	929.8	1,037.8
Total Liabilities	3,935.1	2,265.8
Total shareholders' equity and liabilities	5,307.8	2,984.6

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

	6.30.16	6.30.15
Operating income	307.3	139.1
Financial results	(267.9)	(95.6)
Operating income	39.4	43.5
Income tax	(22.0)	(8.1)
Income/loss from continuing operations	17.4	35.4
Discontinued operations	-	(13.6)
Income/loss for the period	17.4	21.8
Other comprehensive income	(0.1)	(2.5)
Statement of comprehensive income	17.3	19.3

Summary of Activity at June 30, 2016 and 2015

4. Cash flow structure presented comparatively with the previous period:
(in millions of pesos)

	6.30.16	6.30.15
Funds (used in)/ generated by operating activities	(421.5)	178.1
Funds (used in) investment activities	(360.8)	(156.8)
Funds generated by/ (used in) financing activities	1,064.0	(14.3)
INCREASE IN CASH AND CASH EQUIVALENTS	281.7	7.0

5. Ratios presented comparatively with the previous fiscal year:

	6.30.16	6.30.15
Liquidity (1)	1.65	0.55
Credit standing (2)	0.33	0.30
Locked-up capital (3)	0.71	0.81
Indebtedness ratio (4)	3.46	2.01
Indebtedness ratio (5)	3.77	2.58
Interest coverage ratio (6)	2.15	2.78
(1) Current assets / Current liabilities		
(2) Equity / Total liabilities		
(3) Non-current assets / Total Assets		
(4) Financial debt excluding CAMMESA / annualized EBITDA		
(5) Financial debt / annualized EBITDA		
(6) Annualized EBITDA / Interest accrued		

6. Brief comment regarding the Outlook for Fiscal year 2016:

Company outlook for fiscal year 2016

Commercial and operating sector

The Company expects that the various generating units will continue to operate normally in line with dispatches defined by CAMMESA. The primary objective is to keep a high level available at the Power Plants to maintain Company's profitability. To that end, an exhaustive preventative maintenance plan is being carried out for the generating units, to ensure high availability of the Power Plants' turbine generators.

Summary of Activity at June 30, 2016 and 2015

The combined Companies are undertaking investment projects to increase power generation capacity by 400 MW.

Under contracts pursuant to Energy Secretariat Resolution 220/07, progress is being made in three projects for an additional total power generation capacity of 210 MW, as detailed below:

A Siemens SGT-800 turbine with a 50-MW nominal capacity will be installed at GR. It is expected to become commercially operative in the fourth quarter of 2016, under a contract pursuant to Energy Secretariat Resolution 220/07.

Furthermore, the installation of two Siemens SGT-800 turbines with a nominal capacity of 50 MW is expected at GMSA. It is expected to become commercially operative in the second quarter of 2017, under a contract pursuant to Energy Secretariat Resolution 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 fall within the framework of contracts with CAMMESA under the above-mentioned ES Resolution 21/16.

Generation capacity will be increased by 100 MW at GI, with the installation of two Siemens SGT-800 turbines of 50 MW each. The first stage (50 MW) is expected to become commercially operative during the third quarter of 2017, and the second stage (50 MW), in the first quarter of 2018.

A new plant (Ezeiza Thermal Power Plant) will be built in the Province of Buenos Aires with a generation capacity of 150 MW, by installing three 50-MW Siemens SGT-800 turbines. The first stage (100MW) is expected to become commercially operative during the third quarter of 2017, and the second stage (50 MW), in the first quarter of 2018.

Financial Position

During the current fiscal year, the company's objective is to improve the financing structure and ensure progress in the investment works described above, according to the budgeted schedules.

On July 27, 2016, GMSA, CTR and GFSA co-issued an international bond for USD 250 million, falling due within 7 years. The international bond is guaranteed by ASA.

The issuance of the international bond has enabled the Company to repay existing financial debt and finance investment projects faced by the Group for increasing the generable power capacity.



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REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Albanesi S.A. and its subsidiaries (hereinafter, "the Company") which comprise the consolidated statement of financial position at June 30, 2016 and the consolidated statement of comprehensive income for the six and three-month period ended June 30, 2016, the consolidated statements of changes in equity and of consolidated cash flows for the six-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2015 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 consolidated 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

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
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consolidated 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 consolidated financial position, the consolidated comprehensive income and the consolidated cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated 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 consolidated 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 consolidated 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 of activity, on which we have no observation to make insofar as concerns matters within our field of competence;
- d) as of June 30, 2016, there is no debt accrued in favor of the Argentine Integrated Social Security System;

Autonomous City of Buenos Aires, August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

Report of the Syndics' Committee

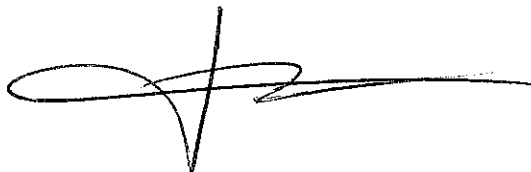
To the Shareholders of
Albanesi S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed consolidated financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30, 2016, the statement of comprehensive income for the six-month period ended June 30, 2016, 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 2015 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 interim condensed consolidated 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 unqualified review report on the interim condensed consolidated financial statements on August 10, 2016. 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 consolidated financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

A handwritten signature in dark ink, consisting of a stylized, cursive script with a prominent vertical stroke and a horizontal line extending to the right.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed consolidated 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 10, 2016

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above the printed name.

Marcelo P. Lerner
Full Syndic
For the Syndics' Committee

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Albanesi S.A.

Interim condensed separate financial statements

At June 30, 2016 and for the six and three-month periods
ended June 30, 2016 and 2015

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Albanesi S.A.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS AT JUNE 30, 2016 AND 2015

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Statement of financial position

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Statement of changes in equity

Statement of cash flows

Notes to the Interim Condensed Separate Financial Statements

Additional information required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations

Review Report on the Interim Condensed Separate Financial Statements

Report of the Syndics' Committee

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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 interim condensed separate financial statements of the Company.

Terms	Definitions
/day	Per day
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
AFSA	Albanesi Fuegoína S.A.
AISA	Albanesi Inversora S.A.
AFIP	Federal Administration of Public Revenue
ASA	Albanesi 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
CTR	Central Térmica Roca S.A.
CVP	Variable Production Cost
Dam ³	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
ENARSA	Energía Argentina S.A.
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
GMSA	Generación Mediterránea S.A.
GFSA	Generación Frías S.A.
GI	Generación Independencia located in San Miguel de Tucumán, province of Tucumán (merged with GMSA)
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GLB	Generación La Banda located in La Banda, province of Santiago del Estero (merged with GMSA)

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GM	Generación Mediterránea located in Río IV, province of Córdoba
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GR	Generación Riojana located in La Rioja, province of La Rioja (merged with GMSA)
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
The Company/The Group	Albanesi S.A. and its subsidiaries
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
ARG GAAP	Argentine GAAP
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.
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
CGU	Cash-Generating Unit

Albanesi S.A.

Composition of the Board of Directors and Syndics' Committee as of June 30, 2016

President

Armando R. Losón

Vice-president 1º

Guillermo G. Brun

Vice-president 2º

Julián P. Sarti

Full Directors

Carlos A. Bauzas

Sebastián A. Sánchez Ramos

Oscar C. De Luise

Alternate Directors

Armando Losón (h)

José L. Sarti

Juan G. Daly

María de los Milagros D. Grande

Ricardo M. Lopez

Romina S. Kelleyian

Full Syndics

Enrique O. Rucq

Francisco A. Landó

Marcelo P. Lerner

Alternate Syndics

Carlos I. Vela

Juan Cruz Nocciolino

Augusto N. Arena

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Albanesi S.A.

Interim condensed separate financial statements
For the six and three-month period ended June 30, 2016
presented in a comparative format
Stated in pesos

Corporate name: Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity: Investing and financial activities
Tax ID: 30-68250412-5

DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Of by-laws or incorporation agreement: June 28, 1994
Last amendment: March 22, 2016 (registration pending)
Registration number with the Superintendency of
Commercial Companies: 6216 of Book 115, Volume A of Corporations
Expiration of By-laws or incorporation agreement: June 28, 2093

CAPITAL STATUS (See Note 14)			
Shares			
Number	Type	Number of votes per share	Subscribed and paid-in
			\$
62,455,160	Ordinary, registered, non-endorsable FV \$1	1	62,455,160

Albanesi S.A.

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Interim Condensed Separate Statement of Financial Position

At June 30, 2016 and December 31, 2015

Stated in pesos

	Note	06.30.16	12.31.15
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries and associates	6	1,582,013,354	1,561,566,568
Deferred tax assets		197,077	-
Other receivables	7	837,115	673,181
Total non-current assets		1,583,047,546	1,562,239,749
CURRENT ASSETS			
Other receivables	7	93,351,952	67,304,797
Cash and cash equivalents	8	51,636	163,233
Total current assets		93,403,588	67,468,030
Total Assets		1,676,451,134	1,629,707,779
SHAREHOLDERS' EQUITY			
Share Capital	14	62,455,160	4,455,160
Legal reserve		1,942,908	-
Technical revaluation reserve		1,200,255,860	1,226,610,421
Currency translation reserve		(2,942,300)	(2,857,973)
Other comprehensive income		(1,603,279)	(1,594,964)
Unappropriated retained earnings		42,458,307	43,137,735
TOTAL SHAREHOLDERS' EQUITY		1,302,566,656	1,269,750,379
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	11	48,341,437	67,365,750
Other liabilities	10	100,446,241	100,255,918
Total non-current liabilities		148,787,678	167,621,668
CURRENT LIABILITIES			
Loans	11	19,844,340	212,877
Other liabilities	10	185,475,495	174,501,494
Income tax, net		110,902	729,121
Tax payables		3,296,623	259
Trade payables	9	16,369,440	16,891,981
Total current liabilities		225,096,800	192,335,732
Total Liabilities		373,884,478	359,957,400
Total Liabilities and Shareholders' Equity		1,676,451,134	1,629,707,779

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

Albanesi S.A.

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Interim Condensed Separate Statement of Comprehensive Income

For the six and three-month periods ended June 30, 2016 and 2015

Stated in pesos

		Six-month period at		Three-month period at	
	Note	06.30.16	06.30.15	06.30.16	06.30.15
Gain/Loss on investment in subsidiaries and associates	6	29,279,428	5,289,178	19,951,974	(7,347,969)
Administrative expenses	12	(558,400)	(376,428)	(70,346)	(335,569)
Other operative income		-	17,085,139	-	17,085,139
Operating income		28,721,028	21,997,889	19,881,628	9,401,601
Financial costs	13	(12,996,627)	(73,680)	(6,824,046)	(36,093)
Other financial results	13	189,247	5,005	121,926	2,472
Financial results, net		(12,807,380)	(68,675)	(6,702,120)	(33,621)
Income before tax		15,913,648	21,929,214	13,179,508	9,367,980
Income tax expense		190,098	-	86,523	-
Net income for the period		16,103,746	21,929,214	13,266,031	9,367,980
Other Comprehensive Income					
<i>Items not reclassified into income/loss</i>					
Other comprehensive income on investment in subsidiaries and associates		(92,642)	(2,487,776)	(114,795)	21,462
Other comprehensive income for the period		(92,642)	(2,487,776)	(114,795)	21,462
Comprehensive income for the period		16,011,104	19,441,438	13,151,236	9,389,442
Basic and diluted earnings per share	15	0.44	4.92		

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

Albanesi S.A.

Free translation from the original prepared in Spanish for publication in Argentina
Interim Condensed Separate Statement of Changes in Equity
For the six-month periods ended June 30, 2016 and 2015
Stated in pesos

Attributable to Shareholders

Shareholders' contributions	Retained earnings/accumulated losses				
	Legal reserve	Technical revaluation reserve	Currency translation reserve	Other comprehensive income	Unappropriated retained earnings
Share Capital (Note 14)					
4,455,160	-	672,789,351	(873,907)	(1,660,196)	(22,281,606)
	-	(12,941,643)	-	-	12,941,643
	-	-	(2,475,941)	(11,835)	-
	-	-	-	-	21,929,214
	-	-	-	-	21,929,214
Balances at June 30, 2015	-	659,847,708	(3,349,848)	(1,672,031)	12,589,251
	-	(13,619,556)	-	-	13,619,556
	-	-	-	-	-
	-	580,382,269	491,875	77,067	-
	-	-	-	-	16,928,928
	-	-	-	-	16,928,928
Balances at December 31, 2015	-	1,226,610,421	(2,857,973)	(1,594,964)	43,137,735
	-	-	-	-	1,269,750,379
	-	-	-	-	58,000,000
	-	-	-	-	-
	1,942,908	-	-	-	(1,942,908)
	-	-	-	-	(41,194,827)
	-	(26,354,561)	-	-	26,354,561
	-	-	(84,327)	(8,315)	-
	-	-	-	-	16,103,746
	-	-	-	-	16,103,746
Balances at June 30, 2016	1,942,908	1,200,255,860	(2,942,300)	(1,603,279)	42,458,307
	-	-	-	-	1,302,566,656

Balances at December 31, 2014:

Reversal of technical revaluation reserve
Other comprehensive income for the period
Comprehensive income for the six-month period
Balances at June 30, 2015
Reversal of technical revaluation reserve
Other Comprehensive income of the six-month supplementary period
Comprehensive income of the nine-month supplementary period
Balances at December 31, 2015
Capital increase as per Minutes of Shareholders' Meeting dated March 22, 2016
Resolution of Ordinary Shareholders' Meeting held on April 20, 2016:

- Legal reserve
- Distribution of dividends
Reversal of technical revaluation reserve
Other comprehensive income for the period
Comprehensive income for the six-month period
Balances at June 30, 2016

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

Albanesi S.A.

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

Interim Condensed Separate Statement of Cash Flows For the three-month periods ended June 30, 2016 and 2015 Stated in pesos

	Notes	06.30.16	06.30.15
Cash flow provided by operating activities:			
Income for the period		16,103,746	21,929,214
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax expense		(190,098)	-
Interest, exchange differences and other financial results		12,814,090	73,582
Gain on disposal of investment in subsidiaries		-	(17,085,139)
Gain/Loss on investment in subsidiaries and associates	6	(29,279,428)	(5,289,178)
Changes in operating assets and liabilities:			
(Increase) / Decrease in other receivables		(9,405,916)	17,425,656
(Decrease) in trade payables		(522,541)	(75,929)
Increase in tax payables		2,671,166	843,743
(Decrease) in other liabilities		-	(29,137,213)
Net cash flow provided by (used in) operating activities		(7,808,981)	(11,315,264)
Cash flow of investment activities:			
Dividend received		9,215,000	31,150,553
Net decrease / (increase) in other receivables with related parties		2,825,350	(68,675)
Payment for acquisition of subsidiaries.		(118,750)	-
Net cash flow provided by investment activities		11,921,600	31,081,878
Cash flow of financing activities:			
Payment of interest	11	(12,108,704)	-
(Decrease) increase net in other liabilities with related parties		7,867,015	(19,865,387)
Cash flows (used in) financing activities		(4,241,689)	(19,865,387)
DECREASE IN CASH AND CASH EQUIVALENTS		(129,070)	(98,773)
Cash and cash equivalents at the beginning of the period		163,233	185,683
Exchange difference of cash and cash equivalents		6,710	4,907
Cash, cash equivalents at the end of the period	8	27,453	82,003
		(129,070)	(98,773)
Significant transactions not entailing funds			
Compensation for dividends allocated		(41,194,827)	-
Contributions of equity not yet paid in in subsidiaries and associates		475,000	-
Capitalization of other debts		(58,000,000)	-
Other comprehensive income on investment in subsidiaries and associates		(92,642)	(2,487,776)
Compensation for disposal of investment in subsidiaries		-	28,000,000
Allocated dividends not yet collected		-	5,736,968

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

Albanesi S.A.

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

Notes to the Interim Condensed Separate Financial Statements

For the six and three-month periods ended June 30, 2016 and 2015

and the fiscal year ended December 31, 2015

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the electric power generation and selling segment.

Albanesi Group through ASA and AISA is engaged in the power generation and selling meanwhile through RGA it is engaged in the gas selling and transportation business.

The main strategy of Albanesi Group over the last years has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main business activity	% of interest	
			30.06.16	12.31.15
GMSA	Argentina	Generation of electric energy	95.00%	95.00%
GISA ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GRISA ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GLB ⁽¹⁾	Argentina	Generation of electric energy	-	95.00%
GFSA	Argentina	Generation of electric energy	95.00%	95.00%
GROSA	Argentina	Generation of electric energy	95.00%	95.00%
Solalban Energia S.A.	Argentina	Generation of electric energy	42.00%	42.00%
GLSA	Argentina	Generation of electric energy	95.00%	-
AVSA	Venezuela	Oil company	99.99%	99.99%

(1) Companies merged with GMSA within the framework of the merger through absorption process as described in Note 20.

The generation segment of Albanesi Group has an installed capacity of approximately 892 MW, which accounts for 4% of the installed capacity of Argentina. Furthermore, considering the different projects underway, Albanesi Group will have an installed capacity of approximately 1,522 MW.

On November 20, 2015, the Final Merger Agreement was signed, which establishes the merger through absorption of GISA, GLBSA and GRISA with GMSA (the continuing company) effective as from January 1, 2016. On March 18, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550 and ordered that the file be sent to the IGJ for its registration, which is pending at the date of issue of these financial statements. (See Note 20)

On December 5, 2015 GFSA was authorized for commercial operation in the WEM. GFSA entered into with CAMMESA a WEM supply agreement for 55.5 MW. 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.

The total investment made by GFSA is equivalent to USD 55 million. Most remarkable are the installation of a turbine FT4000 with a capacity to generate 60 MW; the installation of a main transformer of 75 MVA and two transformers for ancillary services at the power station, of 2 and 3 KVA; the construction of two storage tanks for diesel-oil; construction of a water treatment plant; and civil works and electric works performed for the proper start-up of the Power Plant.

Albanesi S.A.

Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 1: GENERAL INFORMATION (Cont'd)

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained the authorization to enter the public offering system and create a program of Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. On December 29, the Company issued Class I Negotiable Obligations for \$ 70 million.

In turn, RGA is a leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants. In the year 2015, the Company has sold its interest in BDD and AJSA to RGA. As a result, the interim condensed separate financial statements at June 30, 2016 do not include BDD and AJSA and the statements of income and cash flows include the Company only in the period in which ASA held its control. In view of the above, the comparability of these statements is affected.

New projects

GMSA, ASA's subsidiary, announced a plan to increase generation of electricity in its installed plants in different locations in Argentina, which involves works for an investment of approximately USD 324 million and would contribute 400 MW new to the national system.

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 SEK 18.2 million. The payment of the turbine Siemens SGT800 was completed in February 2016 and arrived at the plant in June 2016. The assembly of the turbine and auxiliary equipment has been contracted with Siemens. The power transformer has been bought and progress is being made with civil works as scheduled. Other necessary tasks for the assembly and set-up of the turbine have been also performed. Among the main investments, we can mention the installation of a gas compression plant, a water treatment plant and a gasoil separation plant. In addition, connections to the high-voltage network will be built, the gas distribution system of ECOGAS will be adjusted and a cooling system will be installed for the incoming air of the turbine. The total investment of the project amounts to USD 42.7 million. We estimate the start-up of commercial operations in the fourth quarter of 2016.

Furthermore, on March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB to carry out the project to enlarge the Power Plant by 100 MW from the existent 250 MW with the installation of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement agreement falls within the scope of ES Resolution 220/07. An investment of USD 80 million is expected for these works. Commercial operation is scheduled to begin in the second quarter of 2017. At the date of these interim condensed financial statements, the Company completed payment to Siemens Industrial Turbomachinery AB of USD 21.7 million for the purchase of one of turbines and a deferred payment contract was signed with the supplier for the purchase of the other turbine. It is estimated that turbines will arrive at the plant in October 2016.

Under the framework of Resolution No. 21/16, GMSA 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 Ezeiza stage I and II and GI stages I and II, stated in US dollars and effective for 10 years as from the date scheduled or date of commercial authorization, whichever occurs first.

In relation to Resolution No. 21/16 previously described, we will proceed to enlarge by 100 MW the power generation capacity in GI, through the installation of two Siemens SGT-800 turbines of 50 MW each. The estimated investment amounts to USD 76.3 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 the second stage in the first quarter of 2018.

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Free translation from the original prepared in Spanish for publication in Argentina
Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 1: GENERAL INFORMATION (Cont'd)

New projects (Cont'd)

On April 30, 2016, GMSA signed a contract with Siemens Industrial Turbomachinery AB for the purchase of a SGT-800 turbine of 50 MW. At June 30, 2016, an advance payment of USD 2.2 million has been made.

In relation to Resolution No. 21/16 previously described, we will build a new plant in the Province of Buenos Aires (Ezeiza Power Plant) with 150 MW of power generation capacity, through the installation of three Siemens turbines SGT-800 of 50 MW each. The estimated investment amounts to USD 125.2 million.

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

On April 30, 2016, GMSA signed a contract with Siemens Industrial Turbomachinery AB for the purchase of two SGT-800 turbines of 50 MW each.

At June 30, 2016, GMSA has paid a 10% advance to Siemens Industrial Turbomachinery AB under the purchase contract of two SGT-800 turbines, equivalent to USD 4.4 million.

NOTE 2: BASIS FOR PRESENTATION

These interim condensed separate financial statements were prepared in accordance with IFRS issued by the IASB.

The CNV, through GR No. 622/13 has established the application of Technical Pronouncements No. 26 and 29 of the FACPCE which adopt IFRS issued by the IASB for entities included in the public offering system under Law No. 17811, either for its capital or negotiable obligations, or which have requested authorization to be included in the mentioned system.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 2: BASIS OF PRESENTATION (Cont'd)

The Company has adopted Technical Pronouncement No. 43 for the year ending December 31, 2016. Therefore, these interim condensed separate financial statements are the first issued in accordance with IFRS, with their transition date being January 1, 2015. The provisions of IFRS 1 "First-time adoption of International Financial Reporting Standards" have been applied at that date.

IFRS1 requires that a parent company adopting IFRS for the first time for its separate financial statements subsequently to the adoption in its consolidated financial statements is to value, at the transition period, assets and liabilities (including investments in subsidiaries, associates and joint ventures) at the same amount in both financial statements, except for consolidation adjustments. Due to the exemption set forth in IFRS 1, there are no differences at the transition date; therefore, no opening balances or reconciliations as required by IFRS 1 have been included at the transition date.

These interim condensed separate financial statements of the Company for the six and three-month period ended June 30, 2016 were prepared in accordance with IAS 34 "Interim Financial Reporting".

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, and those held for sale. 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.

These interim condensed separate 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 preparation of these financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The interim condensed separate financial statements for the six and three-month period ended June 30, 2016 and 2015 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, 2016 and 2015 do not necessarily reflect a proportionate percentage of the Company's results for the full year.

These interim condensed separate financial statements for the six and three-month periods ended June 30, 2016 and 2015 were approved for issuance by the Company's Board of Directors on August 10, 2016.

Albanesi S.A.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 2: BASIS OF PRESENTATION (Cont'd)

Comparative information

Balances at December 31, 2015 disclosed in these interim condensed separate financial statements for comparative purposes arise from financial statements at that date. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

NOTE 3: ACCOUNTING POLICIES

The accounting policies adopted for these interim condensed separate financial statements are consistent with those used in the separate financial information used for the last fiscal year, which ended on December 31, 2015.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed separate 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 separate financial statements were prepared.

In preparing these interim condensed separate financial statements, the critical judgments delivered by the Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the separate financial statements for the fiscal year ended December 31, 2015.

NOTE 5: 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 separate financial statements do not include the information required for the annual separate financial statements regarding risk management. They must be read jointly with the financial statements corresponding to the fiscal year ended December 31, 2015. No significant changes have been made to risk management policies since the annual closing.

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

The Company carries its businesses through various subsidiaries and associates.

Below, the development of investments in subsidiaries and associates is disclosed for the six-month periods ended June 30, 2016 and 2015:

	06.30.16	06.30.15
At the beginning of the period	1,561,566,568	1,120,910,262
Share capital paid-in	475,000	-
Dividends	(9,215,000)	(36,887,521)
Other comprehensive income	(92,642)	(2,487,776)
Gain on investment in subsidiaries and associates	29,279,428	5,289,178
Disposal of investment in subsidiaries	-	(10,914,860)
At the end of the period	1,582,013,354	1,075,909,283

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Notes to the **Interim Condensed Separate Financial Statements (Cont'd)**

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)

Below is a detail of investments and values of interest held by the Company in subsidiaries and associates for the six-month period ended June 30, 2016 and for the year ended December 31, 2015, as well as participation of the Company in the results of these companies at June 30, 2016 and 2015.

Name of the entity	Registered office of the entity	Main Activity	Ordinary Shares I vote	Value of the Group interest on net equity		Participation of the Group in the results		% of interest in			Latest financial statement (1)		
				06.30.16	12.31.15	06.30.16	06.30.15	06.30.16	12.31.15	Share Capital (face value)	Result for the year	Shareholders' Equity	
Subsidiaries													
GMSA	Argentina	Electricity	119,371,376	1,170,238,246	664,381,926	31,305,611	17,611,368	95%	95%	125,654,080	32,967,276	1,231,829,733	
GISA (2)	Argentina	Electricity	-	-	405,196,483	-	4,097,204	-	95%	-	-	-	
GRISA (2)	Argentina	Electricity	-	-	38,925,772	-	(1,711,451)	-	95%	-	-	-	
GLBSA (2)	Argentina	Electricity	-	-	39,643,454	-	(13,360,281)	-	95%	-	-	-	
GFSA	Argentina	Electricity	106,788,522	116,581,719	144,062,417	(27,480,698)	8,353,988	95%	95%	112,408,964	(22,053,911)	129,590,735	
GROSA	Argentina	Electricity	16,473,625	45,759,802	25,979,540	19,788,577	1,914,717	95%	95%	17,340,658	20,830,089	48,168,213	
GLSA	Argentina	Electricity	475,000	471,913	-	(3,088)	-	95%	-	500,000	(3,250)	496,750	
AFSA	Argentina	Hydrocarbon Generation	-	-	-	-	(52,277)	-	-	-	-	-	
BDD	Argentina	Wine company	-	-	-	-	(6,108,359)	-	-	-	-	-	
AJSA	Argentina	Airline company	-	-	-	-	(6,463,412)	-	-	-	-	-	
AVSA	Venezuela	Oil Company	24,999	90,929	249,047	(73,790)	(59,761)	99.99%	99.99%	51,435	(73,795)	90,932	
Associates													
Solaban Energía S.A.	Argentina	Electricity	73,184,160	248,870,745	243,127,929	5,742,816	1,069,442	42%	42%	174,248,000	13,673,369	592,549,391	
				1,582,013,354	1,561,566,568	29,279,428	5,289,178						

(1) Information of the financial statements at June 30, 2016 converted to IFRS.

(2) Companies merged with GMSA within the framework of the merger through absorption process as described in Note 20.

Information required by Exhibit C, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 7: OTHER RECEIVABLES

	<u>06.30.16</u>	<u>12.31.15</u>
<u>Non-Current</u>		
Minimum notional income tax	837,115	673,181
	<u>837,115</u>	<u>673,181</u>
<u>Current</u>		
Tax Law 25413	24,853	100,983
Related parties (Note 16)	88,420,574	62,577,384
Value added tax	4,791,284	4,537,593
Other tax credits	115,241	88,837
	<u>93,351,952</u>	<u>67,304,797</u>

The carrying amount of other current receivables approximates their fair value due to their short-term maturity.

Other long-term receivables are measured at present value applying a market rate. The amount thus obtained does not differ from its fair value.

NOTE 8: CASH AND CASH EQUIVALENTS

	<u>06.30.16</u>	<u>12.31.15</u>
Cash	-	2,478
Banks in local currency	1,507	60,427
Banks in foreign currency (Note 21)	50,129	100,328
Cash and cash equivalents (bank overdrafts excluded)	<u>51,636</u>	<u>163,233</u>

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

	<u>06.30.16</u>	<u>06.30.15</u>
Cash and cash equivalents	51,636	85,701
Bank overdrafts (Note 11)	(24,183)	(3,698)
Cash and cash equivalents (bank overdrafts excluded)	<u>27,453</u>	<u>82,003</u>

NOTE 9: TRADE PAYABLES

	<u>06.30.16</u>	<u>12.31.15</u>
Suppliers	123,610	719,651
Related parties (Note 16)	16,245,830	16,172,330
	<u>16,369,440</u>	<u>16,891,981</u>

NOTE 10: OTHER LIABILITIES

	<u>06.30.16</u>	<u>12.31.15</u>
<u>Non-Current</u>		
Related parties (Note 16)	100,446,241	100,255,918
	<u>100,446,241</u>	<u>100,255,918</u>
<u>Current</u>		
Related parties (Note 16)	185,475,495	174,501,494
	<u>185,475,495</u>	<u>174,501,494</u>

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 11: LOANS

	<u>06.30.16</u>	<u>12.31.15</u>
<u>Non-Current</u>		
Negotiable obligations	48,341,437	67,365,750
	<u>48,341,437</u>	<u>67,365,750</u>
<u>Current</u>		
Negotiable obligations	19,820,157	212,877
	24,183	-
	<u>19,844,340</u>	<u>212,877</u>

With the purpose of improving the financial profile of the company, on November 20, 2015 ASA, through Resolution 17,887, was granted authorization from the CNV for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

Class I Negotiable Obligations:

On December 29, 2015, the Company issued Class I Negotiable Obligations under the following conditions:

Principal: Nominal value: \$ 70,000,000

Interest: Private Banks BADLAR rate plus 5.5%

Term and repayment: interest on Class I NO will be paid on a quarterly basis, past due, in the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017, and December 29, 2017.

The principal of the Class I NO will be amortized in three (3) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of NO at the dates in which 18, 21 and 24 months respectively have elapsed, counted as from the date of issue, that is June 29, 2017; September 29, 2017 and December 29, 2017.

Funds obtained with the issue of the NO Class I were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

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

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 11: LOANS (Cont'd)

	<u>06.30.16</u>	<u>12.31.15</u>
Fix rate		
Less than 1 year	24,183	-
	<u>24,183</u>	<u>-</u>
Floating rate		
Less than 1 year	19,820,157	212,877
Between 1 and 2 years	48,341,437	67,365,750
	<u>68,161,594</u>	<u>67,578,627</u>
	<u>68,185,777</u>	<u>67,578,627</u>

Company loans are denominated in the following currencies:

	<u>06.30.16</u>	<u>12.31.15</u>
Argentine Pesos	68,185,777	67,578,627
	<u>68,185,777</u>	<u>67,578,627</u>

Changes in Company loans during the fiscal year were as follows:

	<u>06.30.16</u>	<u>06.30.15</u>
Loans at beginning of year	67,578,627	-
Interest paid	(12,108,704)	-
Accrued interest	12,691,671	-
Bank overdrafts	24,183	-
Loans at year end	<u>68,185,777</u>	<u>-</u>

NOTE 12: ADMINISTRATIVE EXPENSES

	<u>06.30.16</u>	<u>06.30.15</u>
Fees	(512,534)	(278,532)
Sundry	(45,866)	(97,896)
	<u>(558,400)</u>	<u>(376,428)</u>

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 13: FINANCIAL RESULTS

	<u>06.30.16</u>	<u>06.30.15</u>
<u>Financial costs</u>		
Loan interest	(12,691,671)	-
Tax interest and others	(81,677)	(43,154)
Bank expenses and commissions	(223,279)	(30,526)
Total financial expenses	(12,996,627)	(73,680)
<u>Other financial results</u>		
Exchange differences, net	189,247	5,005
Total other financial results	189,247	5,005
Total financial results, net	(12,807,380)	(68,675)

NOTE 14: CAPITAL STATUS

Capital Status at June 30, 2016 is as follows:

Share Capital	Amount \$	Date	Approved by Body	Date of registration with the Public Registry of Commerce
Total as of December 31, 2011	30,100,000			
Capitalization of debt	10,000,000	12/31/2012	Extraordinary Shareholders' Meeting	9/16/2013
Capitalization of debt	20,000,000	12/30/2013	Extraordinary Shareholders' Meeting	9/25/2014
Capital reduction	(55,644,840)	7/16/2014	Ordinary Shareholders' Meeting	9/25/2014
Capitalization of debt	58,000,000	3/22/2016	Extraordinary Shareholders' Meeting	Pending
Total as of June 30, 2016	62,455,160			

On July 16, 2014, the Ordinary Meeting of Shareholders resolved to reduce capital in the amount of \$ 55,644,840, with the share capital amounting to \$ 4,445,160. On March 22, 2016, the Extraordinary Shareholders' Meeting decided to increase the capital in the amount of \$ 58,000,000; therefore, the share capital amounted to \$ 62,455,160.

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.

	<u>06.30.16</u>	<u>06.30.15</u>
Income for the period attributable to the owners:	16,103,746	21,929,214
Weighted average of outstanding ordinary shares	36,323,292	4,455,160
Basic and diluted earnings per share	0.44	4.92

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 16: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Operations for the period

	<u>Relationship nature</u>	<u>06.30.16</u>	<u>06.30.15</u>
<u>Dividends earned</u>			
GMSA	Subsidiary	9,215,000	20,330,712
GRISA	Subsidiary	-	4,050,000
Solalban Energía S.A.	Related company	-	2,520,000
GROSA	Subsidiary	-	4,750,000
GLBSA	Subsidiary	-	5,236,809
		<u>9,215,000</u>	<u>36,887,521</u>
<u>Interest paid</u>			
GLBSA	Subsidiary	-	(43,124)
		-	<u>(43,124)</u>
<u>Disposal of investment in subsidiaries</u>			
Rafael G. Albanesi S.A.	Subsidiary	-	28,000,000
		-	<u>28,000,000</u>

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

	<u>Relationship nature</u>	<u>06.30.16</u>	<u>12.31.15</u>
<u>Other receivables</u>			
Current			
Shareholders' accounts	Other related parties	88,420,574	62,142,446
GRISA ⁽¹⁾	Subsidiaries	-	434,938
		<u>88,420,574</u>	<u>62,577,384</u>
<u>Trade payables</u>			
Current			
RGA	Other related parties	16,245,830	16,172,330
		<u>16,245,830</u>	<u>16,172,330</u>
<u>Other liabilities</u>			
Non-current			
AVSA (Note 21)	Subsidiaries	89,991	255,918
GLSA - Share capital not yet paid in	Subsidiaries	356,250	-
RGA (Note 19)	Other related parties	100,000,000	100,000,000
		<u>100,446,241</u>	<u>100,255,918</u>
Current			
AVSA - Share capital not yet paid in (Note 21)	Subsidiaries	476	1,302
GMSA	Subsidiaries	50,794,102	48,094,040
GFSA - Share capital not yet paid in	Subsidiaries	9,765,000	9,765,000
RGA (Note 19)	Other related parties	124,790,917	116,641,152
GLSA	Subsidiaries	125,000	-
		<u>185,475,495</u>	<u>174,501,494</u>

(1) Companies merged with GMSA within the framework of the merger through absorption process as described in Note 20.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 17: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES

Below is a detail of guarantees granted by ASA for financial transactions of subsidiaries and related parties:

In favor of	Type of guarantee	Entity	Asset/destination	From	Until	Amount secured	Balances at June 30, 2016
AJSA	Surety bond	SFG Equipment Leasing Corporation	Leasing aircraft Jet Lear 45XR	11/14/2008	1/21/2019	USD 7,330,000	USD 2,569,415
CTR ⁽¹⁾	Guarantor	Credit Suisse Securities	Repair and dual conversion of the power plant	1/20/2012	1/20/2019	USD 30,000,000	USD 17,905,792
CTR	Surety bond	Banco Ciudad de Bs As	Fire system / Electromechanic-civil works and tanks	9/17/2013	9/22/2016	\$ 10,000,000	\$ 921,234
CTR ⁽¹⁾	Surety bond	Banco de Inversión y Comercio Exterior (Syndicated)	Working capital	9/29/2015	9/29/2019	\$ 20,000,000	\$ 16,250,000
CTR ⁽¹⁾	Surety bond	Banco Hipotecario (Syndicated)	Working capital	9/29/2015	9/29/2019	\$ 20,000,000	\$ 16,250,000
CTR ⁽¹⁾	Guarantee	Banco Ciudad de Bs As	Working capital	4/28/2016	4/28/2019	\$ 15,000,000	\$ 15,000,000
GMSA	Surety bond	BAF	Project financing	2/11/2016	2/15/2019	USD 40,000,000	USD 40,000,000
GMSA ⁽¹⁾	Guarantor	Syndicated Loan	Purchase of turbine	5/8/2014	5/8/2017	\$ 90,000,000	\$ 39,600,000
GMSA ⁽¹⁾	Guarantor	Banco de la Provincia de Córdoba S.A	Working capital	6/8/2015	6/8/2017	\$ 5,000,000	\$ 2,500,040
GMSA ⁽¹⁾	Guarantor	Banco de la Provincia de Córdoba S.A	Working capital	5/10/2016	5/10/2018	\$ 5,000,000	\$ 4,791,670
GMSA	Guarantee	Negotiable obligations	Class IV	7/15/2015	7/15/2017	\$ 130,000,000	\$ 54,858,140
GFSA ⁽²⁾	Guarantee	Negotiable obligations	Class I	9/29/2014	9/29/2017	\$ 120,000,000	\$ 96,000,000
GFSA	Guarantee	Negotiable obligations	Class II	3/8/2016	3/8/2018	\$ 130,000,000	\$ 130,000,000
GFSA	Guarantor	Banco de la Ciudad de Buenos Aires S.A.	Investment	7/8/2014	8/1/2017	\$ 30,000,000	\$ 18,706,045
GFSA ⁽¹⁾	Guarantor	Syndicated Loan	Investment	4/1/2015	4/1/2019	\$ 60,000,000	\$ 60,000,000
GFSA ⁽¹⁾	Guarantor	Syndicated Loan	Investment	4/1/2015	4/1/2019	\$ 30,000,000	\$ 30,000,000
GFSA	Guarantor	PW Power Systems, Inc.	Turbine financing	3/30/2016	Completion of contract	USD 12,000,000	USD 12,000,000
BDD	Surety bond	Banco Comafi S.A.	Leasing of bin and belt	2/1/2012	6/1/2017	EUR 39,007	EUR 4,440.97
GMSA	Surety bond	CAMMESA	Repair of machinery	12/31/2012	5/30/2019	\$ 26,997,275	\$ 20,247,959
GROSA	Surety bond	Banco Coinag S.A.	Working capital	5/20/2016	11/20/2016	\$ 1,000,000	\$ 846,198

⁽¹⁾ At the date of these interim condensed separate financial statements, the debts detailed above have been fully repaid with the proceeds from the issuance of the International Negotiable Obligation disbursed on July 27, 2016. With the extinction of the above-mentioned obligations, the conditions have been met for the release of the guarantees provided thereunder and, at the date of issue of these interim condensed separate financial statements, the Company is in the process of documenting the necessary formalities for such purpose.

⁽²⁾ At the date of these interim condensed separate financial statements, GFSA Class I Negotiable Obligations had been fully repaid through a swap for GFSA Class III Negotiable Obligations. As this obligation has been extinguished, the conditions have been met for the release of the guarantees provided thereunder.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 18: WORKING CAPITAL

At June 30, 2016, the deficit in working capital (understood as current assets minus current liabilities) amounted to \$ 131,693,212.

With the aim of reducing the current deficit in working capital, ASA and its shareholders expect to execute the following action plan to continue paying the debt held by the Company with RGA, according to the following detail:

- i) \$150 million resulting from the cash flows obtained from the issue of Class II Negotiable Obligations.
- ii) \$40 million approximately corresponding to dividends expected to be received from subsidiaries and associates for the year 2016.

NOTE 19: BALANCE OF DEBT WITH RAFAEL G. ALBANESI S.A.

At June 30, 2016, the balance of trade payables and other liabilities with RGA amounted to \$ 241,036,747.

To continue reducing the debt with the related party RGA, the Board of Directors and shareholders expect to execute the action plan detailed in Note 18 with the aim of partially settling it.

NOTE 20: MERGER THROUGH ABSORPTION GMSA - GISA - GLBSA - GRISA

On August 31, 2015, GMSA entered into a merger agreement (the "Merger Agreement") whereby it started the merger through absorption process with the companies GISA, GLBSA and GRISA (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.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 20: MERGER THROUGH ABSORPTION GMSA - GISA - GLBSA – GRISA (Cont'd)

As a result of the merger and as approved in the Merger Agreement and Final Merger Agreement, as from the Effective Date of Merger: (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, with the by-laws of the continuing company being amended.

On March 18, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550 and ordered that the file be sent to the IGJ for its registration, which is pending at the date of issue of these financial statements.

NOTE 21: FOREIGN CURRENCY ASSETS AND LIABILITIES

Breakdown of balances in foreign currency of monetary assets and liabilities is as follows:

Captions	06.30.16				12.31.15
	\$				
	Class	Amount	Exchange rate at closing (1)	Amount recorded in pesos	Amount recorded in pesos
ASSETS					
Current Assets					
Banks	USD	3,355	14.94	50,129	100,328
Total Assets				50,129	100,328
LIABILITIES					
Non-Current Liabilities					
Other liabilities	Venezuelan Bolivares	3,784,823	0.02	89,991	255,918
Current Liabilities					
Other liabilities	Venezuelan Bolivares	20,000	0.02	476	1,302
Total Liabilities				90,467	257,220

(1) Prevailing exchange rate at closing

Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

Albanesi S.A.

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Notes to the Interim Condensed Separate Financial Statements (Cont'd)

NOTE 22: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of the receivables and debts at June 30, 2016, according to collection or payment term and restatement clauses is detailed in the table below:

	Other Receivables	Debts Trade payables	Income tax	Debts Taxes payable	Other liabilities	Loans
	\$					
To be due						
First quarter	-	123,610	110,902	3,010,998	4,882,500	161,465
Second quarter	-	-	-	-	4,882,500	-
Third quarter	-	-	-	-	-	-
Fourth quarter	-	16,245,830	-	285,625	-	19,682,875
More than one year	837,115	-	-	-	100,446,241	48,341,437
Subtotal	837,115	16,369,440	110,902	3,296,623	110,211,241	68,185,777
Past due						
Without stated term	93,351,952	-	-	-	175,710,495	-
Total	94,189,067	16,369,440	110,902	3,296,623	285,921,736	68,185,777
Non-interest bearing	94,189,067	16,369,440	110,902	3,296,623	285,921,736	-
At fixed rate	-	-	-	-	-	24,183
At floating rate	-	-	-	-	-	68,161,594
Total at 06.30.2016	94,189,067	16,369,440	110,902	3,296,623	285,921,736	68,185,777

NOTE 23: CREATION OF GENERACIÓN LITORAL S.A.

On March 14, 2016, the Company with Armando R. Loson, Holen S.A. and Carlos A. Bauzas created Generación Litoral S.A. with a capital stock of \$ 500,000. The corporate purpose of Generación Litoral S.A. is to develop electricity projects and provide advisory services, among others. ASA holds 95% interest in Generación Litoral S.A.

NOTE 24: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE

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.



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REVIEW REPORT ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed separate financial statements of Albanesi S.A. which comprise the separate statement of financial position at June 30, 2016, the separate statement of comprehensive income for the six and three-month period ended June 30, 2016, the separate 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 2015 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 separate 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

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separate 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 separate financial position, the separate comprehensive income and the separate cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim condensed separate 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 separate 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 separate financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the additional information to the notes to the interim condensed separate financial statements required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations, on which we have no observation to make insofar as concerns matters within our field of competence;
- d) as of June 30, 2016, there is no debt accrued in favor of the Argentine Integrated Social Security System;

Autonomous City of Buenos Aires, August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

Report of the Syndics' Committee

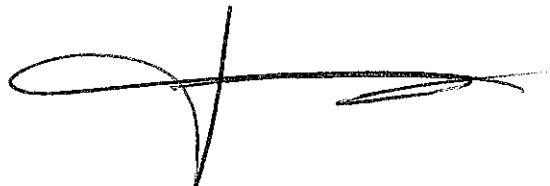
To the Shareholders of
Albanesi S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed separate financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30, 2016, the statement of comprehensive income for the six-month period ended June 30, 2016, 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 2015 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 separated 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 unqualified review report on the interim condensed separate financial statements on August 10, 2016. 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 separate 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 2, the interim condensed separate financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

A handwritten signature in black ink, consisting of a large, stylized loop on the left and a horizontal line extending to the right, ending in a small flourish.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed separate 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 10, 2016

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a vertical stroke.

Marcelo P. Lerner
Full Syndic
For the Syndics' Committee