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ALBANESI

Albanesi S.A.

Consolidated Financial Statements

At December 31, 2015
presented in a comparative format

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

Albanesi S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND 2014

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GLOSSARY OF TECHNICAL TERMS

The following glossary does not contain technical definitions, but has been designed to help the reader understand some of the terminology used in the preparation of the notes to the special consolidated financial statements of the Company.

Term	Definition
/day	Per day
ADSED	Amounts Due for Sales with to-be-defined Expiry Date
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fueguina S.A.
AIS	Argentine Interconnection System
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
APAS	Argentine Professional Accounting Standards
ASA	Albanesi S.A.
Availability	Percentage of time during which the power plant or machinery, as applicable, is operative (generating power) or available for power generation but is not called upon by CAMMESA.
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	Wholesale Electricity Market Management Company (Compañía Administradora del Mercado Mayorista Eléctrico S.A.)
CC	Combined cycle
CCA	Corporation Control Authority
CGU	Cash Generating Unit
IFRS IC	International Financial Reporting Standards Interpretations Committee
CL	Commercial Companies Law
CNV	National Securities Commission
CTR	Central Térmica Roca S.A. / The Company
Dam3	Cubic Decameter. Volume equal to 1,000 (one thousand) cubic meters.
HA	Historical Availability
Energía Plus	Plan created by Energy Secretariat (SE) Resolution 1281/06
ENRE	National Regulatory Body for Electricity
EPEC	Energy Company of the Province of Córdoba (Empresa Provincial de Energía de Córdoba)
FACPCE	Argentine Federation of Professional Councils in Economic Science
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.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GR	General Resolution
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.

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GLOSSARY OF TECHNICAL TERMS (Cont'd)

Term	Definition
GU	WEM Agents that are classified according to their consumption as: GUMAs, GUMEs, GUPAs and GUDIs
GUMAs	Large Users High Scale
GUMEs	Large Users Low Scale
GUDIs	Large Users – demand from clients of Distributors with power demand or declared power above 300 kW
GUPA	Large Users – Individuals
GW	Gigawatt. Unit of power equal to one billion watts.
GWh	Gigawatt-hour. Unit of energy equal to one billion watts-hour
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
kV	Kilovolt. Unit of electromotive force equal to 1,000 (one thousand) volts.
kW	Kilowatt. Unit of energy equal to 1,000 (one thousand) watts.
kWh	Kilowatt-hour. Unit of energy equal to 1,000 watts of power expended over one hour
MPM	Major Programmed Maintenance
MCA	Minimum Committed Availability
MMm3	Million cubic meters.
MW	Megawatt. Unit of energy equal to one million (1,000,000) watts.
MWh	Megawatts-hour. Unit of energy equal to 1,000,000 watts expended over one hour.
MVA	Megavolt ampere. Unit of measure of apparent power equal to 1 watt x 1 ampere x 106.
NO	Negotiable Obligation
PWPS	Pratt & Whitney Power System Inc
RA	Registered Availability
SE	Energy Secretariat
Resolution 220/07	Regulatory framework for the sale of energy to CAMMESA through so-called "WEM Supply Contracts", under Energy Secretariat Resolution N° 220/07
RGA	Rafael G. Albanesi S.A.
RT	Technical Pronouncement
SM	Spot Market
TA	Target Availability
The Group	Albanesi S.A. together with its subsidiaries
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A. (An electric power carriage company by means of a trunk line in the Argentine Northwestern region.)
VPC	Variable Production Cost
WEM	Wholesale Electricity Market

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Albanesi S.A.

Composition of the Board of Directors and Syndics' Committee as of December 31, 2015

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
Santiago R. Yofre
Augusto N. Arena

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Albanesi S.A.

Consolidated Financial Statements

For the fiscal year No. 23 commenced on January 1, 2015 and ended December 31, 2015
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

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Of by-laws:	June 28, 1994
Latest amendment:	October 7, 2015
Registration number with the Superintendency of Commercial Companies:	6216 of Book 115, Volume A of Corporations
Expiry of the Company's by- laws:	June 28, 2093

CAPITAL STATUS (Note 16)			
Shares			
Number	**Type**	**Number of votes per share**	**Subscribed, paid in and registered**
			$
4,455,160	Ordinary, registered, non-endorsable shares of $ 1 par value each	1	4,455,160

Albanesi S.A.

Consolidated Statement of Financial Position
At December 31, 2015 and 2014 and January 1, 2014
Stated in pesos

	Note	12.31.15	12.31.14	01.01.14
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	3,010,734,850	2,029,495,258	1,573,347,788
Intangible assets	8	-	4,751	9,502
Investments in associates	11	243,127,929	183,358,371	146,367,601
Investments in other companies	25	129,861	282	282
Deferred tax assets	24	-	5,875,490	10,960,576
Inventories	12	-	3,403,787	2,510,110
Other receivables	13	40,138,353	141,874,868	67,668,968
Trade receivables	14	3,886,527	3,886,303	3,448,670
Total non-current assets		**3,298,017,520**	**2,367,899,110**	**1,804,313,497**
CURRENT ASSETS				
Inventories	12	15,897,222	21,155,080	9,109,710
Income tax credit balance, net		2,020,791	-	-
Other receivables	13	221,597,328	84,013,069	56,695,776
Trade receivables	14	382,504,984	387,668,062	290,824,772
Other financial assets at fair value through profit and loss		1,210,961	-	-
Cash and cash equivalents	15	31,565,698	33,915,553	34,248,375
Total current assets		**654,796,984**	**526,751,764**	**390,878,633**
Non-current assets held for sale	9	-	-	**14,437,810**
Total Assets		**3,952,814,504**	**2,894,650,874**	**2,209,629,940**

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

Albanesi S.A.

Consolidated Statement of Financial Position (Cont'd)

At December 31, 2015 and 2014 and January 1, 2014

	Note	12.31.15	12.31.14	01.01.14
EQUITY				
Share capital	16	4,455,160	4,455,160	60,100,000
Capital Adjustment		-	-	123,901
Legal reserve		-	-	44,780
Optional reserve		-	-	22,482,667
Technical revaluation reserve		1,226,610,421	672,789,351	448,455,492
Translation reserve		(2,857,973)	(873,907)	77,568
Other comprehensive income		(1,594,964)	(1,660,196)	(1,032,337)
Unappropriated retained earnings		43,137,735	(22,281,606)	(83,713,151)
Equity attributable to the owners		**1,269,750,379**	**652,428,802**	**446,538,920**
Non-controlling interest		69,378,408	49,976,782	33,105,580
Total equity		**1,339,128,787**	**702,405,584**	**479,644,500**
LIABILITIES				
NON-CURRENT LIABILITIES				
Provisions	21	9,949,496	10,581,411	7,287,451
Deferred tax liabilities	24	548,354,489	293,777,353	211,525,452
Other liabilities	19	100,000,000	367,387,482	356,155,350
Defined benefit plans	27	4,819,097	3,681,060	2,049,747
Taxes	23	-	2,990,083	1,139,412
Loans	20	780,887,813	673,631,772	559,335,833
Trade payables	18	157,068,465	2,992,613	-
Total non-current liabilities		**1,601,079,360**	**1,355,041,774**	**1,137,493,245**
CURRENT LIABILITIES				
Provisions	21	-	-	901,136
Other liabilities	19	116,786,152	119,339,389	42,648,065
Social security debts	22	8,641,658	6,946,988	6,285,326
Defined benefit plan	27	857,422	342,328	479,476
Loans	20	583,831,816	284,194,175	267,921,879
Derivative financial instruments	26	-	8,182,629	-
Current income tax, net		729,121	5,994,414	1,764,226
Taxes	23	11,737,109	19,038,649	13,851,066
Trade payables	18	290,023,079	393,164,944	258,641,021
Total current liabilities		**1,012,606,357**	**837,203,516**	**592,492,195**
Total Liabilities		**2,613,685,717**	**2,192,245,290**	**1,729,985,440**
Total Liabilities and Equity		**3,952,814,504**	**2,894,650,874**	**2,209,629,940**

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

Albanesi S.A.

Consolidated Statement of Comprehensive Income
For the fiscal years ended December 31, 2015 and 2014
Stated in pesos

	Note	12.31.15	12.31.14
Sales revenue	29	1,519,868,770	1,141,281,256
Cost of sales	30	(1,122,369,360)	(835,126,445)
Gross income		**397,499,410**	**306,154,811**
Selling expenses	31	(11,021,843)	(12,188,747)
Administrative expenses	32	(49,980,106)	(32,264,305)
Income from interests in associates	11	(1,474,760)	4,693,235
Other operating income	33	77,627,248	6,041,647
Other operating expenses	33	(40,194,077)	(92,330)
Operating income		**372,455,872**	**272,344,311**
Financial income	34	5,453,742	6,106,715
Financial expenses	34	(198,461,444)	(152,556,322)
Other financial results	34	(136,258,212)	(172,079,646)
Financial results, net		**(329,265,914)**	**(318,529,253)**
Income before tax		**43,189,958**	**(46,184,942)**
Income tax	24	9,458,971	11,948,735
Income (Loss) from continuing operations		**52,648,929**	**(34,236,207)**
Discontinued operations	39	(15,989,918)	(6,544,430)
Income (loss) for the year		**36,659,011**	**(40,780,637)**
Other Comprehensive Income			
Items to be reclassified into income/loss			
Translation difference		(2,460,042)	(1,251,885)
Effect of hyperinflation		475,897	377,943
Items not reclassified into income/loss			
Revaluation of property, plant and equipment		831,186,968	329,697,755
Other comprehensive income from interests in associates		67,124,318	42,396,708
Income related to defined benefit plans		105,639	(1,016,776)
Impact on income tax		(290,952,413)	(115,038,342)
Other Comprehensive Income for the year		**605,480,367**	**255,165,403**
Comprehensive income for the year		**642,139,378**	**214,384,766**
Income (loss) for the year attributable to:			
Owners of the company		38,858,142	(38,593,424)
Non-controlling interest		(2,199,131)	(2,187,213)

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

Albanesi S.A.
Consolidated Statement of Comprehensive Income (Cont'd)

	Note	12.31.15	12.31.14
Income (Loss) for the year attributable to the owners of the company:			
Continuing operations		53,709,211	(32,355,848)
Discontinued operations		(14,851,069)	(6,237,576)
		38,858,142	**(38,593,424)**
Comprehensive income for the year attributable to:			
Owners of the company		617,321,577	205,889,882
Non-controlling interest		24,817,801	8,494,884
Earnings (Loss) per share attributable to the owners of the company			
Basic and diluted earnings (loss) per share from continuing operations	**35**	12.06	(0.94)
Basic and diluted (loss) per share from discontinued operations	**35**	(3.33)	(0.18)

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

Albanesi S.A.
Consolidated Statements of Changes in Equity
For the fiscal years ended December 31, 2015 and 2014
Stated in pesos

	Attributable to the owners											
	Shareholders' contributions			Retained earnings								
	Share Capital	Capital Adjustment	Total	Legal reserve	Optional reserve	Technical revaluation reserve	Translation reserve	Other comprehensive income	Unappropriated retained earnings	Sub-total	Non-controlling interest	Total equity
Balances at January 1, 2014	60,100,000	123,901	60,223,901	44,780	22,482,667	448,455,492	77,568	(1,032,337)	(83,713,151)	446,538,920	33,105,580	479,644,500
Absorption of accumulated losses as per Minutes of Shareholders' Meeting dated July 16, 2014	-	(123,901)	(123,901)	(44,780)	(22,482,667)	-	(77,568)		22,728,916	-	-	-
Capital reduction as per Minutes of Shareholders' Meeting dated July 16, 2014	(55,644,840)	-	(55,644,840)	-	-	-	-		55,644,840	-	-	-
Other comprehensive income for the year	-	-	-	-	-	245,985,072	(873,907)	(627,859)	-	244,483,306	10,682,097	255,165,403
Reversal of technical revaluation reserve	-	-	-	-	-	(21,651,213)	-	-	21,651,213	-	-	-
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	8,425,597	8,425,597
Dividends attributable to non-controlling interest	-	-	-	-	-	-	-		-	-	(49,279)	(49,279)
Comprehensive loss for the year	-	-	-	-	-	-	-	-	(38,593,424)	(38,593,424)	(2,187,213)	(40,780,637)
Balances at December 31, 2014	4,455,160	-	4,455,160	-	-	672,789,351	(873,907)	(1,660,196)	(22,281,606)	652,428,802	49,976,782	702,405,584
Reversal of technical revaluation reserve	-	-	-	-	-	(26,561,199)	-	-	26,561,199	-	-	-
Dividends attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(3,308,817)	(3,308,817)
Liquidation of the subsidiary	-	-	-	-	-	-	-	-	-	-	(150)	(150)
Sale of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,107,208)	(2,107,208)
Other comprehensive income for the year	-	-	-	-	-	580,382,269	(1,984,066)	65,232	-	578,463,435	27,016,932	605,480,367
Comprehensive income for the year	-	-	-	-	-	-	-	-	38,858,142	38,858,142	(2,199,131)	36,659,011
Balances at December 31, 2015	4,455,160	-	4,455,160	-	-	1,226,610,421	(2,857,973)	(1,594,964)	43,137,735	1,269,750,379	69,378,408	1,339,128,787

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

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Albanesi S.A.

Consolidated Statement of Cash Flows

For the fiscal years ended December 31, 2015 and 2014

Stated in pesos

	Notes	12.31.15	12.31.14
Cash flow provided by operating activities:			
Income (loss) for the year		36,659,011	(40,780,637)
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax on continuing operations and discontinued operations	24	(3,596,975)	(12,866,004)
Income from investments in associates	11	1,474,760	(4,693,235)
Depreciation of property, plant and equipment	7	111,512,180	105,949,802
Depreciation of assets held for sale	9	-	1,221,562
Amortization of Intangible assets	8	2,376	4,750
Setting up of provisions	21	(631,915)	2,392,824
Residual value of property, plant and equipment		1,214,783	877,646
Benefit plans accrual	27	1,846,717	956,865
Interest, exchange differences and other financial results		267,305,461	268,358,029
Income for sale of interests in subsidiaries	33	(76,641,670)	-
Changes in the fair value of investments in other companies	33	(129,579)	-
Income from the sale of spare parts		(6,963,104)	-
Income/Loss from the sale of property, plant and equipment		-	(23,899,225)
Results from changes in the fair value of financial instruments	34	(3,325,575)	19,170,857
Changes in operating assets and liabilities:			
Decrease (Increase) in trade receivables		146,333	(97,280,921)
(Increase) in other receivables		(29,433,485)	(97,669,708)
(Increase) in inventories		(7,726,145)	(12,939,047)
(Decrease) in trade payables		(76,932,315)	137,516,535
(Decrease) Increase in other liabilities		(105,215,467)	95,238,489
(Decrease) in defined benefit plans	27	(87,947)	(479,476)
(Decrease) in social security charges and taxes		(39,905,146)	(11,711,257)
Cash flow generated by operating activities		**69,572,298**	**329,367,849**
Cash flow provided by investment activities			
Dividends received	11	5,880,000	10,099,173
Expenses for the sale of interests in subsidiaries, net of funds received	39	(779,482)	-
Payments for the acquisition of property, plant and equipment	7	(216,342,367)	(222,033,218)
Payment of financial instruments		7,588,720	-
Payment of financial instruments		(13,363,729)	-
Subscription / redemption of mutual funds		(1,210,961)	-
Collection from the sale of property, plant and equipment		-	37,115,474
Cash flow (applied to) investment activities		**(218,227,819)**	**(174,818,571)**
Cash flow provided by financing activities:			
Contributions from non-controlling interest		-	8,425,597
Paid to non-controlling interest on liquidation of the company		(150)	-
Dividends paid to non-controlling interest by the subsidiaries		(3,308,817)	(49,279)
Repayment of loans and interest	20	(485,817,665)	(466,871,996)
Loans taken out		566,986,163	300,670,204
Cash flow generated by (applied to) financing activities		**77,859,531**	**(157,825,474)**
DECREASE IN CASH AND CASH EQUIVALENTS		**(70,795,990)**	**(3,276,196)**
Cash and cash equivalents at the beginning of year	15	11,157,579	26,954,756
Financial results of cash and cash equivalents		20,977,710	(12,520,981)
Cash and cash equivalents at the end of year	15	(38,660,701)	11,157,579
		(70,795,990)	**(3,276,196)**

Albanesi S.A.

Consolidated Statement of Cash Flows (Cont'd)

Material transactions not showing changes in cash		**12.31.15**	**12.31.14**
Acquisition of property, plant and equipment not yet paid	7	(4,266,744)	(11,164,541)
Acquisition of property, plant and equipment financed by suppliers	7	(116,258,739)	-
Purchase of components and spare parts not yet paid		16,854,134	-
Financial costs capitalized in property, plant and equipment		(12,795,878)	-
Other comprehensive income for the year		605,480,367	255,165,403
Balances offset on the sale of subsidiary		108,750,000	-

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

Albanesi S.A.

Notes to the Consolidated Financial Statements
For the fiscal years ended December 31, 2015 and 2014
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. See a description of the subsidiaries and associates in the annual report.

Companies	Country of incorporation	Main business activity	% participation in decision-making		
			12.31.15	12.31.14	01.01.14
Generación Mediterránea S.A. (GMSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Independencia S.A. (GISA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Frías S.A. (GFSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Rosario S.A. (GROSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Riojana S.A. (GRISA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación La Banda S.A. (GLB)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Solalban Energía S.A.	Argentina	Generation of electric energy	42.00%	42.00%	42.00%
Albanesi de Venezuela S.A. (AVSA)	Argentina	Hydrocarbon generation	-	95.00%	95.00%
Albanesi Fueguina S.A. (AFSA)	Venezuela	Oil company	99.99%	99.99%	99.99%
Alba Jet S.A. (AJSA)	Argentina	Airline company	-	95.00%	95.00%
Bodega del Desierto S.A. (BDD)	Argentina	Winery company	-	90.00%	90.00%

The generation segment of Albanesi Group has an installed capacity of approximately 887 MW, which accounts for 4% of the installed capacity of Argentina. In addition, considering the different projects underway, Albanesi Group will have an installed capacity of approximately 1057 MW.

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.

In 2015, ASA sold its interest in BDD and AJSA to RGA. In this way, ASA is focused on its main business, the electric power generation and sale.

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 (See Note 39). As a result, the consolidated financial statements at December 31, 2015 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.

Furthermore, as from September 2015, the proceedings for dissolution and final distribution of AFSA started (see Note 48).

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION

The Group's revenue from electricity generation activity is derived from sales to Large Users on the Forward Market, basic and surplus demand (ES Resolution 1281/06), from sales to CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) according to ES Resolution 220/07, and sales under ES Resolution 529/14. In addition, the excess electricity generated under the modalities of ES Resolutions 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the Wholesale Electricity Market (WEM) administered by CAMMESA.

a) Regulations on Energía Plus, Resolution 1281/06

The Energy Secretariat approved Resolution 1281/2006 which provides that the existing energy sold on the Spot Market will follow these priorities:

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

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

The resolution also establishes that:

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

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

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

As to the Energía Plus program, at December 31, 2014 a great percentage of the power available was under contract. The average term of the different Energy Plus contracts entered into between GMSA and GISA and their customers is 1 year. Sales under this modality are paid by customers directly to GMSA and GISA.

In addition, the Company expects to improve the utilization factor and prices under contracts pertaining to the Resolution mentioned, owing to the new system established by Resolution No. 413 issued by the Energy Secretariat on March 13, 2015.

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

b) WEM Supply Contract (Resolution 220/07)

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

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

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

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.

GMSA and CAMMESA entered into a Wholesale Electric Market supply contract for 45 MW, for a term of 10 years counted as from the commercial commissioning. In turn, GISA agreed with CAMMESA a WEM supply contract for 116,7 MW, for a term of 10 years counted as from November 2011.

This contract sets a remuneration comprised of 5 components: i) a fixed charge for the average monthly availability of contracted power, for a price of 16,133 USD/MW-month for GMSA, 17,155 USD/MW-month for GISA and 19,272 USD/MW for GFSA; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (for GMSA gas 7.83 USD/MWh – gas oil 8.32 USD/MWh, for GISA gas 7.52 USD/MWh – gas oil 7.97 USD/MWh and for GFSA gas 10.83 USD/MWh – gas oil 11.63 USD/MWh); iv) a variable charge for repayment of fuel costs, all at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales to the Spot Market (ES Resolution 95/13)

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.

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

c) Sales to the Spot Market (ES Resolution 95/13) (Cont'd)

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.

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".

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 2015.

The remuneration system, updated by Res. 482/15, 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:

Companies	Classification	Fixed Cost as per Res. 482 (New)	Fixed Cost as per Res. 529
		$/MWhrp	$/MWhrp
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	89.60	70
GROSA	TV Units with Power (P) > 100 MW (large)	76.00	59.4
GMSA	CC Units with Power (P) < 150 MW (small)	59.50	46.5

   These prices may be increased by a percentage established in Res. No. 482. 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 subsidiaries. The prices recognized by new Res. No. 482 are 33.10 $/MWh for generation with natural gas, 57.90 $/MWh with gas oil and fuel oil; while the former resolution recognized 26.80 $ /MWh for generation with natural gas and 46.90 $ /MWh with gas oil.

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Notes to the Consolidated Financial Statements (Cont'd)

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

c) Sales to the Spot Market (ES Resolution 95/13) (Cont'd)

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.

Companies	Classification	Additional Remuneration $/MWh as per Res. 482 (new)		Additional Remuneration $/MWh as per Res. 529	
		Directly	Trust Fund	Directly	Trust Fund
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	13.70	5.90	10.9	4.7
GROSA	TV Units with Power (P) > 100 MW (large)	11.70	7.80	9.4	6.2
GMSA	CC Units with Power (P) < 150 MW (small)	13.70	5.90	10.9	4.7

c) Sales to the Spot Market (ES Resolution 95/13) (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.

Companies	Classification	Res. 482 (new)	Res. 529
		$/MWh	$/MWh
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	28.20	24
GROSA	TV Units with Power (P) > 100 MW (large)	28.20	24
GMSA	CC Units with Power (P) < 150 MW (small)	24.70	21

5. New concept named "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 it to have a participation in the new investments made to diversify the pool of electricity generators in Argentina.

Companies	Classification	Res. 482 (new) $/MWh
GLB/GRISA	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 $ 15,747,307.

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

c) Sales to the Spot Market (ES Resolution 95/13) (Cont'd)

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 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.

ES Resolution No. 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 1281/2006 (Energía Plus) is excluded from these regulations.

d) Gas supplied by RGA

The natural gas used by GMSA and GISA for the turbo generators assigned to Energía Plus, in accordance with the supply requirements for those units in the Energía Plus market created by ES Resolution 1281/2006, is provided by RGA through an offer for gas supply.

NOTE 3: ADOPTION OF IFRS

The Company fully adopted IFRS issued by the International Accounting Standards Board as from the fiscal year commenced January 1, 2015. Adoption of these standards have produced changes in the accounting policies of the Company and their recognition was included in the consolidated financial statements for the year ending December 31, 2015 and quarterly closing dates. Further, as a result of the adoption of IFRS, the presentation of the consolidated financial statements at December 31, 2014 was restructured for comparative purposes. This recognition and the respective restructuring are presented in item 3.2 below, according to the reconciliation of equity as of December 31, 2014 and January 1, 2014 (date of transition to the adoption of IFRS), and the reconciliation of consolidated comprehensive income as of December 31, 2014. Furthermore, the restructured consolidated statement of financial position at January 1 and December 31, 2014 and consolidated statement of cash flows for the year ended December 31, 2014 are disclosed in addition to the reconciliation with the statements presented in accordance with professional accounting standards in force.

NOTE 3: ADOPTION OF IFRS (Cont'd)

Adoption of international financial reporting standards

The Company has applied the following mandatory exceptions to retroactive application of IFRS in the preparation of the equity and comprehensive income reconciliations included below:

a. Estimates

Estimates as of January 1, 2014 under IFRS are consistent with the estimates at that date made under ARG GAAP. Accordingly, the estimates made by the Company under prior standards have not been revised for applying IFRS, except when necessary to show any differences in accounting policies.

b. Non-controlling interests exception

IFRS 1 provides that an entity must apply the requirements of IFRS 10 "Consolidated Financial Statements" prospectively for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control. Under ARG GAAP, the Company accounts for the acquisition of non-controlling interests that do not result in changes in control as business combinations. Furthermore, under ARG GAAP, the Company accounts for the disposals of non-controlling interests that do not result in changes in control at carrying value, with any difference between the consideration received and the carrying value of the non-controlling interest assigned being recognized in the statement of income. The Company has not restated those acquisitions or disposals prior to the transition date.

IFRS 1 establishes that an entity must apply the requirements of IFRS 10 prospectively for accounting for a loss of control over a subsidiary. Under ARG GAAP, the Company recognizes any minority interest held using the equity method at the date when control was lost.

c. Classification and measurement of financial assets

The classification and measurement of financial assets are made in accordance with IFRS 9, which was early adopted by the Company as of January 1, 2014. This standard has two measurement categories: amortized cost and fair value, and was applied by the Company on the basis of the facts and circumstances existing at the transition date.

The other mandatory exceptions established by IFRS 1 have not been applied for they are irrelevant to the Company. These exceptions are as follows:

- Deletion of financial assets and liabilities
- Hedge accounting
- Embedded derivatives

Certain optional exemptions from retroactive application of IFRS issued by the IASB are permitted under IFRS 1, and the Company has applied the following exemption:

d. Deemed cost of property, plant and equipment

The cost of property, plant and equipment restated in accordance with ARG GAAP has been adopted as deemed cost at the date of transition to IFRS, since it is similar to the cost or depreciated cost in accordance with IFRS, adjusted to reflect the changes in a general or specific price index.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

Reconciliation between IFRS and Argentine GAAP in effect as of December 31, 2014

The following tables show the reconciliations between ARG GAAP and IFRS, quantifying the effects of the transition and of the comparative figures for the first fiscal year of application on:

- Reconciliation of equity as of December 31 and January 1, 2014 and of comprehensive income as of December 31, 2014 (Note 3.2.1)
- Reconciliation of the consolidated statement of financial position as of December 31 and January 1, 2014 (Note 3.2.2 and 3.2.3)
- Explanations on transition to IFRS (Note 3.2.4)
- Reconciliation of the consolidated statement of comprehensive income for the year ended December 31, 2014 (Note 3.2.5)
- Reconciliation of the consolidated cash flow statement for the year ended December 31, 2014 (Note 3.2.6)

3.2.1) Reconciliation of equity at December 31 and January 1, 2014

	Note 3.4	12.31.14	01.01.14
Equity under ARG GAAP		**660,414,710**	**2,272,132**
Negative goodwill	(i)	2,598,107	3,210,107
Valuation of loans at amortized cost	(ii)	(10,460,843)	(11,400,086)
Inventory valuation	(iii)	(2,026,093)	(2,026,093)
Preoperating expenses	(iv)	(422,087)	(2,723,599)
Property, plant and equipment under the revaluation model	(v)	-	631,879,678
Valuation of advances on property, plant and equipment	(vi)	(4,866,774)	-
Defined benefit plan	(vii)	(3,165,966)	(1,671,801)
Deferred tax	(viii)	6,947,397	(215,302,553)
Consolidation of investment in the subsidiary Albanesi de Venezuela S.A.	(ix)	2,710,741	3,969,281
Non-controlling interest on prior adjustments	(x)	699,610	(19,937,936)
Investments in associates	(xi)	-	58,269,790
Equity under IFRS		**652,428,802**	**446,538,920**
Non-controlling interest		49,976,782	33,105,580
Total comprehensive income under IFRS		**702,405,584**	**479,644,500**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

Reconciliation of consolidated income at December 31, 2014

	Note 3.4	12.31.14
Income for the year attributable to the owners under ARG GAAP		**(24,611,823)**
Negative goodwill	(i)	(612,000)
Valuation of loans at amortized cost	(ii)	939,243
Preoperating expenses	(iv)	2,301,512
Property, plant and equipment under the revaluation model	(v)	(14,206,759)
Valuation of advances on property, plant and equipment	(vi)	(4,866,774)
Defined benefit plan	(vii)	(477,389)
Deferred tax	(viii)	5,708,559
Consolidation of investment in the subsidiary Albanesi de Venezuela S.A.	(ix)	(384,598)
Non-controlling interest on prior adjustments	(x)	530,095
Investments in associates	(xi)	(2,913,490)
Income for the year attributable to the owners under IFRS		**(38,593,424)**
Non-controlling interest		(2,187,213)
Total income under IFRS		**(40,780,637)**

	Note 3.4	12.31.14
Other comprehensive income under ARG GAAP		**682,754,401**
Reversal of technical revaluation under ARG GAAP		(682,754,401)
Other income from interests in associates	(xi)	42,396,708
Property, plant and equipment under the revaluation model	(v)	329,697,755
Income related to defined benefit plans	(vii)	(1,016,776)
Deferred tax	(viii)	(115,038,342)
Translation difference	(ix)	(1,251,885)
Effect of hyperinflation	(ix)	377,943
Non-controlling interest on prior adjustments	(x)	(10,682,097)
Other comprehensive income attributable to the owners under IFRS		**244,483,306**
Non-controlling interest		10,682,097
Other comprehensive income under IFRS		**255,165,403**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.2) Reconciliation of the consolidated statement of financial position as of December 31, 2014

	Note 3.2.4	Former professional accounting standard (1)	Effects of the transition to IFRS	IFRS
ASSETS				
NON-CURRENT ASSETS				
Goodwill	i)	(2,598,107)	2,598,107	-
Property, plant and equipment	iii) v) and vi)	2,094,617,053	(65,121,795)	2,029,495,258
Intangible assets	iv)	426,838	(422,087)	4,751
Investments in associates		183,358,371	-	183,358,371
Investments in other companies		-	282	282
Deferred tax assets	viii)	5,931,671	(56,181)	5,875,490
Inventories	iii)	22,261,231	(18,857,444)	3,403,787
Other receivables	vi)	64,788,496	77,086,372	141,874,868
Trade receivables		3,886,585	(282)	3,886,303
Total non-current assets		**2,372,672,138**	**(4,773,028)**	**2,367,899,110**
CURRENT ASSETS				
Inventories		21,155,080	-	21,155,080
Other receivables	ix)	83,999,300	13,769	84,013,069
Trade receivables		387,668,062	-	387,668,062
Cash and cash equivalents		33,915,553	-	33,915,553
Total current assets		**526,737,995**	**13,769**	**526,751,764**
Total Assets		**2,899,410,133**	**(4,759,259)**	**2,894,650,874**

(1) Corresponds to balances included in the consolidated financial statements as of December 31, 2014, approved by the Board of Directors, with certain reclassifications for purposes of disclosure under IFRS (see Note 3.2.4).

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.2) Reconciliation of the consolidated statement of financial position as of December 31, 2014 (Cont'd)

	Note 4.2.4	Former professional accounting standard (1)	Effects of the transition to IFRS	IFRS
EQUITY				
Share capital		4,455,160	-	4,455,160
Technical revaluation reserve		672,789,351	-	672,789,351
Translation reserve	vii)	-	(873,907)	(873,907)
Other comprehensive income		-	(1,660,196)	(1,660,196)
Retained earnings		(16,829,801)	(5,451,805)	(22,281,606)
Equity attributable to the owners		**660,414,710**	**(7,985,908)**	**652,428,802**
Non-controlling interest	x)	50,676,392	(699,610)	49,976,782
TOTAL EQUITY		**711,091,102**	**(8,685,518)**	**702,405,584**
LIABILITIES				
NON-CURRENT LIABILITIES				
Provisions		10,581,411	-	10,581,411
Deferred tax liabilities	viii)	300,780,931	(7,003,578)	293,777,353
Other liabilities		370,070,371	(2,682,889)	367,387,482
Defined benefit plan	vii)	-	3,681,060	3,681,060
Taxes		2,990,083	-	2,990,083
Loans		673,631,772	-	673,631,772
Trade payables		2,992,613	-	2,992,613
Total non-current liabilities		**1,361,047,181**	**(6,005,407)**	**1,355,041,774**
CURRENT LIABILITIES				
Other liabilities	xii)	127,536,101	(8,196,712)	119,339,389
Social security debts	vii)	7,804,410	(857,422)	6,946,988
Defined benefit plan	vii)	-	342,328	342,328
Loans	ii)	273,733,332	10,460,843	284,194,175
Derivative financial instruments	xii)	-	8,182,629	8,182,629
Current income tax, net		5,994,414	-	5,994,414
Taxes		19,038,649	-	19,038,649
Trade payables		393,164,944	-	393,164,944
Total current liabilities		**827,271,850**	**9,931,666**	**837,203,516**
Total Liabilities		**2,188,319,031**	**3,926,259**	**2,192,245,290**
Total Liabilities and Equity		**2,899,410,133**	**(4,759,259)**	**2,894,650,874**

(1) Corresponds to balances included in the consolidated financial statements as of December 31, 2014, approved by the Board of Directors, with certain reclassifications for purposes of disclosure under IFRS (see Note 3.2.4).

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.2) Reconciliation of the consolidated statement of financial position as of January 1, 2014

	Note 3.2.4	Former professional accounting standard (1)	Effects of the transition to IFRS	IFRS
ASSETS				
NON-CURRENT ASSETS				
Goodwill	i)	(3,210,107)	3,210,107	-
Property, plant and equipment	iii) v) and vi)	962,459,357	610,888,431	1,573,347,788
Intangible assets	iv)	2,733,101	(2,723,599)	9,502
Investments in associates	xi)	88,097,811	58,269,790	146,367,601
Investments in other companies		-	282	282
Deferred tax assets	viii)	14,737,677	(3,777,101)	10,960,576
Inventories	iii)	16,387,033	(13,876,923)	2,510,110
Other receivables	vi)	34,826,891	32,842,077	67,668,968
Trade receivables		3,448,952	(282)	3,448,670
Total non-current assets		**1,119,480,715**	**684,832,782**	**1,804,313,497**
CURRENT ASSETS				
Property, plant and equipment	xiii)	14,437,810	(14,437,810)	-
Inventories		9,109,710	-	9,109,710
Other receivables	ix)	56,675,664	20,112	56,695,776
Trade receivables		290,824,772	-	290,824,772
Cash and cash equivalents		34,248,375	-	34,248,375
Total current assets		**405,296,331**	**(14,417,698)**	**390,878,633**
Non-current assets held for sale	xiii)	**-**	**14,437,810**	**14,437,810**
Total Assets		**1,524,777,046**	**684,852,894**	**2,209,629,940**

(1) Corresponds to balances included in the consolidated financial statements as of December 31, 2013, approved by the Board of Directors, with certain reclassifications for purposes of disclosure under IFRS (see Note 3.2.4).

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.3) Reconciliation of the statement of financial position as of January 1, 2014 (Cont'd)

	Note 3.2.4	Former professional accounting standard (1)	Effects of the transition to IFRS	IFRS
EQUITY				
Share capital		60,100,000	-	60,100,000
Capital Adjustment		123,901	-	123,901
Legal reserve		44,780	-	44,780
Optional reserve		22,482,667	-	22,482,667
Technical revaluation reserve	v)	-	448,455,492	448,455,492
Translation reserve		77,568	-	77,568
Other comprehensive income	vii)		(1,032,337)	(1,032,337)
Retained earnings		(80,556,784)	(3,156,367)	(83,713,151)
Equity attributable to the owners		**2,272,132**	**444,266,788**	**446,538,920**
Non-controlling interest	x)	13,167,644	19,937,936	33,105,580
TOTAL EQUITY		**15,439,776**	**464,204,724**	**479,644,500**
LIABILITIES				
NON-CURRENT LIABILITIES				
Provisions		7,287,451	-	7,287,451
Deferred tax liabilities	viii)	-	211,525,452	211,525,452
Other liabilities		360,083,948	(3,928,598)	356,155,350
Defined benefit plans	vii)	-	2,049,747	2,049,747
Taxes		1,139,412	-	1,139,412
Loans		559,335,833	-	559,335,833
Total non-current liabilities		**927,846,644**	**209,646,601**	**1,137,493,245**
CURRENT LIABILITIES				
Provisions		901,136	-	901,136
Other liabilities		42,668,636	(20,571)	42,648,065
Social security debts	vii)	7,142,748	(857,422)	6,285,326
Defined benefit plan	vii)	-	479,476	479,476
Loans	ii)	256,521,793	11,400,086	267,921,879
Current income tax, net		1,764,226	-	1,764,226
Taxes		13,851,066	-	13,851,066
Trade payables		258,641,021	-	258,641,021
Total current liabilities		**581,490,626**	**11,001,569**	**592,492,195**
Total Liabilities		**1,509,337,270**	**220,648,170**	**1,729,985,440**
Total Liabilities and Equity		**1,524,777,046**	**684,852,894**	**2.209.629.940**

(1) Corresponds to balances included in the consolidated financial statements as of December 31, 2013, approved by the Board of Directors, with certain reclassifications for purposes of disclosure under IFRS (see Note 3.2.4).

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.4) Explanations on transition to IFRS

Former professional accounting standard

The column headed "Former professional accounting standard (I)" of the summary tables above includes a detail of the historical balances according to ARG GAAP as of and for the fiscal year ended December 31, 2014 compared with the fiscal year ended December 31, 2013. However, column I already shows some reclassifications and/or grouping, to simplify the explanation of certain changes introduced in these first annual financial statements according to IFRS. The changes made to the statement of financial position as per ARG GAAP and included in column I are as follows:

(1) Income tax payable, deferred tax assets and deferred tax liabilities, recorded within "Other receivables" and "Taxes" under ARG GAAP, have been disclosed separately.

(2) Cash equivalents formerly disclosed as part of current investments were grouped together with the Cash and banks caption, in a new line with the title "Cash and cash equivalents".

(3) Under ARG GAAP, the portion of equity in a subsidiary not attributable, directly or indirectly, to the parent is labelled "Minority interest in subsidiaries" and it is classified as a separate component between the Liabilities and Equity sections in the statement of financial position. IFRS 10 "Consolidated Financial Statements" specifies that a non-controlling interest in a subsidiary is a participation in the consolidated entity that must be presented in the consolidated financial statements within equity, separately from the equity of the owners. The Group has non-controlling interests in more than one subsidiary. Therefore, the several non-controlling interests were grouped within the consolidated financial statements, renamed as "Non-controlling interest" and the total amount of the in-between section was classified to equity at the date of transition.

Effects of the transition to IFRS

(i) Negative goodwill

ARG GAAP – Under ARG GAAP, when the amount paid in a business combination or the acquisition of a non-controlling interest is less than the carrying value of the assets acquired and the liabilities assumed, the Group recognizes this difference as negative goodwill in the statement of financial position (deducted from non-current assets), which is amortized over the corresponding period, not exceeding 20 years. However, under ARG GAAP, when there is negative goodwill, the intangible assets acquired that otherwise would be recognized are decreased to absorb the negative goodwill, even if a zero value has been allocated.

IFRS –The Company has applied the consolidation exception of IFRS 1 for business combinations. This means that the Company has applied the exception of IFRS 1 for the acquisition of non-controlling interests. Accordingly, those business combinations and acquisitions of non-controlling interests completed prior to January 1, 2014 were not restated, and the carrying value of the negative goodwill at January 1, 2014 under IFRS is equal to the carrying value under ARG GAAP at that date. According to IFRS, negative goodwill is immediately recognized as income.

In addition, the acquisition of associates is initially recognized at investment cost. Any difference between investment cost and the investor interest in the net fair values of the associate's identifiable assets and liabilities is considered goodwill. Negative goodwill is recognized in the statement of income for the period in which the associate was acquired.

Therefore, the balances of negative goodwill recognized in the statement of financial position under ARG GAAP were deleted under IFRS.

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.4) Explanations on transition to IFRS (Cont'd)

(ii) Valuation of loans at amortized cost

Under ARG GAAP, monetary liabilities originated in financial transactions are measured according to the sum of money received, net of transaction costs.

In this regard, IFRS establish that these transactions must be valued at amortized cost. The amortized cost of a financial asset or liability is the initial measurement of that asset or liability minus any repayments of the principal, plus or minus accumulated amortization —calculated using the effective interest method— of any difference between the initial value and the amount repaid at maturity, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the financial income or expenses throughout the corresponding period. The effective interest rate is the rate that exactly discounts the estimated cash flows to be collected through the expected life of the financial instrument.

(iii) Inventory valuation

Under ARG GAAP, materials and spare parts were considered within inventories. Under IFRS, those materials estimated to be consumed in the long term were reclassified to the caption Property, plant and equipment.

Given that, according to IFRS, the caption Property, plant and equipment is valued at acquisition cost (less accumulated depreciation and accumulated impairment losses), the exchange differences recognized under the prior accounting standards were adjusted, because materials and spare parts used to be measured at replacement cost.

(iv) Preoperating expenses

Under ARG GAAP, preoperating expenses, organization expenses and other start-up costs are capitalized and amortized on a straight-line basis, usually during a five-year period.

IFRS prescribe that preoperating expenses cannot be attributed to the cost of property, plant and equipment or the formation of intangible assets and must be immediately recognized as expenses.

(v) Property, plant and equipment under the revaluation model

Under ARG GAAP, property, plant and equipment are valued at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Under IFRS, a part of property, plant and equipment uses the revaluation model that measures certain elements of the electricity generation business at their fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any.

As from December 31, 2014, under ARG GAAP the Company opted for using the revaluation model of Technical Pronouncement No. 31 for certain elements of property, plant and equipment of the electricity generation business, due to the amendment of Section 275 of Appendix "A" to IGJ General Resolution No. 7/2005 through IGJ General Resolution No. 4/2015 issued on February 27, 2015. As a result of this, at December 31, 2014 there are no differences between ARG GAAP and IFRS.

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NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.4) Explanations on transition to IFRS (Cont'd)

(vi) Valuation of advances on property, plant and equipment

Under ARG GAAP, advances on property, plant and equipment were considered part of property, plant and equipment. Under IFRS they were reclassified from property, plant and equipment to other receivables.

Under ARG GAAP, advances on the purchase of property, plant and equipment in foreign currency were valued at the exchange rate prevailing at year end.

Under IFRS, advances to suppliers made in foreign currency must be recorded under the Cost model, and their revaluation or recognition of the effects of the exchange rate is not allowed.

(vii) Defined benefit plan

Defined benefit plans, previously included as part of Social Security charges, are disclosed in a separate line under IFRS.

Under IFRS, defined benefit plans must be recognized for the total amount of the obligation, while under ARG GAAP certain items such as past service costs are recognized to income, being allocated linearly over the remaining period until the right to the benefit is irrevocably vested.

(viii) Deferred tax

Corresponds to the effect on deferred taxes of the adjustments for conversion to IFRS.

(ix) Consolidation of investment in the subsidiary Albanesi de Venezuela S.A.

Under ARG GAAP, the Company had set up a provision for its investment in the subsidiary AVSA, recording the net value of the investment at zero because the expectations on which the project for operating oil and gas fields was based were not fulfilled, due to the changes in regulations referred to oil exploitation permits.

As per TP 26, incorporated into the CNV regulations, in the separate financial statements of companies that must file consolidated financial statements, investments in subsidiaries, in entities jointly controlled and associates are accounted for using the "equity method" as described in IAS 28 "Investments in Associates". This criterion differs from the one established in paragraph 10 of revised IAS 27 "Separate Financial Statements" (approved by the FACPCE through Circular No. 8), according to which those cases should be accounted for at cost or at its fair value. This situation configures the only exception to thorough application of IFRS in the separate financial statements established by ARG GAAP.

(x) Non-controlling interest

Differences in the non-controlling interest include the effect of considering, if applicable, the separate effects of other differences between ARG GAAP and IFRS.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.4) Explanations on transition to IFRS (Cont'd)

(xi) Impact of adjustment to investments in associates

Under ARG GAAP, the investment in the associate Solalban S.A., an entity over which the Company exercises significant influence, is recorded using the equity method. Under the equity method, the investment is recognized at its original cost and periodically increased (or decreased) according to the investor's share of profits (losses) of the associate and decreased by all the dividends received from the associate. The Company applies its percentage of interest to the consolidated financial statements of its investments recorded under the equity method, prepared in accordance with ARG GAAP.

Under IFRS, the Company also records investments in associates using the equity method. However, the Company has assessed the impact of the adjustments to conform to IFRS on the financial statements of those entities prepared under ARG GAAP, prior to applying the equity method.

The adjustment to IFRS most significant to the subsidiary's equity and comprehensive income is the valuation of "Property, plant and equipment under the revaluation model".

(xii) Classification of derivative financial instruments

Derivative financial instruments formerly included as part of the captions Other receivables or Other liabilities have been disclosed as separate assets or liabilities, as applicable.

(xiii) Classification of non-current assets held for sale

Assets corresponding to property, plant and equipment intended for sale, formerly included as current assets within the caption Property, plant and equipment, have been disclosed as "Assets held for sale" separate from the other assets.

Albanesi S.A.

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.5) Reconciliation of the consolidated statement of comprehensive income for the year ended on December 31, 2014

	Note 3.2.5	Professional accounting standard in force (*)	Effects of the transition to IFRS	IFRS
Sales revenue	h)	1,159,368,519	(18,087,263)	1,141,281,256
Cost of sales	a) and h)	(843,679,158)	8,552,713	(835,126,445)
Gross income		**315,689,361**	**(9,534,550)**	**306,154,811**
Selling expenses	h)	(13,486,089)	1,297,342	(12,188,747)
Administrative expenses	b) and h)	(37,533,615)	5,269,310	(32,264,305)
Income from interests in associates	c) and h)	8,218,725	(3,525,490)	4,693,235
Other income and expenses	d) and h)	28,669,623	(22,720,306)	5,949,317
Operating income		**301,558,005**	**(29,213,694)**	**272,344,311**
Financial income		6,106,715	-	6,106,715
Financial expenses		(157,739,192)	5,182,870	(152,556,322)
Other financial results		(183,351,914)	11,272,268	(172,079,646)
Financial results, net	e) and h)	**(334,984,391)**	**16,455,138**	**(318,529,253)**
Income before tax		**(33,426,386)**	**(12,758,556)**	**(46,184,942)**
Income tax	f) and h)	7,157,445	4,791,290	11,948,735
Loss from continuing operations		**(26,268,941)**	**(7,967,266)**	**(34,236,207)**
Discontinued operations		-	(6,544,430)	(6,544,430)
Loss for the year		**(26,268,941)**	**(14,511,696)**	**(40,780,637)**
Other Consolidated Comprehensive Income for the year				
Revaluation of property, plant and equipment		947,370,674	(617,672,919)	329,697,755
Defined benefit plan		-	(1,016,776)	(1,016,776)
Translation difference		-	(1,251,885)	(1,251,885)
Effect of hyperinflation		-	377,943	377,943
Impact on income tax		(331,579,733)	216,541,391	(115,038,342)
Other income from interests in associates		97,753,009	(55,356,301)	42,396,708
Other comprehensive income for the year	g)	**713,543,950**	**(458,378,547)**	**255,165,403**
Total comprehensive income for the year		**687,275,009**	**(472,890,243)**	**214,384,766**
Net loss for the year attributable to:				
Shareholders of the parent company		(24,611,823)	(13,981,601)	(38,593,424)
Non-controlling interest		(1,657,118)	(530,095)	(2,187,213)
Comprehensive income attributable to:				
Shareholders of the parent company		658,142,578	(452,252,696)	205,889,882
Non-controlling interest		29,132,431	(20,637,547)	8,494,884

(*) Corresponds to balances included in the consolidated financial statements as of December 31, 2014, approved by the Board of Directors, with certain reclassifications for purposes of disclosure under IFRS.

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NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.5) Reconciliation of the consolidated statement of comprehensive income for the year ended on December 31, 2014 (Cont'd)

Professional accounting standard in force (*)

The following changes have been made to the consolidated statement of comprehensive income for the fiscal year ended on December 31, 2014.

In accordance with ARG GAAP, the distribution of gains or losses from associates is shown below financial results, with the rationale that they arise from what is considered an investment activity. In a similar way, under IFRS the distribution of gains or losses from associates is disclosed after the financial results. However, in the cases that the associates are a vehicle to carry out the Group operations, it is more appropriate to include the distribution of gains or losses from associates before financial costs. According to its strategy, the Group conducts operations through subsidiary companies. Therefore, under IFRS, the Group discloses gains or losses from associates before financial results. In order to simplify the explanation, the distribution of gains and losses from associates is shown before financial results in column I.

Non-controlling interests in the results of a consolidated subsidiary, formerly classified as a component of net income within the statement of income, have been disclosed as an allocation of net income in column I.

As a result of the adoption of IFRS, the term "Minority interest in subsidiaries" was replaced by the new term "Non-controlling interest", in accordance with IAS 1.

According to IFRS, items of income and expenses not recognized in the income statement (i.e., exchange differences from translation of businesses abroad) are disclosed in the statement of comprehensive income under "Other comprehensive income". Under ARG GAAP there is no requirement to present the statement of comprehensive income; therefore, these items are recorded within equity, in a separate reserve. To simplify the explanation, these items are shown under "Other comprehensive income" in column I.

Effects of the transition to IFRS

(a) Cost of sales

Includes the effect of the adjustment described in Note 3.2.4. (v) corresponding to Property, plant and equipment under the revaluation model, the adjustment describe in Note 3.2.4. (iv) corresponding to preoperating expenses, and the adjustment described in Note 3.2.4. (vii) corresponding to defined benefit plan.

(b) Administrative expenses

Includes the effect of the adjustment described in Note 3.2.4. (iv) corresponding to preoperating expenses.

(c) Income from interests in associates

Includes the effect of the adjustment described in Note 3.2.4. (x) corresponding to the adjustment of investments in associates.

(d) Other income and expenses

Includes the effect of the adjustment described in Note 3.2.4. (iv) corresponding to preoperating expenses.

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NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.5) Reconciliation of the consolidated statement of comprehensive income for the year ended on December 31, 2014 (Cont'd)

(e) Financial results

Includes the effect of the adjustment described in Note 3.2.4. (ii) corresponding to liabilities for loans, and the adjustment described in Note 3.2.4. (vi) corresponding to the valuation of advances on property, plant and equipment.

(f) Income tax

Corresponds to the effect on deferred taxes of the adjustments for conversion to IFRS.

(g) Other comprehensive income

Includes the effect of the adjustment described in Note 3.2.4. (v) corresponding to Property, plant and equipment under the revaluation model and the adjustment described in Note 3.2.4. (vii) corresponding to defined benefit plan.

(h) Disclosure of discontinued operations

Corresponds to the disclosure, in accordance with IFRS 5, of the discontinued operations of BDD and AJSA as a single amount comprising total income after tax. The statement of comprehensive income in comparative format was modified, so as to disclose discontinued operations separate from continuing operations.

The operations of BDD and AJSA are considered as discontinued because they are components of the entity that disposed of them and represent lines of business that may be segregated from the others..

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 3: ADOPTION OF IFRS (Cont'd)

3.2.6) Reconciliation of the consolidated statement of cash flow for the year ended December 31, 2014

The following significant differences have been found in the cash flow statement or in the definition of cash and cash equivalents between ARG GAAP and IFRS.

Operating activities	**12.31.2014**
Cash flow generated by operating activities under ARG GAAP	**364,915,298**
Loss due to financial results and cash equivalents	12,520,981
Reclassification of inputs (inventories) to Property, plant and equipment	1,122,043
Reclassification of Advances to suppliers from Property, plant and equipment to Other receivables	(49,190,473)
Cash flow generated by operating activities under IFRS	**329,367,849**

Investment activities	**12.31.2014**
Cash flow used in investment activities under ARG GAAP	**(222,887,001)**
Reclassification of inputs (inventories) to Property, plant and equipment	(1,122,043)
Reclassification of Advances to suppliers from Property, plant and equipment to Other receivables	49,190,473
Cash flow used in investment activities under IFRS	**(174,818,571)**

Financing activities	**12.31.2014**
Cash flow used in financing activities under ARG GAAP	**(142,361,119)**
Bank overdrafts as cash equivalents	(15,464,355)
Cash flow used in financing activities under IFRS	**(157,825,474)**

Net decrease in cash and cash equivalents	**12.31.2014**
Net decrease in cash and cash equivalents under ARG GAAP	**(332,822)**
Loss due to financial results and cash equivalents	12,520,981
Bank overdrafts as cash equivalents	(15,464,355)
Net decrease in cash and cash equivalents under IFRS	**(3,276,196)**

NOTE 4: ACCOUNTING POLICIES

4.1) Basis for presentation

These consolidated financial statements have been prepared in accordance with Technical Pronouncements No. 26 and No. 29 issued by the FACPCE, incorporated into the CNV regulations through GR 562/09 and GR 576/10, respectively. These Pronouncements adopt the International Financial Reporting Standards issued by the IASB and IFRIC interpretations, jointly "IFRS". All IFRS effective at the date of preparation of these financial statements have been applied. In addition, the Company has applied certain IFRSs which are not effective at December 31, 2014 but which allow for an early adoption. The Company applied IFRS for the first time in the financial year commenced on January 1, 2015, its transition date being January 1, 2014. The effects of adoption of IFRS by the Company are discussed in Note 3.

The presentation in the 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 financial statements are stated in pesos. They have been prepared under the historical cost convention.

The preparation of these financial statements in accordance with IFRS requires making estimates and valuations 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 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 6.

These consolidated financial statements for the fiscal year ended December 31, 2015 and 2014 were approved for issuance by the Company's Board of Directors on March 8, 2016.

Comparative information

Balances at December 31, 2014 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 year presentation.

4.2) New accounting standards, modifications and interpretations

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

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

IFRS 9 "Financial instruments": the amendment was issued in July 2014. It includes in a single document all phases of the IASB project to replace IAS 39 "Financial Instruments: Recognition and Measurement". These phases comprise classification and measurement, impairment and hedge accounting. This version adds a new model for expected loss impairment and some minor changes to the classification and measurement of financial assets. The new standard replaces all earlier versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018. At the date of these consolidated financial statements, the Company has adopted the first phase of IFRS 9.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.2) New accounting standards, modifications and interpretations (Cont'd)

4.2.1) New standards, modifications and interpretations not yet effective, but early adopted by the Company (Cont'd)
Measurement is made at initial recognition. This classification depends on the business model of the entity to manage its financial instruments and the characteristics of the instrument's contractual cash flows. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in Other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

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

- IFRS 15 "Revenue from Contracts with Customers": it was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017. IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Company is analyzing the impact; however, it estimates that the application of the modifications will not have a significant impact on the results of operations or the financial position of the Company.

In September 2014, the IASB published amendments to IFRS which apply to annual periods beginning on or after 1 January 2016, with earlier application being permitted. The Company is analyzing the impact of the application of the modifications; however, it estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

In December 2014, the IASB modified IAS 1 "Presentation of Financial Statements" to include guidelines for the presentation of financial statements. This standard is effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted. The Company is considering the potential impact of this amendment.

4.3) Consolidation

The financial statements include the financial statements of the Company and of the entities controlled by it. Subsidiaries are all those entities over which the Company exercises its control, generally accompanying a shareholding of more than 50% of the voting rights. The Company controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Also, the Company assesses the existence of control when it does not hold more than 50% of the voting rights but can govern the financial and operating policies by virtue of "*de facto* control". "*De facto* control" can arise in the circumstance when the size of the voting rights held by the Group relative to the size and dispersion of other vote holders gives it the ability to direct the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date on which control ceases.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.3) Consolidation

The main consolidation adjustments are as follows:

i. Suppression of reciprocal assets and liabilities accounts balances between the Group companies, in a way that the financial statements show only the balances held with third parties and non-controlled related parties;
ii. Suppression of transactions between the Group companies, in a way that the financial statements show only those transactions with third parties and non-controlled related parties;
iii. suppression of the participation in equity and results for each period of the subsidiaries in the aggregate.

The accounting policies of the subsidiaries have been modified, if necessary, to ensure consistency with those adopted by the Company.

ASA conducts its business through various subsidiaries. Unless otherwise is stated, the subsidiaries listed below have a share capital made up of ordinary shares only, which are directly held by the Group, and the proportion of the interest percentage held is the same as the voting rights of the Group. The country of incorporation or registration is also the main place of business. The subsidiaries are detailed below.

Subsidiary company	Company's place of business / Country of incorporation	Main business activity	% participation in decision-making		
			12.31.15	12.31.14	01.01.14
Generación Mediterránea S.A. (GMSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Independencia S.A. (GISA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Frías S.A. (GFSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Rosario S.A. (GROSA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación Riojana S.A. (GRISA)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Generación La Banda S.A. (GLB)	Argentina	Generation of electric energy	95.00%	95.00%	95.00%
Albanesi de Venezuela S.A. (AVSA)	Venezuela	Oil company	99.99%	99.99%	99.99%
Albanesi Fueguina S.A. (AFSA)	Argentina	Hydrocarbon generation	-	95.00%	95.00%
Alba Jet S.A. (AJSA)	Argentina	Airline company	-	95.00%	95.00%
Bodega del Desierto S.A. (BDD)	Argentina	Winery company	-	90.00%	90.00%

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4) Revenue recognition

a) Sale of electricity

Revenue is calculated at fair value of the consideration received or to be collected, considering the estimated amount of discounts, thus determining net amounts.

The criteria for revenue recognition from the electricity business, the main activity of the Group, is to recognize revenue from the electricity generation activity through the accrual method, comprising the energy and power made available and the energy generated.

Ordinary revenue was recognized when each and all of the following conditions were satisfied:

a. the entity has transferred to the buyer the significant risks and rewards;
b. the amount of revenue was measured reliably;
c. it is probable that the economic benefits associated with the transaction will flow to the entity; and
d. the costs incurred or to be incurred in respect of the transaction were measured reliably.

b) Sale of services

Revenue from sales of services is recognized in the year they are rendered, based on the degree of completion.

c) Sales in the air transportation business segment

Revenue from air transportation services is recognized in the year they are rendered, based on the degree of completion.

d) Sales in the wines segment

Revenue from the wine business segment of the Group derive mainly from the sale of both bottled wines and wine in bulk.

The Group records revenue from sales in the wines segment when the bottled wines or the wine in bulk are delivered and ownership and its associated risks are transferred to the customers, which usually occurs when the products are received or picked up directly by the customers, the collection of receivables is probable, and the amount of income can be measured reliably. Net sales of products represent the amount billed, net of discounts and allowances, if any exist.

e) Interest income

Interest income is recognized under the effective interest method. Interest is recorded on a temporary basis, with reference to the outstanding principal and the applicable effective rate.

Such income is recognized when it is likely that the entity will receive the economic benefits associated with the transaction and the transaction amount can be measured reliably.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4) Revenue recognition (Cont'd)

f) Dividends earned

Dividends earned are recognized when the right to collect is declared.

4.5) Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

These consolidated financial statements are presented in pesos (legal currency in Argentina for all the companies domiciled in this country), which is also the Company's functional currency.

The Company has evaluated and concluded that the conditions set forth by IAS 29 "Financial Reporting in Hyperinflationary Economies" to consider Argentina as an hyperinflationary economy did not occur at the date of these financial statements. These conditions include a cumulative inflation rate over three years that is approaching, or exceeds, 100%. At the date of issue of these financial statements, this guideline, measured as a variation in the Domestic Wholesale Price Index published by the National Statistics and Census Institute, had not been reached. Therefore, these financial statements have not been restated.

When the conditions set forth by IAS 29 to consider Argentina as a hyperinflationary economy occur, the respective financial statements are to be restated as from the date of the latest restatement (March 1, 2003), or the latest revaluation of the assets that were revalued on the date of transition to IFRS.

b) Transactions and balances

Transactions in foreign currency are translated into the functional and presentation currency using the exchange rates prevailing at the date of the transaction or of revaluation, when the items are restated. Gains and losses generated by foreign exchange differences resulting from each transaction and by the translation of monetary items stated in foreign currency at year end are recognized in the statement of income, except for the amounts that are capitalized.

The exchange rates used are: buying exchange rate for monetary assets, selling exchange rate for monetary liabilities, each of them prevailing at year end, as released by Banco Nación, and one-off exchange rate for transactions in foreign currency.

c) Subsidiaries in a hyperinflationary economy

The financial statements of an entity whose functional currency is that of a hyperinflationary economy are restated for purposes of their presentation in constant currency at the year-end date, in accordance with the method established by IAS 29 "Financial Reporting in Hyperinflationary Economies".

In Venezuela, the cumulative inflation rate over the last three years approached or exceeded 100%. This situation, combined with other features of the economic environment, led the Group to classify the economy of this country as hyperinflationary. As a consequence, the financial statements of the subsidiary Albanesi de Venezuela S.A. were restated in constant currency at year-end, using coefficients calculated based on the National Consumer Price Index (INPC) published by the Central Bank of Venezuela. The value of this index and its annual variations are disclosed in the table below:

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.5) Effects of the foreign exchange rate fluctuations (Cont'd)

c) Subsidiaries in a hyperinflationary economy (Cont'd)

Date	INPC	Annual %
12.31.12	318.9	20.1%
12.31.13	498.1	56.2%
12.31.14	839.5	68.5%
12.31.15	2,433.11	189.8%

Gains and losses for the net financial position are disclosed in the caption Financial results.

d) Conversion of financial statements of subsidiaries whose functional currency corresponds to a hyperinflationary economy

The results and financial position of the subsidiaries that have a functional currency different from the presentation currency and which are related to a hyperinflationary economy are restated firstly in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" and then, all assets, liabilities, equity items and income statement accounts are translated at the exchange rate prevailing at year end.

The financial statements of Albanesi de Venezuela S.A. used for consolidation, stated in Argentine pesos (ARS) as presentation currency that is different from the functional currency, were obtained from the translation of the financial statements stated in bolivars, in compliance with International Accounting Standard No. 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21).

Official exchange rates at the end of each fiscal year are as follows:

	12.31.15	12.31.14	01.01.14
Exchange rate at year end (Bs/USD1)	198.69	12	6.30
Exchange rate at year end (Bs/USD1)	12.94	8.45	6.48

4.6) Property, plant and equipment

In general, property, plant and equipment (excluding lands), buildings, facilities and machinery are recognized at net cost of accumulated depreciation and/or accumulated impairment losses, if any.

Depreciation of property, plant and equipment begins when it is available for use Repair and maintenance expenses of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

Works in progress are valued based on the degree of progress. Works in progress are stated at cost less impairment losses, if any. Depreciation of these assets begins when it is available for use.

Facilities, machinery and buildings are measured at their fair value less accumulated depreciation and impairment losses recognized at the date of revaluation, if any. Land is measured at fair value and is not depreciated. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value. In addition, at each reporting date, the Company compares the carrying amount of lands, buildings and machinery with their recoverable values, calculated in the manner described below.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6) Property, plant and equipment (Cont'd)

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

At the time of sale of the revalued assets, any revaluation surplus related to this asset is transferred to retained earnings. However, a portion of the revaluation reserve will be transferred to retained earnings as the asset is used by the company. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

According to IAS 23 "Borrowing costs", financial costs must be capitalized in the cost of an asset when it is in the process of production, construction, assembly or finishing, and those processes are not interrupted due to their long-term nature; the term for production, construction, assembly or finishing does not exceed the period technically required; the activities needed for the asset to be ready for its intended use or sale are not substantially complete; and the asset is not in condition to be used in the production of other assets or placed into service, according to the purpose of its production, construction, assembly or finishing.

Subsequently to initial recognition, costs are included in the carrying amount of that asset or recognized as a separate asset, as applicable, only when it is probable that the future economic benefits associated to those assets will flow to the Company and their cost can be determined reliably. In the case of replacements, the carrying amounts of the replaced part is de-recognized from accounting. Other repair and maintenance costs are recognized as an expense in the period in which they are incurred.

If the items related to electricity generation (land, real property, civil works, plant, facilities, electrical facilities, turbines, machinery, water plant and fire protection system, compressor plant, gas plant, fuel dispatch plant and tools) had been measured using the cost model, the carrying amounts would have been:

	12.31.15	12.31.14
Cost	1,600,851,998	1,357,770,394
Accumulated depreciation	(318,679,491)	(259,508,076)
Residual value	**1,282,172,507**	**1,098,262,318**

Based on the technical evaluation of property, plant and equipment performed by the experts, reclassifications have been made on the class of items for more adequate disclosure.

Property, plant and equipment held for use in the production or for administrative purposes are recorded at historical cost less accumulated depreciation and any loss due to impairment. Historical cost includes the costs directly attributable to the purchase of those assets.

Subsequently to initial recognition, costs are included in the carrying amount of that asset or recognized as a separate asset, as applicable, only when it is probable that the future economic benefits associated to those assets will flow to the Company and their cost can be determined reliably. In the case of replacements, the carrying amounts of the replaced part is de-recognized from accounting. Other repair and maintenance costs are recognized as an expense in the period in which they are incurred.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6) Property, plant and equipment (Cont'd)

Land is not depreciated, while the other assets are depreciated according to the straight line method.

The estimated useful lives for the main items in property, plant and equipment are the following:

Buildings: 50 years
Turbine, generator and ancillary equipment: 20 years
Medium voltage cells and transformers: 20 years
Water fire protection system: 20 years
Gas oil storage and treatment system: 20 years
Demi water system: 20 years
Gas plant: 20 years
Aqueduct: 20 years
Facilities - Plant: 10 years
Instruments and tools: 10 years
Vehicles 5 years
Furniture and fixtures: 5 years

4.7) Intangible assets

Intangible assets include the costs paid as third parties' fees for the registration of the brands used by the Company to market its production, both at local level and internationally. Brands are amortized over a 10-year period from the inception of the marketing activities, in fiscal year 2006.

4.8) Investments in associates and other companies

Investments in associates

Associates are all those entities over which ASA has a significant influence but not control, generally representing a holding of between 20% and less than 50% of the voting rights of that entity. Investments in associates are accounted for using the equity method. Under this method, the investment is initially recognized at cost, and the carrying value is increased or reduced to recognize the investor interest in the gains and losses of the associate subsequent to the acquisition date.

Investments in other companies

All the investments in equity instruments are measured at fair value through profit or loss. The fair value of the unlisted ordinary shares of TJSM and TMB was estimated using a model of discounted cash flows.

4.9) Impairment of non-financial assets

For assets subject to depreciation, an impairment test is performed whenever facts or circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount in which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less costs to sell or value in use. To assess impairment losses, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The possible reversal of impairment losses of non-financial assets is reviewed at every date that financial information is presented.

The Company has not recorded impairment losses in any of the reporting periods.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.10) Financial assets

4.10.1) Classification

The Group classifies its financial assets in the following categories: assets subsequently measured at fair value and assets measured at amortized cost. This classification depends on whether the financial asset is an investment in a debt or equity instrument. For the asset to be measured at amortized cost, the two conditions described below must be verified. The other financial assets are measured at fair value. IFRS 9 "Financial instruments" requires that all the investments in equity instruments are measured at fair value.

a) *Financial assets at amortized cost*

Financial assets are measured at amortized cost if the following conditions are met:

- the business model of the Company is aimed at keeping the assets to obtain contractual cash flows;
- contractual conditions give rise on specified dates to cash flows that are only payments of the principal and interest on the principal.

b) *Financial assets at fair value*

If any of the conditions above is not fulfilled, financial assets are measured at fair value through profit or loss.

4.10.2) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, i.e., when the Company commits to purchase or sell the asset. Financial assets are de-recognized when the rights to receive cash flows from investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets are initially recognized at fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs directly attributable to the purchase of those financial assets.

4.10.3) Impairment of financial assets

Financial assets at amortized cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets may have suffered impairment losses. A financial asset or a group of financial assets is impaired, and an impairment loss is incurred if, and only if, there is objective evidence of the impairment of value as a result of one or more events that have occurred after the initial recognition of the asset, and such an event (or events) causing the loss has (have) an impact on the estimated future cash flows from the financial asset or group of financial assets, which may be reliably estimated.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.10) Financial assets (Cont'd)

4.10.4) Offsetting of financial instruments

Financial assets and liabilities are offset, and presented net on the statement of financial position, when there is a legally enforceable right to offset the recognized amounts, and an intention to settle the net amount, or to simultaneously realize the asset and settle the liability.

The Group uses the following criteria for determining whether there is objective evidence of an impairment loss:

- significant financial difficulties of the debtor;
- breach of contractual clauses, such as late payment of interest or principal; and
- probability that the debtor will enter into bankruptcy or other financial reorganization.

The amount of the impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted using the original effective interest rate. The carrying value of the asset is reduced and the amount of the impairment loss is recognized in the statement of comprehensive income.

If, in subsequent years, the amount of the impairment loss decreases and this decrease can objectively be related to an event occurred after the recognition of the impairment (such as an improvement in the debtor's credit rating), the reversal of the impairment loss previously recorded is recognized in the statement of comprehensive income.

4.11) Trade and other receivables

Trade receivables are amounts due by customers for sales made by the Company's businesses in the ordinary course of business. If collection is expected within one year or less, receivables are classified under current assets. Otherwise, they are classified as non-current assets.

Trade and other receivables are recognized at fair value and subsequently measured at amortized cost, using the effective interest rate method and, when significant, adjusted at time value of money.

The Group sets up bad debt allowances when there is objective evidence that it will not be able to collect all amounts due according to the original terms of the receivables.

4.12) Inventories

Electricity generation business

Inventories are valued at the lower of acquisition cost or net realizable value.

Since the inventories of the Group are not for sale, their value is calculated based on the purchase price, import duties (if any) and other taxes (non-refundable taxes by the tax authorities), transportation, storage and other costs directly attributable to the purchase of those assets. Cost is determined applying the weighted average price method.

The Group classified inventories into current and non-current depending on their final allocation and the term during which they are expected to be used, whether for maintenance or improvement of present assets. The non-current portion of materials and spare parts is disclosed under Property, plant and equipment. The value of inventories as a whole does not exceed their recoverable value at the end of each fiscal year.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.12) Inventories (Cont'd)

Wine business

Inputs and finished products are measured at the lower of cost or net realizable value. The cost of inputs and finished products is determined applying the weighted average price method.

4.13) Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks and other short-term highly liquid investments originally falling due within three months or less and subject to low material risk of changes in value. Bank overdrafts, if any, are disclosed under cash and cash equivalents in the cash flow statement since they are part of the Company's cash management.

4.14) Trade and other payables

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if the payments are due in one year or less. Otherwise, they are classified as non-current liabilities.

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost applying the effective interest rate method.

4.15) Loans

Loans are initially recognized at fair value, less direct transaction costs incurred. They are subsequently measured at amortized cost, and any difference between the funds received (net of transaction costs) and the amount payable at due date is recognized in the statement of income over the term of the loan, applying the effective interest rate method.

4.16) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. those that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets until the moment they are ready for their use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

4.17) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date when the contract is executed. Subsequent to initial recognition, they are again measured at fair value.

The method for recognizing the resulting loss or profit depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item it is covering. GISA has executed financial derivatives contracts in foreign currency, for the purpose of hedging the next payments falling due in connection with the principal installments and interest of its loans in US dollars and reducing the foreign exchange variation risk. However, the Company has not applied hedge accounting; therefore, the changes in its value are recognized under profit or loss in the caption Changes of fair value of financial instruments, under the line Other financial results.

Albanesi S.A.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.17) Derivative financial instruments (Cont'd)

Fair values of derivative financial instruments that are traded in active markets are recorded according to quoted market prices. Fair values of derivative financial instruments that are not traded in active markets are determined by using valuation techniques. The Group applies critical judgment to select the most appropriate methods and to determine assumptions that are based mainly on the market conditions existing at the end of each year.

4.18) Provisions

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

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

The types of provisions set up are as follows:

a) Deducted from assets:

Bad debt allowance: it has been set up based on a historical analysis of accounts receivable to assess the recoverability of the credit portfolio.

b) Included in liabilities:

These allowances have been set up to cover potential contingent situations that could give rise to future obligations of payment. In estimating the amounts, the likelihood of occurrence is considered, taking into account the opinion of the Group's legal advisors.

4.19) Income tax and minimum notional income tax

a) Current and deferred income taxes

The income tax charge for the year includes deferred taxes. Income tax is recognized in income/loss.

Deferred tax is recognized, according to the liability method, on the basis of the temporary differences arising between the tax bases of assets and liabilities and their respective carrying amounts shown in the statement of financial position. However, no deferred tax liability is recognized if the differences arise from the initial recognition of goodwill, or from the initial recognition of assets and liabilities in a transaction (different from a business combination) that did not affect accounting income nor tax income at the moment of being performed.

Deferred tax assets are recognized only to the extent that it is likely that the company has future tax income against which to offset the temporary differences.

Albanesi S.A.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.19) Income tax and minimum notional income tax (Cont'd)

a) Current and deferred income taxes (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset recognized amounts and if deferred tax assets and liabilities derive from income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred income tax assets and liabilities have not been discounted and are stated at nominal value.

b) Minimum notional income tax

The Group determines the minimum notional income tax by applying the current 1% rate on computable assets at year end. This tax is supplementary to income tax; the Company tax liability is to coincide in each fiscal year with the higher of the two taxes. However, if the tax on minimum notional income were to exceed income tax in a given fiscal year, such excess may be computed as a payment on account of the income tax to be generated in any of the next ten fiscal years.

The Group has recognized the tax on minimum notional income accrued in the year and paid in prior years as a credit, considering that it will be offset against future years' taxable profits.
Minimum notional income tax assets and liabilities have not been discounted and are stated at nominal value.

4.20) Balances with related parties

Debts and receivables with related parties have been valued based on the terms agreed upon between the parties.

4.21) Leases

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases some items of property, plant and equipment. Leases where the Company retains a significant portion of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Obligations for leases, net of financial costs, are included in current or non-current loans, according to their due date. The interest element of the finance cost is charged to income over the lease period so as to produce a constant periodic rate of interest on the outstanding debt in each period. The asset acquired through a finance lease is depreciated over the useful life of the asset and the lease period, whichever is shorter.

Albanesi S.A.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.22) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount will be recovered mainly through a sales transaction and the sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less cost to sell.

4.23) Defined benefit plan

Generación Rosario S.A offers defined benefit plans. Usually, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, generally dependent on one or more factors such as age, years of service and compensation.

The liability recorded in the statement of financial position in relation to defined benefit plans is the present value of the obligation from defined benefit plans at the closing date. The obligation from defined benefit plans is calculated annually by independent actuaries in accordance with the projected unit credit method. The current value of the defined benefit obligation is determined by discounting the future cash outflows estimated using actuarial assumptions based on the demographic and financial variables that have an influence in determining the amount of those benefits.

Actuarial gains and losses arising from adjustments due to the experience and changes of actuarial assumptions are recognized in Other comprehensive income in the year when they occur. The costs for past services are immediately recognized in the income statement.

4.24) Equity accounts

Movements in this item have been accounted for in accordance with the pertinent decisions of shareholders' meetings and legal or regulatory provisions.

a) Share capital

Share capital represents the capital issued, composed of the contributions that were committed and/or made by the shareholders and represented by shares that comprise outstanding shares at nominal value. These ordinary shares are classified within equity.

b) Legal reserve

As established by Law 19550 on Commercial Companies, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the corporate capital.

c) *Optional reserve*

It relates to the allocation decided by the Company's Shareholders' Meeting whereby a specific amount is assigned to meet the potential needs for funds arising from projects and situations relating to the Company policy.

d) *Technical revaluation reserve*

Corresponds to the technical revaluation reserve of the subsidiary companies according to the percentage of interest, as a result of applying the revaluation model for property, plant and equipment.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.24) Equity accounts (Cont'd)

e) Other comprehensive income

Corresponds to actuarial gains and losses from the calculation of liabilities for defined benefit plans and their tax effects.

f) Translation reserve

Accumulated translation differences are shown in a separate component of equity until the disposal of the business abroad (Albanesi de Venezuela S.A.).

g) Unappropriated retained earnings

Unappropriated earnings comprise accumulated profits or losses without a specific appropriation; positive earnings can be distributable by the decision of the Shareholders' Meeting, as long as they are not subject to legal restrictions. These earnings comprise prior year earnings that were not distributed and prior year adjustments derived from application of the accounting standards.

In case of existence of unappropriated losses to be absorbed at the end of the year under consideration by the shareholders' meeting, the following order for appropriation of balances must be followed:

(i) Reserved profits
- Optional reserves
- Discretionary reserves
- Legal reserve

(ii) Capital contributions
(iii) Issuance premium
(iv) Other equity instruments (if feasible from the legal and corporate point of view)
(v) Capital Adjustment

h) Distribution of dividends

The distribution of dividends among the shareholders of the Company is recognized as a liability in the financial statements, in the period in which dividends are approved by the meeting of shareholders.

Albanesi S.A.

NOTE 5: FINANCIAL RISK MANAGEMENT

5.1) Financial risk factors

Financial risk management is encompassed within the global policies of the Group, which are focused on the uncertainty of the financial markets and are aimed at minimizing the potential adverse effects on its financial yield. Financial risks are the risks associated with financial instruments to which the Group is exposed during or at the end of each fiscal year. Financial risks comprise market risk (including the foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is controlled by the Finance Division of the Group, which identifies, assesses and covers the financial risks. The financial risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and in the Group's business activities.

This section includes a description of the main financial risks and uncertainties that could have a material adverse effect on the Group's strategy, performance, results of operations and financial condition.

a) Market risk

Foreign exchange risk

The sale price of energy under Resolution 1281/06 (Energía Plus) is set in United States dollars and the respective invoices are paid in pesos at the Banco Nación closing exchange rate in effect on the date preceding the actual payment of the invoices.

The price for the sales under Resolution 220/07 is also set in dollars but is converted to pesos at the Banco Nación exchange rate corresponding to the business day preceding the due date of the invoice, and the exchange differences from the due date to the actual collection date cannot be recognized.

The financial debt for working capital (representing a lesser proportion of the Company's indebtedness) is denominated in pesos, while a part of the financial debt and part of the operating expenses are denominated in US dollars, which is offset based on the revenue generated from prices fixed in dollars (Resolutions 1281/06 and 220/07).

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1) Financial risk factors (Cont'd)

a) Market risk (Cont'd)

The following table shows the Company's exposure to the foreign exchange risk associated with the financial assets and liabilities denominated in a currency other than the functional currency of the Company.

Captions	12.31.15				12.31.14	01.01.14
	Foreign currency			Amount recorded in pesos	Amount recorded in pesos	Amount recorded in pesos
	Class	Amount	Exchange rate used (1)			
				$		
ASSETS						
Current Assets						
Cash and cash equivalents	US dollars	1,246,609	12.94	16,131,117	15,750,605	23,648,157
Trade receivables	US dollars	14,711,927	12.94	190,372,334	162,978,918	53,941,723
Other receivables	US dollars	5,101	12.94	66,004	3,923,577	8,717,276
Other receivables – Related parties	US dollars	1,230,348	12.99	15,982,221	-	-
Total current assets				**222,551,676**	**182,653,100**	**86,307,156**
Total Assets				**222,551,676**	**182,653,100**	**86,307,156**
LIABILITIES						
Non-Current Liabilities						
Trade payables	US dollars	10,544,918	13.04	137,505,725	2,992,613	-
Loans	US dollars	6,967,601	13.04	90,857,513	194,043,332	215,853,767
Other liabilities	US dollars	-	-	-	2,645,466	3,609,563
Total non-current liabilities				**228,363,238**	**199,681,411**	**219,463,330**
Current Liabilities						
Trade payables	US dollars	2,184,414	13.04	28,484,761	43,939,174	21,177,351
Trade payables – Related parties	US dollars	1,765,321	12.99	22,931,520	13,098,150	-
Trade payables	Pounds	-	-	-	3,961	-
Trade payables	Euros	120,450	14.21	1,711,556	1,253,570	10,273,826
Loans	US dollars	13,082,399	13.04	170,594,489	92,457,940	88,427,005
Other liabilities – Related parties	US dollars		-	-	-	6,521,000
Other liabilities – Shareholders	US dollars		-	-	-	7,138,488
Other liabilities	US dollars		-	-	3,126,459	2,040,187
Total Current Liabilities				**223,722,326**	**153,879,254**	**135,577,857**
Total Liabilities				**452,085,564**	**353,560,665**	**355,041,187**
Assets and liabilities, net				**(229,533,888)**	**(170,907,565)**	**(268,734,031)**

(1) Banco Nación exchange rate prevailing at year-end. In the case of balances with related parties, an average exchange rate is used.
Information required by Appendix G, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1) Financial risk factors (Cont'd)

a) Market risk (Cont'd)

The Company considers that, if all variables remain constant, a devaluation of 10% of US dollar compared to the Argentine peso would increase loss for the year in the following way:

	Argentine peso		
Net asset/(liability) position	**12.31.15**	**12.31.14**	**01.01.14**
US dollars	(22,953,389)	(17,090,757)	(26,873,403)
	(22,953,389)	**(17,090,757)**	**(26,873,403)**

Price risk

The price for the sales revenues under Resolution 220/07 is expressly stipulated in the contract in force signed with CAMMESA, the duration of which is 10 years.

As regards the Company sales revenues under Resolution 1281/06 (Energía Plus), the contracts with private parties are renewed periodically (between 1 and 2 years).

If, for any reason beyond its control, ASA fails to comply with the requirements to participate in the Energía Plus Program (ES Resolution 1281) and/or Resolution 220/07, or if these resolutions are repealed or substantially amended, and the Company is obliged to sell all the power generated in the Spot Market or the sales price was limited, ASA's the results could be adversely affected.

The revenues depend, to a lesser extent, on the price of the electricity in the Spot Market and the Variable Production Cost (CVP) remunerated by CAMMESA. If CAMMESA does not continue remunerating the CVP under the current terms, those revenues could decrease, with the consequent impact on the Company's operations.

Interest rate risk

Interest rate risk arises from the Company's debt at floating rate. Indebtedness at floating rate exposes the Company to interest rate risk on their cash flows. At December 31, 2015, most of the loans had been taken out at floating rate, mainly based on BADLAR, adjusted private banks BADLAR interest rate (in both cases, plus margin) and on a reference rate obtained by CAMMESA in financial placements in the WEM.

The Company analyzes its exposure to interest rate risk in a dynamic manner. Hypothetical situations are simulated considering the positions relating to refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the Company estimates the impact on profit or loss of a definite variation in interest rates. Simulation is only made in relation to obligations representing the main positions that accrue interest.

The following table shows the Company's loans broken down by interest rate:

	12.31.15	**12.31.14**	**01.01.14**
Fixed rate:	334,967,685	268,860,839	304,043,226
	334,967,685	**268,860,839**	**304,043,226**
Floating rate	1,029,751,944	688,965,108	523,214,486
	1,029,751,944	**688,965,108**	**523,214,486**
	1,364,719,629	**957,825,947**	**827,257,712**

Albanesi S.A.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1) Financial risk factors (Cont'd)

a) Market risk (Cont'd)

Based on simulations run with all the other variables kept constant, an increase/ (decrease) of 1 % in floating interest rates would (decrease)/ increase the results for the period as follows:

	12.31.15	12.31.14	01.01.14
Floating rate:	10,297,519	6,889,651	5,232,145
Increase in loss for the year	**10,297,519**	**6,889,651**	**5,232,145**

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and from the exposure to credit of customers, including the outstanding balances of accounts receivable and arranged transactions.

The commercial area assesses the credit standing of private customers, taking into account their financial position, past experience and other factors, and sets credit limits, which are regularly monitored.

Considering the low number of doubtful receivables in the fiscal year ended December 31, 2015, the impact on revenue was minimal.

The electricity generators with sales to the spot market under Resolution 482/14 and with contracts under Resolution 220/07 collect through CAMMESA the payments for making available the power and energy supplied to the system. In the case of base energy, there is an increasing deficit between the payments received by CAMMESA and the receivables of the generating companies with this entity. This is explained by the fact that the price received by CAMMESA in connection with the electricity sold on the Spot Market is regulated by the National Government and it is lower than the marginal cost of electricity generation that CAMMESA must reimburse to the generating companies. The National Government has been covering this deficit with reimbursable contributions from the treasury.

As these contributions are not sufficient to cover in full the receivables of the generating companies for the sale of power and energy to the Spot Market, the debt of CAMMESA with the generating companies has increased over time. It cannot be assured that the differences between the electric power spot price and generating price will not continue or increase in the future, or that CAMMESA may or will make payments to the generating companies both for energy and capacity sold in the Spot Market. The inability of generators, like the Company, to collect its receivables from CAMMESA might have a material adverse effect on its cash revenue and, in consequence, on the results of operations and financial condition of the Company.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1) Financial risk factors (Cont'd)

c) Liquidity risk

The Management of the Group monitors the updated projections on liquidity requirements to ensure that the company has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available. In this way, the Company is expected to meet its commitments required as a result of the financial debt arising from any credit facility. The projections take into account payment plans of the Company's debts, compliance with external regulatory requirements and legal requirements.

Temporary cash surpluses are prudently managed until they are used for debt servicing purposes.

The Company now has short-term credit facilities and loans available to meet its commitments.

The following table shows an analysis of the Company's financial liabilities classified according to the due dates, considering the remaining period from the respective balance sheet date to their contractual due date. The amounts shown in the table are the non-discounted contractual cash flows.

At December 31, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	74,186,769	332,622,462	257,068,465	-	663,877,696
Loans	256,892,193	545,417,960	851,284,868	40,356,791	1,693,951,812
Total	**331,078,962**	**878,040,422**	**1,108,353,333**	**40,356,791**	**2,357,829,508**

At December 31, 2014	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	99,288,179	413,230,237	2,992,613	370,070,371	885,581,400
Loans	135,330,801	368,341,798	756,720,736	184,157,554	1,444,550,889
Total	**234,618,980**	**781,572,035**	**759,713,349**	**554,227,925**	**2,330,132,289**

At January 1, 2014	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	84,478,180	216,831,477	5,955,224	354,128,724	661,393,605
Loans	102,168,463	286,818,870	552,855,736	300,830,914	1,242,673,983
Total	**186,646,643**	**503,650,347**	**558,810,960**	**654,959,638**	**1,904,067,588**

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.2) Management of capital risk

The objectives of the Group when it administers capital are to secure the correct operation, to encourage its growth, to meet the financial commitments taken on and produce yields to its shareholders, keeping an optimum capital structure.

Consistently with the industry, the Company monitors its capital based on the Consolidated Debt to Adjusted EBITDA ratio. This ratio is calculated dividing the net loans by EBITDA. Net borrowings correspond to total borrowings (including current and non-current borrowings) less cash and cash equivalents. Adjusted EBITDA is defined as operating income less operating expenses (including selling and administrative expenses, provided that they are included under operating expenses) plus amortization, depreciation and any other non-cash expenses (provided that they are included under operating expenses).

Consolidated Debt to Adjusted EBITDA ratios at December 31, 2015 and 2014 were as follows:

	12.31.15	12.31.14
Total loans (*)	1,150,617,012	726,917,135
Less: Cash and cash equivalents	(31,565,698)	(33,915,553)
Net debt	1,119,051,314	693,001,582
EBITDA	444,229,879	363,039,363
Net debt/ EBITDA	2.52	1.91

(*) Not including the balance with CAMMESA

NOTE 6: CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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.

The preparation of the financial statements require that the Group makes estimates and carries out evaluations relating to the future. Actual future results may differ from those estimates and assessments made at the date these financial statements were prepared. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are detailed below

a) Impairment of assets

Long-lived assets are tested for impairment at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

The Company and its subsidiaries are in themselves a cash generating unit, which is composed of its electric power generation plant for the subsidiaries in the electric power segment, a wine production plant for the subsidiaries in the wine segment, and air transportation services for the subsidiary in that segment. Consequently, the Company represents the lowest level of separation of assets that generate independent cash flows.

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed. Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand.

NOTE 6: CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Cont'd)

a) Impairment of financial assets (Cont'd)

An impairment loss is recognized when the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss will be distributed (to reduce the carrying value of the assets of the CGU) as follows:

a) First, to reduce the carrying value of goodwill allocated to the cash generating unit, and
b) To the other assets of the unit (or group of units), prorated on the basis of the carrying amount of each asset in the unit (or group of units), taking into account not to reduce the carrying amount of the asset below the higher of its fair value less costs to sell and value in use or zero.

Judgment is required from Management at the time of estimating the future cash flows. Actual cash flows and values may vary significantly from the foreseen future cash flows and the related values obtained through discount techniques.

b) Current and deferred income tax / Minimum notional income tax

The Group recognizes income taxes applying the deferred tax method. Consequently, the deferred tax assets and liabilities are recognized according to the future tax consequences attributable to the differences between the carrying amount of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are valued at the approved tax rates that should theoretically be applied on the taxable income in the years in which the temporary differences are expected to be settled. A high degree of judgment is required to determine the provision for income tax since Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities. When the final outcome of these matters is different from the initially recognized amounts, such differences will have an impact on income tax and deferred taxes in the fiscal year in which they are determined.

Deferred tax assets are revised on each reporting date and reduced based on the likelihood that a sufficient taxable base is available to allow for these assets to be totally or partially recovered. Deferred assets and liabilities are not discounted. When assessing the realizability of deferred tax assets, Management considers it probable that some, or all, deferred tax assets are not realizable.

Whether deferred tax assets are realizable depends on the generation of future taxable income for the periods in which these temporary differences are deductible. In making this assessment, Management takes into account the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies.

c) Provisions

They have been set up to cover 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 Group's legal advisors.

At the date of these consolidated financial statements, the Management of the Group understands that there are no elements which may determine the existence of other contingencies that could materialize and have a negative impact on these financial statements.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 6: CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Cont'd)

d) Allowance for bad debts

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

The allowance for bad debts amounted to $ 839,252, $ 1,058,886 and $ 876,992 at December 31, 2015 and 2014 and January 1, 2014, respectively.

For more information on the balance of the allowance for bad debts, see Note 21 to our financial statements.

e) Defined benefit plans

The liability recorded by GROSA is the best estimate of the present value of the cash flows representing the obligation from defined benefit plans at the closing date for the subsidiary. These flows are discounted using actuarial assumptions based on the demographic and financial variables that have an influence in determining the amount of those benefits. The estimate is based on actuarial calculations made by independent professionals in accordance with the projected unit credit method.

f) Fair value of revalued assets

For the group of assets within the caption Property, plant and equipment with the revaluation model as valuation policy, the Company makes estimates about the fair value of those assets, as explained in Note 6.a)

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	12.31.15												
	ORIGINAL VALUE						DEPRECIATION						
Captions	Value at beginning of year	Increases/ Reclassifications (1)	Transfers and/or deletions	Decrease due to deconsolidation	Revaluation of original values (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/ Transfers	Decrease due to deconsolidation	Revaluation of accumulated depreciation (3)	Accumulated at end of year	Net value
	$												
-Assets held in trust													
Land	21,300,203	265,750	-	-	44,737,157	66,303,110	-	-	-	-	-	-	66,303,110
Real property	11,804,381	-	-	-	3,110,012	14,914,393	-	362,449	-	-	(362,449)	-	14,914,393
Furniture and fixtures	313,025	79,101	-	-	-	392,126	54,661	34,552	-	-	-	89,213	302,913
Tools	441,894	31,933	-	-	-	473,827	114,411	56,294	-	-	-	170,705	303,122
Turbines	402,615,564	1,286,052	-	-	204,447,879	608,349,495	-	17,015,750	-	-	(17,015,750)	-	608,349,495
Computer equipment	134,476	16,768	-	-	-	151,244	49,322	29,013	-	-	-	78,335	72,909
Facilities	79,125	204,080	-	-	-	283,205	53,388	43,027	-	-	-	96,415	186,790
Installations - Plant	71,007,234	450,200	-	-	20,034,655	91,492,089	-	4,285,490	-	-	(4,285,490)	-	91,492,089
Water and fire protection system - Plant	26,384,557	-	-	-	(207,457)	26,177,100	-	1,860,909	-	-	(1,860,909)	-	26,177,100
Compressor plant	10,756,721	-	-	-	4,045,579	14,802,300	-	688,474	-	-	(688,474)	-	14,802,300
Gas plant	4,661,108	-	-	-	1,703,192	6,364,300	-	300,717	-	-	(300,717)	-	6,364,300
Fuel dispatch plant	77,940,958	-	-	-	22,959,944	100,900,902	-	4,843,060	-	-	(4,843,060)	-	100,900,902
Total assets under trust	**627,439,246**	**2,333,884**	-	-	**300,830,961**	**930,604,091**	**271,782**	**29,519,735**	-	-	**(29,356,849)**	**434,668**	**930,169,423**
CARRIED FORWARD	**627,439,246**	**2,333,884**	-	-	**300,830,961**	**930,604,091**	**271,782**	**29,519,735**	-	-	**(29,356,849)**	**434,668**	**930,169,423**

(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.
(3) At December 31, 2015, the Group has decided to revalue the items related to electricity generation, classified as Property, plant and equipment.
(4) Depreciation charges for fiscal year 2015 were allocated to cost of sales, including $ 35,098,866 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.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	12.31.15												
	ORIGINAL VALUE						DEPRECIATION						
Captions	Value at beginning of year	Increases/ Transfers (1)	Reclassification and/or deletions	Decrease due to deconsolidation	Revaluation of original values (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/ Transfers	Decrease due to deconsolidation	Revaluation of accumulated depreciation	Accumulated at end of year	Net value
	$												
BROUGHT FORWARD	**627,439,246**	**2,333,884**	**-**	**-**	**300,830,961**	**930,604,091**	**271,782**	**29,519,735**	**-**	**-**	**(29,356,849)**	**434,668**	**930,169,423**
Other assets													
Aircraft	38,721,956	-	-	(38,721,956)	-	-	7,744,391	1,075,610	-	(8,820,001)	-	-	-
Helicopter	51,462,841	158,599	-	(51,621,440)	-	-	2,006,193	1,776,715	-	(3,782,908)	-	-	-
Land	7,453,887	315,000	-	(135,860)	3,110,483	10,743,510	-	-	-	-	-	-	10,743,510
Real property	34,048,160	30,569,168	772,862	(1,554,135)	7,128,364	70,964,419	281,554	1,023,263	-	(296,873)	(965,702)	42,242	70,922,177
Computer and office equipment	3,220,520	1,096,327	397,837	(55,278)	-	4,659,406	1,881,576	761,118	(207,838)	(4,278)	-	2,430,578	2,228,828
Vehicles	2,371,923	1,198,048	(315,156)	(675,758)	-	2,579,057	839,969	487,433	(304,660)	(215,194)	-	807,548	1,771,509
Facilities	65,051,325	14,619,774	34,607,196	(1,250,271)	8,560,180	121,588,204	953,235	3,508,955	-	(977,647)	(3,364,308)	120,235	121,467,969
Electrical facilities	31,153,778	135,042	550,540	(307,467)	1,619,014	33,150,907	4,764,529	4,019,269	-	(293,134)	(199,957)	8,290,707	24,860,200
Tools	878,691	106,020	2,339,568	(15,297)	75,891	3,384,873	94,299	425,403	-	(15,297)	(13,787)	490,618	2,894,255
Kegs and barrels	1,812,075	663,116	-	(2,475,191)	-	-	1,247,665	173,517	-	(1,421,182)	-	-	-
Tanks	14,560,568	-	63,835	(1,597,784)	-	13,026,619	2,979,726	1,778,811	-	(526,783)	-	4,231,754	8,794,865
Pipes	18,708	-	-	(18,708)	-	-	18,708	-	-	(18,708)	-	-	-
Pressure-regulation station	264,888	-	-	-	-	264,888	105,954	26,489	-	-	-	132,443	132,445
Boiler	90,885,430	1,742,230	5,287,259	-	-	97,914,919	17,504,227	12,814,522	-	-	-	30,318,749	67,596,170
Civil works	15,006,762	489,560	1,096,538	-	397,445	16,990,305	4,670,878	1,672,118	-	-	(39,638)	6,303,358	10,686,947
Watering systems	6,602	-	-	(6,602)	-	-	6,602	-	-	(6,602)	-	-	-
Hangar at San Fernando	5,792,489	-	-	(5,792,489)	-	-	1,248,907	371,314	-	(1,620,221)	-	-	-
Machinery	904,343,697	14,983,636	382,400,381	(1,770,907)	429,113,509	1,729,070,316	12,479,454	51,888,285	-	(1,447,289)	(46,410,880)	16,509,570	1,712,560,746
Furniture and fixtures	962,005	12,439	-	(556,034)	-	418,410	425,557	113,719	-	(332,716)	-	206,560	211,850
Laboratory instruments	4,560	-	-	(4,560)	-	-	4,560	-	-	(4,560)	-	-	-
Pledged sorting table	573,767	-	-	(573,767)	-	-	286,883	28,688	-	(315,571)	-	-	-
Staves and dominoes	327,575	295,836	-	(623,411)	-	-	176,618	47,004	-	(223,622)	-	-	-
Filtering equipment	1,691	-	-	-	-	1,691	422	212	-	-	-	634	1,057
Works in progress	171,536,710	265,691,600	(421,817,828)	-	-	15,410,482	-	-	-	-	-	-	15,410,482
Leasehold improvements in progress	4,757,742	15,253,449	(6,009,937)	-	-	14,001,254	-	-	-	-	-	-	14,001,254
Inputs and spare parts	16,831,351	-	(550,188)	-	-	16,281,163	-	-	-	-	-	-	16,281,163
Total Other assets	**1,462,049,701**	**347,329,844**	**(1,177,093)**	**(107,756,915)**	**450,004,886**	**2,150,450,423**	**59,721,907**	**81,992,445**	**(512,498)**	**(20,322,586)**	**(50,994,272)**	**69,884,996**	**2,080,565,427**
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)**	**70,319,664**	**3,010,734,850**

(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 $ 3,779,762 in 2015 and $ 4,612,198 in 2014.

(3) At December 31, 2015, the Group decided to revalue the items related to electricity generation, classified as Property, plant and equipment, generating an increase of $ 831,186,968

(4) Depreciation charges for fiscal years 2015 and 2014 were allocated to cost of sales, including $ 35,098,866 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.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Captions	12.31.14											01.01.14
	ORIGINAL VALUE					DEPRECIATION						
	Value at beginning of year	Increases/ Reclassifications (1)	Transfers and/or deletions	Revaluation of original values (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/ Transfers	Revaluation of accumulated depreciation (3)	Accumulated at end of year	Net value	Net value
							$					
NON-CURRENT ASSETS												
-Assets held in trust												
Land	17,040,000	13,200	-	4,247,003	21,300,203	-	-	-	-	-	21,300,203	17,040,000
Real property	9,922,000	37,208	(547,164)	2,392,337	11,804,381	-	920,595	-	(920,595)	-	11,804,381	9,922,000
Furniture and fixtures	133,771	179,254	-	-	313,025	23,357	31,304	-	-	54,661	258,364	110,414
Tools	137,422	304,472	-	-	441,894	59,179	55,232	-	-	114,411	327,483	78,243
Turbines	328,462,000	529,243	-	73,624,321	402,615,564	-	16,890,782	-	(16,890,782)	-	402,615,564	328,462,000
Computer and office equipment	61,984	64,827	7,665	-	134,476	20,331	28,991	-	-	49,322	85,154	41,653
Facilities	79,125	-	-	-	79,125	37,572	15,816	-	-	53,388	25,737	41,553
Installations - Plant	58,009,000	1,109,020	-	11,889,214	71,007,234	-	2,151,459	-	(2,151,459)	-	71,007,234	58,009,000
Water and fire protection system - Plant	17,005,000	5,999,891	-	3,379,666	26,384,557	-	1,371,527	-	(1,371,527)	-	26,384,557	17,005,000
Compressor plant	8,881,000	-	-	1,875,721	10,756,721	-	598,976	-	(598,976)	-	10,756,721	8,881,000
Gas plant	3,849,000	-	-	812,108	4,661,108	-	269,633	-	(269,633)	-	4,661,108	3,849,000
Fuel dispatch plant	64,290,000	-	-	13,650,958	77,940,958	-	4,308,191	-	(4,308,191)	-	77,940,958	64,290,000
Total assets under trust	**507,870,302**	**8,237,115**	**(539,499)**	**111,871,328**	**627,439,246**	**140,439**	**26,642,506**	-	**(26,511,163)**	**271,782**	**627,167,464**	**507,729,863**
CARRIED FORWARD	**507,870,302**	**8,237,115**	**(539,499)**	**111,871,328**	**627,439,246**	**140,439**	**26,642,506**	-	**(26,511,163)**	**271,782**	**627,167,464**	**507,729,863**

(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.

(3) During 2014, the Group decided to revalue the items related to electricity generation, classified as Property, plant and equipment, generating an increase of $ 329,697,755.

(4) Depreciation charges for fiscal year 2014 were allocated to cost of sales, including $ 16,137,734 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.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	12.31.14											01.01.14
	ORIGINAL VALUE					DEPRECIATION					Net value	
Captions	Value at beginning of year	Increases/ Transfers (1)	Reclassification and/or deletions	Revaluation of original values (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/ Transfers	Revaluation of accumulated depreciation (3)	Accumulated at end of year		Net value
	$											
BROUGHT FORWARD	38,721,956	-	-	-	38,721,956	6,453,659	1,290,732	-	-	7,744,391	30,977,565	32,268,297
Other assets												
Aircraft	38,721,956	-	-	-	38,721,956	6,453,659	1,290,732	-	-	7,744,391	30,977,565	32,268,297
Helicopter	-	51,462,841	-	-	51,462,841	-	2,006,193	-	-	2,006,193	49,456,648	-
Land	6,490,088	(240,914)	91,736	1,112,977	7,453,887	-	-	-	-	-	7,453,887	6,490,088
Real property	29,520,219	-	2,398,102	2,129,839	34,048,160	251,804	1,314,361	-	(1,284,611)	281,554	33,766,606	29,268,415
Computer and office equipment	2,236,901	904,214	79,405	-	3,220,520	1,385,056	496,520	-	-	1,881,576	1,338,944	851,845
Vehicles	1,171,243	1,290,529	(89,849)	-	2,371,923	595,536	336,876	(92,443)	-	839,969	1,531,954	575,707
Facilities	1,212,891	208,532	37,841,050	25,788,852	65,051,325	829,651	1,701,913	-	(1,578,329)	953,235	64,098,090	383,240
Electrical facilities	6,788,586	4,482	24,563,431	(202,721)	31,153,778	1,006,086	3,944,338	-	(185,895)	4,764,529	26,389,249	5,782,500
Tools	331,287	31,701	587,922	(72,219)	878,691	29,415	86,344	-	(21,460)	94,299	784,392	301,872
Kegs and barrels	1,141,888	670,187	-	-	1,812,075	999,792	247,873	-	-	1,247,665	564,410	142,096
Tanks	4,069,061	-	10,491,507	-	14,560,568	1,180,148	1,799,578	-	-	2,979,726	11,580,842	2,888,913
Pipes	18,708	-	-	-	18,708	18,671	37	-	-	18,708	-	37
Pressure-regulation station	264,888	-	-	-	264,888	79,465	26,489	-	-	105,954	158,934	185,423
Boiler	17,603,894	-	73,281,536	-	90,885,430	5,274,027	12,230,200	-	-	17,504,227	73,381,203	12,329,867
Civil works	11,681,828	240,914	3,421,266	(337,246)	15,006,762	3,141,867	1,582,773	-	(53,762)	4,670,878	10,335,884	8,539,961
Watering system	6,602	-	-	-	6,602	6,602	-	-	-	6,602	-	-
Hangar at San Fernando	5,451,747	340,742	-	-	5,792,489	803,331	445,576	-	-	1,248,907	4,543,582	4,648,416
Machinery and turbines	761,369,240	1,466,362	24,199,968	117,308,127	904,343,697	3,379,250	51,563,802	-	(42,463,598)	12,479,454	891,864,243	757,989,990
Furniture and fixtures	867,409	94,596	-	-	962,005	292,034	133,523	-	-	425,557	536,448	575,375
Laboratory instruments	4,560	-	-	-	4,560	4,560	-	-	-	4,560	-	-
Pledged sorting table	573,767	-	-	-	573,767	229,507	57,376	-	-	286,883	286,884	344,260
Staves and dominoes	242,616	84,959	-	-	327,575	134,037	42,581	-	-	176,618	150,957	108,579
Filtering equipment	1,691	-	-	-	1,691	211	211	-	-	422	1,269	1,480
Works in progress	29,959,506	149,216,304	(7,639,100)	-	171,536,710	-	-	-	-	-	171,536,710	29,959,506
Leasehold improvements in progress	156,272,750	18,063,152	(169,578,160)	-	4,757,742	-	-	-	-	-	4,757,742	156,272,750
Inputs and spare parts	15,709,308	1,122,043	-	-	16,831,351	-	-	-	-	-	16,831,351	15,709,308
Total Other assets	1,091,712,634	224,960,644	(351,186)	145,727,609	1,462,049,701	26,094,709	79,307,296	(92,443)	(45,587,655)	59,721,907	1,402,327,794	1,065,617,925
Total at 12.31.14	1,599,582,936	233,197,759	(890,685)	257,598,937	2,089,488,947	26,235,148	105,949,802	(92,443)		59,993,689	2,029,495,258	1,573,347,788

(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.
(3) During 2014, the Group decided to revalue the items related to electricity generation, classified as Property, plant and equipment, generating an increase of $ 329,697,755.
(4) Depreciation charges for fiscal year 2014 were allocated to cost of sales, including $ 16,137,734 for higher value from the technical revaluation.p
Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 8: INTANGIBLE ASSETS

	Original value			Amortization				Net amount at end of year		
Main account	Value at beginning of year	Decrease due to deconsolidation	Value at end of year	Accumulated at beginning of year	For the year (1)	Decrease due to deconsolidation	Accumulated at end of year	12.31.15	12.31.14	01.01.14
Trademarks	47,504	(47,504)	-	42,753	2,376	(45,129)	-	-	4,751	9,502
Total at 12.31.15	**47,504**	**(47,504)**	**-**	42,753	**2,376**	**(45,129)**	**-**	-		
Total at 12.31.14	**47,504**	**-**	**47,504**	**38,003**	**4,750**	**-**	42,753		**4,751**	**9,502**

(1) Amortization was allocated to selling expenses in discontinued operations.

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

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 9: NON-CURRENT ASSETS HELD FOR SALE

Captions	12.31.15									12.31.14	01.01.14
	ORIGINAL VALUE				DEPRECIATION						
	Value at beginning of year	Increases/ Reclassifications	Deletions	Value at end of year	Accumulated at beginning of year	For the year (1)	Decreases	Accumulated at end of year	Net value	Net value	Net value
	$										
Helicopter	-	-	-	-	-	-	-	-	-	-	14,437,810
Total Current Assets at 12.31.2015	-	-	-	-	-	-	-	-	-	-	
Total Current Assets at 12.31.2014	18,047,262	-	(18,047,262)	-	3,609,452	1,221,562	(4,831,014)	-	-	-	14,437,810

(1) Depreciation charges were allocated to cost of sales in discontinued operations.
Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

Albanesi S.A.

NOTE 10: INFORMATION ON SUBSIDIARIES

a) Information on subsidiaries

The Group conducts its business through various operating subsidiaries. Composition of the economic group, percentages of interest, criteria for being considered significant and other relevant information on the Group subsidiaries is shown in Note 4.3.

Restrictions, commitments and other matters related to subsidiaries

In accordance with the laws in force in Argentina, where the Group operates, 5% of the profits for the year is allocated to setting up legal reserves until they reach the legal maximum amounts (20% of the capital). These legal reserves are not available for dividends distribution and may only be released to absorb losses. The Group subsidiaries subject to this law have not reached the legal limits of these reserves. The distribution of dividends from the subsidiaries of ASA is made based on their separate financial statements.

GMSA

As a result of the commitments taken on under the Syndicated Loan, GMSA may not distribute or pay dividends, except in the cases expressly mentioned in clause 8.23 of that Syndicated Loan, which is transcribed below: "(i) the ratio of FINANCIAL DEBT to EBITDA shall be equal to or higher than 1.50 and (ii) no EVENT OF DEFAULT shall occur and continue in conformity with the provisions hereof."

GISA

In accordance with the commitments taken on under the External Loan with UBS AG, Stamford Branch, GISA may distribute and pay dividends, provided that: (i) no event of default has occurred and be continuing under the External Loan; (ii) the consolidated leverage ratio (ratio of financial debt to EBITDA, as these terms are defined in the External Loan) does not exceed 2.5; and (iii) the principal amount owed under the External Loan is not higher than USD 30,000,000 (thirty million dollars).

GFSA

As a result of the commitments taken on under the Syndicated Loan, GFSA may not distribute or pay dividends, except in the cases expressly mentioned in the Syndicated Loan, transcribed below: "(i) that the ratio of FINANCIAL DEBT to EBITDA be greater than 1.50, and (ii) the amount of principal owed is not higher than $ 50,000,000.

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 September 23, 2015 Central Térmica Sorrento S.A. reorganization proceedings were initiated. This situation does not affect the lease contract mentioned above or the operations related to electricity generation.

b) Summary financial information of subsidiaries with significant non-controlling interest

Non-controlling interest in subsidiaries are not significant to the Company.

NOTE 11: EQUITY INTEREST IN ASSOCIATE

At December 31, 2015 and 2014 and January 1, 2014, the Group's associate is Solalban Energía S.A.

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 fiscal years ended December 31, 2015 and 2014:

	12.31.15	12.31.14
At beginning of year	183,358,371	146,367,601
Cash dividends	(5,880,000)	(10,099,173)
Other comprehensive income	67,124,318	42,396,708
Share of income and loss	(1,474,760)	4,693,235
At end of year	**243,127,929**	**183,358,371**

Below is a breakdown of the investments and the value of interests held by the Company in the associate, for the fiscal years ended on December 31, 2015 and 2014 and January 1, 2014, as well as the Company's share in the income/loss of the associate for the years ended on December 31, 2015 and 2014:

Name of issuing entity	Main business activity	% share interest			Equity value			Company's interest in gains and losses (Loss) / Income	
		12.31.15	12.31.14	01.01.14	12.31.15	12.31.14	01.01.14	12.31.15	12.31.14
					$				
Associates Solalban Energía S.A.	Electricity	42%	42%	42%	243,127,929	183,358,371	146,367,601	(1,474,760)	4,693,235
					243,127,929	**183,358,371**	**146,367,601**	**(1,474,760)**	**4,693,235**

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

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 11: EQUITY INTEREST IN ASSOCIATE (Cont'd)

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

Summarized statement of financial position:

	12.31.15	12.31.14	01.01.14
Total non-current assets	742,892,951	539,361,694	413,188,148
Total current assets	206,801,187	159,747,086	143,094,223
Total Assets	**949,694,138**	**699,108,780**	**556,282,371**
Total Equity	**578,876,022**	**436,567,550**	**348,494,289**
Total non-current liabilities	215,318,213	136,091,322	86,098,512
Total current liabilities	155,499,903	126,449,908	121,689,570
Total Liabilities	**370,818,116**	**262,541,230**	**207,788,082**
Total Liabilities and Equity	**949,694,138**	**699,108,780**	**556,282,371**

Summarized statement of income and statement of comprehensive income:

	12.31.15	12.31.14
Sales revenue	562,744,687	515,830,817
Net income/loss for the year	(3,506,834)	11,174,373
Other comprehensive income	159,819,805	100,944,544
Total comprehensive income for the year	**156,312,971**	**112,118,917**

Statement of cash flows:

	12.31.15	12.31.14
Funds generated by operating activities	44,425,218	54,026,273
Funds used in investment activities	(3,466,237)	(13,762,771)
Funds used in financing activities	(22,119,728)	(50,468,878)
Decrease in cash for the year	**18,839,253**	**(10,205,376)**

The information above shows the balances recorded in the financial statements of the associates (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 12: INVENTORIES

	Note	12.31.15	12.31.14	01.01.14
Non-Current				
Wines		-	3,403,787	2,510,110
		-	**3,403,787**	**2,510,110**
Current				
Spare parts		15,897,222	12,001,735	2,424,400
Inputs for wine and vinegrowing industry		-	731,343	340,595
Wines		-	8,479,468	6,402,181
Inventory obsolescence allowance	**21**	-	(57,466)	(57,466)
		15,897,222	**21,155,080**	**9,109,710**

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 13: OTHER RECEIVABLES

Non-Current	Note	12.31.15	12.31.14	01.01.14
Value added tax		29,391,592	28,149,166	16,310,432
Minimum notional income tax		9,881,926	7,892,771	10,775,075
Turnover tax credit balance		-	1,264,526	739,644
Provision for tax credits	21	-	(1,133,755)	(1,133,755)
Subtotal tax credits		**39,273,518**	**36,172,708**	**26,691,396**
Minority interest	36	-	27,355,823	4,023,631
Related companies	36	739	-	395,000
Shareholders' contributions pending paying-in	36	-	-	450,000
Receivable with GASNOR		-	1,034,087	1,568,892
Advance on the purchase of property, plant and equipment	42	864,096	77,086,372	32,842,077
Receivables from agreement with Sorrento Thermal Plant		-	-	142,615
Other receivables with Sorrento Thermal Plant		-	-	1,555,357
Sundry		-	225,878	-
		40,138,353	**141,874,868**	**67,668,968**
Current				
Value added tax		32,515,837	20,715,242	31,186,737
Income tax credit balance		1,971,516	10,032,603	324,087
Minimum notional income tax credit balance		1,810,444	4,139,375	47,267
Other tax credits		13,293,066	10,066,686	7,014,484
Subtotal tax credits		**49,590,863**	**44,953,906**	**38,572,575**
Receivables from agreement with Sorrento Thermal Plant		930,833	931,556	1,711,380
Advances to suppliers		49,692,046	926,901	206,395
Other receivables with Sorrento Thermal Plant		9,582,556	11,944,720	-
Prepaid insurance		8,422,836	10,059,482	8,939,101
Security deposits and derivative financial instruments		6,150,050	-	-
Loans to Directors		-	31,104	1,358,571
Related companies	36	33,237,850	7,985	35,304
Minority interest	36	62,142,446	12,751,045	4,916,783
Contributions pending paying-in	36	525,000	-	127,004
Sundry		1,322,848	2,406,370	828,663
		221,597,328	**84,013,069**	**56,695,776**

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 14: TRADE RECEIVABLES

	Note	12.31.15	12.31.14	01.01.14
Non-Current				
ES Resolution No. 712/04 - FONINVEMEM		1,364,164	1,363,940	1,419,854
Additional remuneration - trust fund		-	-	2,354,816
Generators Agreement 2008-2011		2,522,363	2,522,363	-
Allowance for bad debt CAMMESA	21	-	-	(326,000)
		3,886,527	3,886,303	3,448,670
Current				
Trade receivables		149,162,567	200,252,256	189,748,340
Additional remuneration - trust fund		19,249,144	9,872,952	-
Remuneration of non-recurring maintenance		65,363,950	27,427,954	-
Unbilled sales		148,050,360	107,058,971	66,734,753
Related companies	36	1,518,215	44,114,815	34,892,671
Allowance for bad debts	21	(839,252)	(1,058,886)	(550,992)
		382,504,984	387,668,062	290,824,772

NOTE 15: CASH AND CASH EQUIVALENTS

	12.31.15	12.31.14	01.01.14
Cash	292,377	355,483	288,028
Checks to be deposited	2,675,095	4,619,494	556,168
Banks	17,591,637	27,196,535	26,861,304
Mutual funds	11,006,589	1,744,041	6,542,875
Cash and cash equivalents (bank overdrafts excluded)	**31,565,698**	**33,915,553**	**34,248,375**

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

	12.31.15	12.31.14	01.01.14
Cash and cash equivalents	31,565,698	33,915,553	34,248,375
Bank overdrafts (Note 20)	(70,226,399)	(22,757,974)	(7,293,619)
Cash and cash equivalents (bank overdrafts included)	**(38,660,701)**	**11,157,579**	**26,954,756**

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 16: CHANGES IN CAPITAL

Share capital at December 31, 2015 is comprised of:

Capital	Amount $	Date	Approved by Body	Date of registration with the Public Registry of Commerce:
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**			

In accordance with the General Companies Law and the Company's by-laws, 5% of the net profit for the year must be appropriated to a legal reserve until such reserve equals 20% of the capital.

NOTE 17: 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 18: TRADE PAYABLES

	Note	12.31.15	12.31.14	01.01.14
Non-Current				
Suppliers		157,068,465	2,992,613	-
		157,068,465	**2,992,613**	**-**
Current				
Suppliers		176,364,785	236,293,938	185,929,766
Provision for invoices to be received		24,785,581	35,589,102	32,985,317
Related companies	36	88,872,713	121,281,904	39,725,938
		290,023,079	**393,164,944**	**258,641,021**

The carrying value of current trade receivables is close to their fair value due to their short-term maturity.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 19: OTHER LIABILITIES

	Note	12.31.15	12.31.14	01.01.14
Non-Current				
Dividends payable	36	-	145,000	145,000
With related parties	36	100,000,000	364,934,244	353,983,724
Advances from customers		-	2,308,238	2,026,626
		100,000,000	**367,387,482**	**356,155,350**
Current				
Advances from customers		-	3,126,459	2,040,187
With related parties	36	116,786,152	116,188,764	40,590,200
Sundry		-	24,166	17,678
		116,786,152	**119,339,389**	**42,648,065**

The carrying value of other current liabilities is close to their fair value due to their short-term maturity.

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

NOTE 20: LOANS

Non-Current	Note	12.31.15	12.31.14	01.01.14
CAMMESA	20.D.2;20E; 31.A.1	207,353,297	210,727,956	172,157,630
Finance lease debts	20.F	1,206,711	25,278,396	24,864,811
Ministry of Production – Province of La Pampa		-	140,625	234,375
Syndicated Loan	20.A.1 and 20.C.3	103,628,231	54,524,311	115,074,104
Negotiable obligations	20.A.2; 20.B.2; 20.C.2	283,097,323	184,424,204	44,841,930
UBS loan - principal	20.B.1	90,857,513	171,622,788	193,502,487
Other bank debts		94,744,738	26,913,492	8,660,496
		780,887,813	**673,631,772**	**559,335,833**
Current				
Bank overdrafts		70,226,399	22,757,974	7,293,619
Finance lease debts	20.F	2,677,542	10,415,448	6,953,457
Creditors for purchase of helicopter		-	-	5,307,301
Ministry of Production – Province of La Pampa		-	93,750	93,750
Other bank debts		118,966,617	19,579,838	6,842,974
UBS loans	20.B.1	170,172,470	84,255,385	78,095,519
Syndicated Loans	20.A.1 and 20.C.3	61,094,287	30,307,961	32,912,272
Negotiable obligations	20.A.2; 20.B.2; 20.C.2	153,945,181	96,602,963	62,858,698
CAMMESA	20.D.2;20E; 31.A.1	6,749,320	20,180,856	67,564,289
		583,831,816	**284,194,175**	**267,921,879**

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

	12.31.15	12.31.14	01.01.14
Fixed rate			
Less than 1 year	244,110,172	134,372,519	107,337,051
Between 1 and 2 years	90,857,513	134,488,320	196,655,654
Between 2 and 3 years	-	-	50,521
	334,967,685	**268,860,839**	**304,043,226**
Floating rate			
Less than 1 year	339,721,644	149,821,656	160,584,828
Between 1 and 2 years	651,406,800	502,736,270	250,906,643
Between 2 and 3 years	34,654,912	26,769,781	98,750,998
After 3 years	3,968,588	9,637,401	12,972,017
	1,029,751,944	**688,965,108**	**523,214,486**
	1,364,719,629	**957,825,947**	**827,257,712**

Company loans are denominated in the following currencies:

	12.31.15	12.31.14	01.01.14
Argentine pesos	1,103,689,646	671,324,675	522,976,940
US dollars	261,029,983	286,501,272	304,280,772
	1,364,719,629	**957,825,947**	**827,257,712**

Changes in loans during the fiscal year were as follow:

	12.31.15	12.31.14
Loans at beginning of year	**957,825,947**	**827,257,712**
Loans received	571,252,907	311,834,745
Loans paid	(307,681,423)	(329,381,871)
Accrued interest	211,096,083	145,449,663
Interest paid	(178,136,242)	(137,490,125)
Exchange difference	99,523,812	130,079,779
Bank overdrafts	47,887,583	15,464,355
Deletions due to deconsolidation	(27,508,193)	-
Capitalized expenses/present values	(9,540,845)	(5,388,311)
Loans at year end	**1,364,719,629**	**957,825,947**

Changes at December 31, 2015 include the movements in loans of BDD and AJSA for the period when ASA had control over them.

NOTE 20: LOANS (Cont'd)

A) LOAN AGREEMENT - GENERACION MEDITERRANEA S.A.

A.1) 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 original 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.

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, the posting of a bond by ASA.

The balance of the loan at December 31, 2015 amounts to $ 57,600,371. The remaining balance of the loan principal at the date of issuance of the financial statements amounted to $ 49,050,000.

NOTE 20: LOANS (Cont'd)

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

A.2) 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 December 31, 2015 there are outstanding Class III and IV Negotiable Obligations issued by GMSA in the amounts and under the conditions described below:

Class III Negotiable Obligations:

Principal: Nominal value: $ 100,000,000 (one hundred million pesos)

Interest: Private banks BADLAR rate plus a 4.46% margin.

Interest of Class III Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: August 9, 2014; November 9, 2014; February 9, 2015; May 9, 2015; August 9, 2015; November 9, 2015, and; February 9, 2016.

Repayment:

To date, 2 installments were paid, equivalent to 66% of the nominal value of the Negotiable Obligation; the last one pending payment is equivalent to 34% of the standing amount, and it falls due on February 9, 2016.

The funds obtained through the issuance of Class III Negotiable Obligations were allocated to working capital and the partial pre-settlement of the principal of the Syndicated Loan in the amount of $ 54,508,500.

On July 15, 2015, Class IV Negotiable Obligations were issued, a portion in cash and the remainder through a swap for 87% of the Class III Negotiable Obligations, improving GMSA's indebtedness profile (term and rate) and working capital. The amount paid was $ 87,824,000.

The balance of the principal to be paid on February 9, 2016 amounts to $ 4,139,840.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

A.2) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations:

Principal: Nominal value: $ 130,000,000 (one hundred and thirty million pesos)

Interest: (i) from the date of issuance and liquidation until nine (9) months have elapsed, counted as 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), it will accrue interest at an annual floating rate equal to the sum of: (a) private banks BADLAR rate plus (b) 6.50%.

Interest of Class IV Negotiable Obligations will be paid on a quarterly basis, on 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.

Repayment: the principal of Class IV Negotiable Obligations will be repaid in three quarterly installments: the first two equivalent to 33% of the nominal value of the Negotiable Obligations, and the third installment to 34%, on January 16, 2017, April 17, 2017 and July 17, 2017, respectively.

The funds obtained through the issuance of Class IV Negotiable Obligations were allocated to the partial pre-settlement of the principal of Class II Negotiable Obligations for an amount of $ 87,824,000. The remaining amount was allocated to investments and working capital. This will allow for improving the financial profile of GMSA.

At the date of signing of these financial statements, the debt balance is of $ 130,000,000.

A.3) Loan from Banco Hipotecario S.A.

On December 16, 2013, GMSA took out a loan from Banco Hipotecario S.A. for a total of $ 10,000,000, to be repaid in 24 monthly installments. At December 31, 2015 the loan had been settled in its entirety.

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 must be paid on November 19, 2015 and accrues interest at BADCOR rate plus a 5.75% annual nominal margin.
The purpose of the loan is to allocate the funds received to working capital.

Albanesi S.A.

NOTE 20: LOANS (Cont'd)

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

A.4) Loan from Banco de Córdoba

On January 09, 2014, GMSA took out a loan from Banco de la Provincia de Córdoba S.A. for a total of $ 7,000,000, to be repaid in 24 monthly installments. The remaining balance of the loan at December 31, 2015 amounted to $ 291,667.

On June 8, 2015, GMSA took out a new loan from Banco de la Provincia de Córdoba S.A. for a total of $ 5,000,000, to be repaid in 24 monthly installments. The remaining balance of principal corresponding to the loan at December 31, 2015 amounts to $ 3,750,028.

A.5) Loan from Banco de Servicios y Transacciones S.A.

On August 1, 2014, GMSA took out a loan from Banco de Servicios y Transacciones S.A. for a total of $ 5,000,000, to be repaid in 12 monthly installments. On August 8, 2015 the loan was settled in its entirety.

A.6) Loan from Banco Chubut S.A.

On June 19, 2015, GMSA took out a loan from Banco Chubut S.A. for a total of $ 15,000,000, to be repaid in a term of 180 days counted as from the date of disbursement. At December 31, 2015 the loan had been settled in its entirety.

On October 20, 2015 GMSA took out a loan from Banco Chubut S.A. with the aim of applying the funds received to finance working capital. The loan amount was $ 5,000,000.
The principal will be settled in 1 payment, which must be made on January 20, 2016, and the loan accrues interest at a fixed rate of 31.87%.

On December 16, 2015, GMSA took out a new loan from Banco Chubut S.A., with the same purpose of allocating the funds to working capital. The loan amount was $ 15,000,000. The principal will be settled in 1 payment, which must be made on May 16, 2016, and the loan accrues interest at a fixed rate of 29.98%.

A.7) Loan from Banco Ciudad

On October 8, 2015, GMSA took out a loan from Banco Ciudad, for a total amount of $ 20,000,000. The principal will be settled in 31 monthly installments (with a grace period of 5 months), the first one of which must be paid on April 8, 2016; the loan accrues interest at BADCOR rate plus a 3% annual nominal margin. The purpose of the loan is to allocate the funds received to working capital.

NOTE 20: LOANS (Cont'd)

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

B.1) Loan with UBS AG.

On May 4, 2011, GISA signed a Loan Offer with UBS AG, Stamford Branch for USD 60,000,000. This amount was disbursed on May 13, 2011 and must be repaid in 17 quarterly consecutive installments beginning on May 15, 2012, accruing interest at a fixed rate of 13% yearly.

On March 6, 2015, GISA agreed to an amendment to the loan from UBS AG Stamford Branch, whereby the maturity dates of the financial tranche under that loan were rescheduled. This involves a considerable improvement of the Company's financial profile, reducing the concentration of debt maturities.

Below is a detail of the repayment schedule in effect, after the agreement to the loan amendment mentioned in the preceding paragraph, compared to the original schedule under the loan agreed on May 4, 2011.

Maturity date	Agreed in amendment of 03/06/2015	Original schedule
02/27/2015	USD 3,600,000	USD 3,600,000
05/27/2015	USD 2,089,102	USD 3,600,000
08/27/2015	USD 2,089,102	USD 3,600,000
11/27/2015	USD 2,089,102	USD 3,600,000
02/29/2016	USD 2,089,102	USD 3,600,000
05/09/2016	USD 6,963,672	USD 12,000,000
08/28/2016	USD 2,014,531	-
11/28/2016	USD 2,014,531	-
02/28/2017	USD 2,014,531	-
05/28/2017	USD 5,036,328	-
Total	**USD 30,000,000**	**USD 30,000,000**

The objective of this financing was the installation of 120 MW of new generation capacity.

The loan agreement sets forth compliance with covenants related to financial ratios (leverage, minimum equity, EBITDA to interest expenses and debt service coverage ratio), and limitations on indebtedness, as well as the provision of guarantees.

At December 31, 2015 the amount of principal owed is USD 20,132,695. GISA also has a reserve account with a foreign bank for USD 1,139,495, equivalent to the next two interest payments.

At the date of issue of these financial statements, GISA has settled 100% of this loan, with the funds that GMSA obtained from the loan agreement with BAF Latam Trade Finance Funds B.V. (See Note 49)

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

B.2) Negotiable obligations

With the purpose of improving the financial profile of the company, on December 9, 2013 GISA, through CNV Resolution 17226, was granted authorization for: (i) entry into the public offering system; and (ii) creation of a global program of issuance of simple Negotiable Obligations (non-convertible to shares), for a total outstanding nominal value of up to USD 50,000,000 or its equivalent in other currencies, in one or more classes or series.

On December 18, 2013 GISA issued Class I Negotiable Obligations for these amounts and with the following terms:

Class II Negotiable Obligations:

Principal: Nominal value: $ 35,000,000 (thirty five million pesos)

Interest: Private banks BADLAR rate plus a 4.1% margin.

Repayment:
Interest of Class II Negotiable Obligations will be paid on a quarterly basis, on arrears, on the following dates: (i) December 19, 2014; (ii) March 17, 2015; (iii) June 19, 2015; (iv) September 19, 2015; (v) December 19, 2015, and; (vi) March 19, 2016.

The principal of Class II Negotiable Obligations will be fully settled at their due date: March 19, 2016.

The remaining balance of this Class at December 31, 2015 amounts to $ 35,833,465, including interest of $ 624,515, net of the transaction costs pending payment of $ 132,645.

These funds were allocated to settle the financial debt, improving the company's indebtedness profile (term and rate) and increasing the working capital.

Class III Negotiable Obligations:

Principal: nominal value: $ 68.500.000 (sixty-five million and five hundred thousand pesos)

Interest: Private banks BADLAR rate plus a 6.5% margin

Repayment: Interest of Class III Negotiable Obligations will be paid on a quarterly basis, on 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.

The principal of 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 remaining balance of this Class at December 31, 2015 amounts to $ 72,217,603, including interest of $ 3,368,890, net of the transaction costs pending payment of $ 1,082,699.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

B.2) Negotiable obligations (Cont'd)

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

B.3) GISA – LOAN FROM ICBC

On July 2, 2015 a loan agreement was entered into between GISA, Industrial and Commercial Bank of China (Argentina) S.A. and RGA, the latter as surety. The purpose of the loan is to allocate the funds received to 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 remaining balance corresponding to the loan at December 31, 2015 amounts to $ 70,002,192.

At the date of these financial statements, GISA is complying with all its covenants.

C) LOAN AGREEMENT – GENERACIÓN FRÍAS S.A.

C.1) Loan from Banco Ciudad:

On July 8, 2014 GFSA signed a Loan Offer with Banco de la Ciudad de Buenos Aires S.A., for $ 30,000,000. This amount was disbursed on August 1, 2014. The loan contemplates a 12-month grace period and it is payable in 25 monthly consecutive installments as from August 2015. It accrues interest at private banks BADLAR rate plus100 basis points.

The balance due at December 31, 2015 amounts to $ 25,726,375 including interest for $ 689,134, net of the transaction costs pending payment.

The objective was financing part of the works required for the installation of 60 MW of new generation capacity.

C.2) Negotiable obligations

With the purpose of implementing the company's investment project, on July 10, 2014 GFSA obtained 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 or its equivalent in other currencies.

On September 29, 2014 GFSA issued Class I Negotiable Obligations for these amounts and with the following terms:

Class I Negotiable Obligations:

Principal: Nominal value: $ 120,000,000 (one hundred and twenty million pesos)

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

C.2) Negotiable obligations (Cont'd)

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.

At the date of issue of these financial statements, the remaining balance net of the transaction costs pending payment amounts to $ 121,112,320, including interest for $ 390,555.

C.3) Syndicated loan

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

The loan was structured in two tranches: (i) Tranche A, for $ 60 million, over a term of 48 months, accruing interest at a rate equivalent to adjusted BADCOR plus 625 basis points; (ii) Tranche B, for $ 40 million, over a term of 72 months and accruing interest at a rate equivalent to BADLAR plus 650 basis points.

Interest will be paid on a quarterly basis, as from the date of the first disbursement; the first payment of interest must be made on July 1, 2015.

The principal will be settled on a quarterly basis, with a 15-month grace period as from the date of the first disbursement. For Tranche A, principal will be paid in 12 quarterly installments from July 1, 2016, the last becoming due on April 1, 2019. For Tranche B, principal will be paid in 20 quarterly installments from July 1, 2016, the last becoming due on April 1, 2021.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 20: LOANS (Cont'd)

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

C.3) Syndicated loan (Cont'd)

The loan agreement sets forth compliance with covenants related to financial ratios and limitations on indebtedness, as well as the provision of guarantees. At December 31, 2015, the debt to EBITDA ratios agreed in the covenants of the existing loan are not applicable, because they are claimable as from the first quarter in which GFSA is operating, and in the year under analysis the power plant operated only in the month of December.

At the date of issue of these financial statements, the remaining balance net of the transaction costs amounts to $ 107,122,147, including interest for $ 8,043,785.

C.4) Loan from Puente Hermanos S.A.

GFSA obtained a loan from Puente Hermanos S.A. for an amount of $ 50,000,000, which will be settled with the next issue of Negotiable Obligations. This loan accrues interest at LEBAC rate, payable on a quarterly basis as from the date of disbursement, the first payment being due on January 22, 2016. At the date of issue of these financial statements, the remaining net balance amounts to $ 53,158,369, including interest for $ 3,158,369.

C.5) Loan from Banco Provincia de Buenos Aires S.A.

In 2015, GFSA entered into loan agreements with Banco Provincia de Buenos Aires S.A. for an amount of $11,300,000, with interest paid monthly. These loans are settled on a monthly basis, as from the date of the disbursement of each loan. At the date of issue of these financial statements, the remaining net balance amounts to $ 9.872.293, including interest for $ 105,626.

D) OTHER FINANCIAL LOANS

D.1) Generación Riojana S.A. - Loan from Nuevo Banco de La Rioja

On August 14, 2013 Nuevo Banco de la Rioja S.A. granted a loan to GRISA, within the Credit Line for Productive Investment, Communication "A" 5380 BCRA, 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%.

At the date of these financial statements, the principal amount due was $ 1,574,077.

D.2) Generación Riojana S.A. - Loan from CAMMESA

At December 31, 2015 GRISA holds financial debts with CAMMESA for $ 23,622,617, guaranteed by the assignment of 100% of the present and future credit rights for the sale of electricity in the Spot market of the WEM, from the implementation of a trust agreement in accordance with Law No. 24441.

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

NOTE 20: LOANS (Cont'd)

D.2) Generación Riojana S.A. - Loan from CAMMESA (Cont'd)

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.

E) 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.

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.

NOTE 20: LOANS (Cont'd)

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

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 at December 31, 2015.

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.

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).

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

NOTE 20: LOANS (Cont'd)

F) 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 the Company issued Class I Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 70,000,000 (seventy million pesos)

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 21: ALLOWANCES AND PROVISIONS

	For trade receivables	For tax credits	For impairment of inventories	For contingencies
Balance at January 1, 2014	**876,992**	**1,133,755**	**57,466**	**8,188,587**
Increases	507,894	-	-	2,392,824
Decreases	(326,000)	-	-	-
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**

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.

NOTE 22: SOCIAL SECURITY DEBTS

Current	12.31.15	12.31.14	01.01.14
Salaries payable	18,136	1,430,721	1,341,693
Social security charges payable	3,811,252	2,372,988	1,966,736
Provision for vacation pay	3,992,494	2,957,176	2,276,878
Income tax withholdings to be deposited	819,776	186,103	700,019
	8,641,658	**6,946,988**	**6,285,326**

NOTE 23: TAXES

	12.31.15	12.31.14	01.01.14
Non-Current			
Value added tax - payment plan	-	2,990,083	1,139,412
	-	**2,990,083**	**1,139,412**
Current			
Withholdings to be deposited	954,757	5,515,592	5,336,423
Payment plan	3,143,326	7,924,382	3,577,988
National Fund of Electric Energy	682,936	933,274	2,029,904
Value added tax payable	4,143,748	74,956	167,856
Turnover tax payable	1,326,695	1,638,045	7,728
Minimum notional income tax provision, net of prepayments	-	2,610,262	2,319,989
Others	1,485,647	342,138	411,178
	11,737,109	**19,038,649**	**13,851,066**

NOTE 24: INCOME TAX

Deferred assets and liabilities are offset when: a) there is a legally enforceable right to offset tax assets against tax liabilities; and b) when the charges for deferred income taxes relate to the same taxation authority. The following amounts, determined after proper offsetting, are shown in the statement of financial position.

	12.31.15	12.31.14	01.01.14
Deferred tax assets:			
Deferred tax assets to be recovered over more than 12 months	-	5,875,490	10,960,576
	-	**5,875,490**	**10,960,576**
Deferred tax liabilities:			
Deferred tax liabilities to be settled over more than 12 months	(548,354,489)	(293,777,353)	(211,525,452)
	(548,354,489)	**(293,777,353)**	**(211,525,452)**
Deferred tax assets (liabilities), net	**(548,354,489)**	**(287,901,863)**	**(200,564,876)**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 24: INCOME TAX (Cont'd)

The gross activity recorded in the deferred tax account is as follows:

	12.31.15	12.31.14
Balances at beginning of year	(287,901,863)	(200,564,876)
Charge to income statement	29,461,279	27,701,355
Expense charged to other comprehensive income	(290,952,413)	(115,038,342)
Deconsolidation of subsidiaries	1,038,508	-
Balance at year end	**(548,354,489)**	**(287,901,863)**

The activity in deferred tax assets and liabilities, without considering the offsetting of balances that correspond to the same tax jurisdiction, has been as follows:

Items	Balances at 12.31.14	Charge to income statement	Expense charged to other comprehensive income	Deconsolidation	Balances at 12.31.15
			$		
Deferred tax - Assets (Liabilities)					
Property, plant and equipment	(373,747,638)	(24,328,153)	(290,915,439)	1,065,009	(687,926,221)
Intangible assets	83,389	366,859	-	830	451,078
Investments	(2,382)	(1,032)	-	-	(3,414)
Trade receivables	(87,055)	(6,037,222)	-	(78,892)	(6,203,169)
Other receivables	1,703,372	2,796,716	-	-	4,500,088
Inventories	5,419,197	(5,489,136)	-	51,561	(18,378)
Trade payables	78,120	-	-	-	78,120
Taxes	189,519	(30,124)	-	-	159,395
Loans	(202,622)	1,286,849	-	-	1,084,227
Provisions	13,115,708	(2,060,934)	(36,974)	-	11,017,800
Sub-total	**(353,450,392)**	**(33,496,177)**	**(290,952,413)**	**1,038,508**	**(676,860,474)**
Deferred tax losses	65,548,529	62,957,456	-	-	128,505,985
Sub-total	**65,548,529**	**62,957,456**	**-**	**-**	**128,505,985**
Total	**(287,901,863)**	**29,461,279**	**(290,952,413)**	**1,038,508**	**(548,354,489)**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 24: INCOME TAX (Cont'd)

Items	Balances at 01.01.14	Charge to income statement	Expense charged to other comprehensive income	Balances at 12.31.14
			$	
Deferred tax - Assets (Liabilities)				
Property, plant and equipment	(254,898,620)	(3,454,804)	(115,394,214)	(373,747,638)
Intangible assets	668,622	(585,233)	-	83,389
Investments	1,232	(3,614)	-	(2,382)
Trade receivables	273,927	(360,982)	-	(87,055)
Other receivables	2,158,982	(455,610)	-	1,703,372
Inventories	3,820,827	1,598,370	-	5,419,197
Trade payables	78,120	-	-	78,120
Taxes	-	189,519	-	189,519
Loans	3,883,976	(4,086,598)	-	(202,622)
Provisions	4,295,543	8,464,293	355,872	13,115,708
Sub-total	**(239,717,391)**	**1,305,341**	**(115,038,342)**	**(353,450,392)**
Deferred tax losses	39,152,515	26,396,014	-	65,548,529
Sub-total	**39,152,515**	**26,396,014**	**-**	**65,548,529**
Total	**(200,564,876)**	**27,701,355**	**(115,038,342)**	**(287,901,863)**

The deferred tax assets due to tax losses are recognized insofar as the realization of the corresponding fiscal benefit through future taxable income is probable.

The income tax charge is broken down as follows:

	12.31.15	12.31.14
Current taxes	(25,998,639)	(14,938,332)
Deferred tax	29,461,279	27,701,355
Variation between income tax provision and tax return	134,335	102,981
Income tax	**3,596,975**	**12,866,004**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 24: INCOME TAX (Cont'd)

The reconciliation of the income tax charge charged to income/loss for the year to that resulting from the application of the tax rate corresponding to the accounting profit/loss before taxes is the following:

	12.31.15	12.31.14
Income before income tax on continuing operations and discontinued operations	33,062,036	(53,646,641)
Current tax rate	35%	35%
Income/loss at the tax rate	**(11,571,713)**	**18,776,324**
Permanent differences	(7,398,558)	(6,976,687)
Income from interests in associates	(516,166)	1,642,633
Differences from the sale of subsidiaries at the tax rate	31,424,494	-
Minimum notional income tax credits	(761,299)	(482,612)
Tax losses, expired or non-recognized	(7,579,783)	(2,227,395)
Tax losses not recognized previously	-	2,133,741
	3,596,975	**12,866,004**
Income tax for the year, on:		
Continuing operations	9,458,971	11,948,735
Discontinued operations	(5,861,996)	917,269
	3,596,975	**12,866,004**

Accumulated tax losses at December 31, 2015 amount to $ 364.1 million and, according to tax regulations in force, can be offset against future taxable profits, as detailed below:

Year	Amount in $	Year of expiration
Tax losses for the year (2011)	34,876,597	2016
Tax losses for the year (2012)	27,196,888	2017
Tax losses for the year (2013)	33,742,603	2018
Tax losses for the year (2014)	91,391,781	2019
Tax losses for the year (2015)	193,094,684	2020
Total accumulated tax losses at December 31, 2015	**380,302,553**	
Non-recognized tax losses	(13,142,598)	
Recognized tax losses	**367,159,955**	

Since it is uncertain that future taxable income can entirely absorb deferred tax assets, at December 31, 2015, the Company has not recognized deferred assets generated by tax losses for an amount of $ 13 million.

NOTE 25: 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 September 30, 2015.

NOTE 26: DERIVATIVE FINANCIAL INSTRUMENTS

	12.31.15	12.31.14	01.01.14
Derivatives	-	8,182,629	-
Total	**-**	**8,182,629**	**-**

NOTE 27: DEFINED PLAN BENEFIT - LABOR COMMITMENTS WITH PERSONNEL

A detailed description of the estimated cost and liability for benefits after retirement granted to GROSA employees is included below. These benefits are:

- A bonus for all the employees retiring under the differential regime of Decree No. 937/74, when reaching 55 years of age and 30 years of service, consisting in 10 salaries, augmented by 2% per each year of service exceeding the first 5 years.
- A bonus for service length, consisting in paying one salary after 20 years of employment (17 years, for women) plus another one every 5 years up to 35 years' service (32 years, for women) and two more salaries upon reaching 40 years of service (37 years, for women).

The liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned above were determined considering all the rights accrued by the beneficiaries until closing date of the year ended December 31, 2013, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by GROSA is the Projected Benefit Unit method.

The amounts and conditions vary according to the collective labor agreement.

	12.31.15	12.31.14	01.01.14
Defined benefit plan			
Non-current	4,819,097	3,681,060	2,049,747
Current	857,422	342,328	479,476
Total	**5,676,519**	**4,023,388**	**2,529,223**

NOTE 27: DEFINED PLAN BENEFIT - LABOR COMMITMENTS WITH PERSONNEL (Cont'd)

Changes in the Company's obligations for benefits at December 31, 2014 are as follows:

	12.31.15	12.31.14
Present value of the obligations for benefits 31.12.Obligations for	5,676,519	4,023,388
Obligations for benefits at end of year	5,676,519	4,023,388

The actuarial assumptions used were:

	12.31.15	31.12. 14
Interest rate	6%	6%
Salary growth rate	1%	1%
Inflation	30%	30%

At December 31, 2015 and 2014 GROSA does not have assets related to pension plans.

The charge recognized in the comprehensive statement of income is as follows:

	12.31.15	12.31.14
Cost of current services	367,655	155,473
Interest charges	1,479,062	801,392
Actuarial loss through Other comprehensive income	(105,639)	1,016,776
Total cost	1,741,078	1,973,641

Changes in the obligation for defined benefit plans are as follows:

	12.31.15	12.31.14
Balances at beginning of year	4,023,388	2,529,223
Cost of current services	367,655	155,473
Interest charges	1,479,062	801,392
Actuarial loss through Other comprehensive income	(105,639)	1,016,776
Payments of benefits	(87,947)	(479,476)
Balance at year end	**5,676,519**	**4,023,388**

Estimates based on actuarial techniques involve the use of statistical tools, such as the demographic tables used in the actuarial valuation of the Group active personnel. To determine mortality for the Group active personnel, the table "Group Annuity Mortality for 1983" has been used. In general, a mortality table shows, for each age group, the probability that a person in that age group will die before reaching a predetermined age. Mortality tables are elaborated separately for men and women, given that both have substantially different mortality rates.

To estimate total and permanent disability due to any cause, thetable "Pension Disability Table 1985" has been used.
To estimate the probability that the Group active personnel will leave the job or stay, the table "ESA 77" has been used.

The liabilities related to the above-mentioned benefits were determined considering all the rights accrued by the beneficiaries of the plans until closing date of the year ended December 31, 2015.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 28: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

The tables below show financial assets and financial liabilities by category of financial instruments and a reconciliation with the line disclosed in the statement of financial position, as applicable. Due to the fact that the items "Trade and other receivables" and "Trade and other payables" include both financial instruments and non-financial assets or liabilities (such as tax advances, receivables and debts), the reconciliation is shown in the columns "Non-financial assets" and "Non-financial liabilities".

Financial assets and liabilities at December 31, 2015 and 2014 and January 1, 2014 are as follows:

At December 31, 2015	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade and other receivables	492,117,644	-	156,009,548	648,127,192
Other financial assets at fair value through profit and loss	-	1,210,961	-	1,210,961
Cash and cash equivalents	20,559,109	11,006,589	-	31,565,698
Non-financial assets	-	129,861	3,271,780,792	3,271,910,653
Total	**512,676,753**	**12,347,411**	**3,427,790,340**	**3,952,814,504**
Liabilities				
Trade and other payables	678,195,873	-	11,737,109	689,932,982
Loans (finance leases excluded)	1,360,835,376	-	-	1,360,835,376
Finance leases	-	-	3,884,253	3,884,253
Non-financial liabilities	-	-	559,033,106	559,033,106
Total	**2,039,031,249**	-	**574,654,468**	**2,613,685,717**

At December 31, 2014	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade and other receivables	536,315,970	-	81,126,614	617,442,584
Cash and cash equivalents	32,171,512	1,744,041	-	33,915,553
Non-financial assets	-	-	2,243,292,737	2,243,292,737
Total	**568,487,482**	**1,744,041**	**2,324,419,351**	**2,894,650,874**
Liabilities				
Trade and other payables	893,854,804	-	22,028,732	915,883,536
Loans (finance leases excluded)	922,132,103	-	-	922,132,103
Finance leases	-	-	35,693,844	35,693,844
Derivative financial instruments	-	8,182,629	-	8,182,629
Non-financial liabilities	-	-	310,353,178	310,353,178
Total	**1,815,986,907**	**8,182,629**	**368,075,754**	**2,192,245,290**

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 28: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

At January 1, 2014	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade and other receivables	353,374,215	-	65,263,971	418,638,186
Cash and cash equivalents	27,705,500	6,542,875	-	34,248,375
Non-financial assets	-	-	1,756,743,379	1,756,743,379
Total	**381,079,715**	**6,542,875**	**1,822,007,350**	**2,209,629,940**
Liabilities				
Trade and other payables	666,258,985	-	14,990,478	681,249,463
Loans (finance leases excluded)	795,439,444	-	-	795,439,444
Finance leases	-	-	31,818,268	31,818,268
Non-financial liabilities			221,478,265	221,478,265
Total	**1,461,698,429**	**-**	**268,287,011**	**1,729,985,440**

NOTE 28: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

The categories of financial instruments were determined based on IFRS 9.
Below are presented the revenues, expenses, profits and losses arising from each financial instrument category:

At December 31, 2015	Financial assets at amortized cost	Liabilities at fair value	Assets/Liabilities at fair value	Total
Interest earned	5,453,742	-	-	5,453,742
Interest paid	-	(189,680,365)	-	(189,680,365)
Changes in the fair value of financial instruments	-	-	3,325,575	3,325,575
Exchange differences, net	-	(104,064,366)	-	(104,064,366)
Other financial costs	-	(44,300,500)	-	(44,300,500)
Total	**5,453,742**	**(338,045,231)**	**3,325,575**	**(329,265,914)**

At December 31, 2014	Financial assets at amortized cost	Liabilities at fair value	Assets/Liabilities at fair value	Total
Interest earned	4,827,536	-	1,279,179	6,106,715
Interest paid	-	(147,983,801)	-	(147,983,801)
Changes in the fair value of financial instruments	-	-	(19,170,857)	(19,170,857)
Exchange differences, net	-	(99,476,883)	-	(99,476,883)
Other financial costs	-	(58,004,427)	-	(58,004,427)
Total	**4,827,536**	**(305,465,111)**	**(17,891,678)**	**(318,529,253)**

Determination of fair value

ASA classifies fair value measurements of financial instruments using a three-level hierarchy, which gives priority to the inputs used in making such measurements. Fair value hierarchy includes these levels:

- Level 1: inputs such as (unadjusted) quoted prices in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. deriving from prices).

- Level 3: inputs on the assets and liabilities not based on observable market data (i.e. non-observable data).

NOTE 28: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

These charts show the Group's financial assets and liabilities measured at fair value at December 31, 2015 and 2014 and January 1, 2014 and their allocation to the different hierarchy levels:

At December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	11,006,589	-	-	11,006,589
Other financial assets at fair value through profit and loss	1,210,961	-	-	1,210,961
Investment in shares	-	-	129,861	129,861
Total	**12,217,550**	**-**	129,861	**12,347,411**

At December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	1,744,041	-	-	1,744,041
Total	**1,744,041**	**-**	**-**	**1,744,041**
Liabilities				
Derivative financial instruments	-	8,182,629	-	8,182,629
Total	**-**	**8,182,629**	**-**	**8,182,629**

At January 1, 2014	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	6,542,875	-	-	6,542,875
Total	**6,542,875**	**-**	**-**	**6,542,875**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No financial instruments should be included in Level 2. If one or more of the significant inputs is not based on observable market inputs (i.e. unobservable inputs), the instrument is included in level 3. These instruments are included in Level 3.

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Notes to the Consolidated Financial Statements (Cont'd)

NOTE 29: SALES REVENUE

	12.31.15	12.31.14
Sale of electricity	1,515,383,600	1,139,171,331
Services rendered	4,485,170	2,109,925
	1,519,868,770	**1,141,281,256**

NOTE 30: COST OF SALES

	12.31.15	12.31.14
Cost of purchase of electric energy	(301,048,439)	(317,433,761)
Cost of gas and gas oil consumption at the plant	(486,529,606)	(258,705,853)
Salaries and social security charges	(81,184,227)	(55,571,630)
Defined benefit plan	(1,758,770)	(956,865)
Other employee benefits	(1,566,415)	(1,407,458)
Professional fees	(29,559)	(625,997)
Rental	(2,862,510)	(3,292,889)
Depreciation of property, plant and equipment	(107,731,833)	(101,332,634)
Insurance	(19,184,902)	(33,612,124)
Maintenance	(94,289,592)	(47,581,800)
Electricity, gas, telephone and postage	(1,115,155)	(773,338)
Duties and taxes	(10,588,426)	(3,807,061)
Travel and per diem	(5,876,446)	(3,814,166)
Security guard and cleaning service	(5,146,519)	(3,316,913)
Miscellaneous expenses	(3,456,961)	(2,893,956)
	(1,122,369,360)	**(835,126,445)**

NOTE 31: SELLING EXPENSES

	12.31.15	12.31.14
Salaries and social security charges	(1,103,322)	(803,141)
Duties and taxes	(9,918,521)	(11,078,929)
Bad debts	-	(306,677)
	(11,021,843)	**(12,188,747)**

NOTE 32: ADMINISTRATIVE EXPENSES

	12.31.15	12.31.14
Salaries and social security charges	(10,477,408)	(8,247,825)
Other employee benefits	(834,852)	(716,893)
Rental	(102,029)	(106,029)
Professional fees	(30,365,479)	(14,541,716)
Depreciation of property, plant and equipment	(585)	(4,970)
Insurance	(192,556)	(216,830)
Maintenance	-	(85,181)
Electricity, gas, telephone and postage	(512,321)	(347,410)
Duties and taxes	(2,668,769)	(4,120,094)
Travel and per diem	(2,305,222)	(1,815,500)
Miscellaneous expenses	(2,520,885)	(2,061,857)
	(49,980,106)	**(32,264,305)**

NOTE 33: OTHER OPERATING INCOME AND EXPENSES, NET

Other operating income	12.31.15	12.31.14
Sale of property, plant and equipment	282,295	56,612
Changes in the fair value of investments in other companies	129,579	-
Income/loss from sale of interest in subsidiary (Note 39)	76,641,670	-
Sundry income	573,704	5,985,035
Total Other operating income	**77,627,248**	**6,041,647**
Other operating expenses		
Other expenses (Note 41)	(40,194,077)	(92,330)
Total Other operating expenses	**(40,194,077)**	**(92,330)**

NOTE 34: FINANCIAL RESULTS

	12.31.15	12.31.14
Financial income		
Changes in the fair value of financial instruments	-	1,279,179
Loan interest	-	520,385
Commercial interest	5,453,742	4,307,151
Total financial income	**5,453,742**	**6,106,715**
Financial expenses		
Loan interest	(186,296,653)	(145,449,663)
Tax interest	(3,383,712)	(2,534,138)
Bank expenses and commissions	(8,781,079)	(4,572,521)
Total financial expenses	**(198,461,444)**	**(152,556,322)**
Other financial results		
Exchange differences, net	(104,064,366)	(99,476,883)
Changes in the fair value of financial instruments	3,325,575	(19,170,857)
Loss from currency position, net	(474,819)	(376,117)
Other financial results	(35,044,602)	(53,055,789)
Total other financial results	**(136,258,212)**	**(172,079,646)**
Total financial results, net	**(329,265,914)**	**(318,529,253)**

NOTE 35: 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.

Continuing operations	12.31.15	12.31.14
Income (Loss) for the year attributable to the owners:	53,709,211	(32,355,848)
Weighted average of outstanding ordinary shares	4,455,160	34,335,677
Basic and diluted earnings (loss) per share	**12.06**	**(0.94)**

Discontinued operations	12.31.15	12.31.14
Loss for the year attributable to the owners:	(14,851,069)	(6,237,576)
Weighted average of outstanding ordinary shares	4,455,160	34,335,677
Basic and diluted loss per share	**(3.33)**	**(0.18)**

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

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NOTE 36: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES

In the normal course of business, the Group carries out transactions with different entities or persons related to it. An individual or entity is considered a related party when:

- An entity, an individual or a close member of that person's family has control, joint control or significant influence over the reporting entity, or is a member of the Board of Directors of the reporting entity or of its parent company.
- One entity is a subsidiary, associate or joint venture of the other entity, or of its parent company or controlled entity.

The next section includes a brief description of the main transactions conducted with related parties that are not described elsewhere in the notes to these consolidated financial statements:

Compensations to Directors

The Commercial Companies Law states that the remuneration of the Board, if not set forth in the company's by-laws, must be determined by the Shareholders' Meeting. The maximum retribution for all items that the members of the Board can receive, including salaries and other compensation for performing technical or administrative functions on a permanent basis, may not exceed 25% of income.

This maximum amount will be limited to 5% when no dividends are distributed to the Shareholders, and it will be increased in proportion to dividends distribution until reaching the 25% limit, when the total of income is distributed.

Some of our Directors are on an employment contract under the Labor Contract Law, No. 20744. This law comprises certain terms and conditions of the labor relationship, including the remuneration, salary protection, working hours, vacation, paid leaves, minimum age requirements, workers' protection, and suspension or termination of the contract.

Our Directors' remuneration for each year is determined in accordance with the guidelines set in the Commercial Companies Law, considering whether they perform technical-administrative functions or not, and depending on the income obtained by the Company in the relevant year. Once the amounts are determined, they are submitted to the Shareholders' Meeting for approval.

Natural gas supplied by RGA

The provision of natural gas to the thermal plants operated by the companies controlled by the Issuer for electricity generation is supplied by the related company RGA, the largest company engaged in the sale of natural gas in the market in terms of volume in this segment, who in turn has entered into contracts with several producers of natural gas.

In addition, the natural gas needed to support the Energía Plus contracts of the controlled companies is supplied by RGA within the framework of Note 7584/2011 of the Energy Undersecretariat.

Power Availability Agreements

The subsidiaries GEMSA and GISA have power availability agreements enforced with Solalban Energía S.A. in order to be able to meet the demand of electricity from an Energía Plus customer, in the event of unavailability of the machines.

NOTE 36: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

Guarantees granted by RGA to secure loans accepted by Albanesi and its subsidiaries

RGA posted a surety bond on GFSA's obligation of payment to its creditors under the Class I Negotiable Obligations and GFSA Syndicated Loan, until the date of commencement of the commercial operation at the plant. For further information regarding the financial debt of GFSA and the sureties posted by RGA.

Lease contracts with RGA for offices

The subsidiaries GEMSA, GISA, GROSA, BDD, GFSA and GLBSA have lease contracts with the related company RGA, for the office located at Av. Leandro N. Alem 855 - 14th Floor, Buenos Aires – Argentina.

Agreements with RGA for the provision of administrative and financial services

On June 26, 2014, the subsidiaries GEMSA, GISA, GROSA, GRSA and GLBSA entered into agreements with the related company RGA, whereby the latter is to provide administrative and financial services to these companies through daily support from the professionals in its staff in those aspects necessary for their adequate administrative performance, so as to carry out the tasks related to the corporate purpose. As a consideration for these services, RGA earns a fixed monthly remuneration equivalent to 32% of the total labor cost received by its staff professionals involved in the provision of services, plus a 15% attributed to coordination of the services. The term of the agreements is for one year, which can be automatically renewed for one successive and equal period.

Guarantees provided for the acquisition of Alba Jet S.A. aircraft

On November 14, 2008, the Issuer, jointly with its shareholders and the affiliate company RGA, guaranteed to SFG Equipment Leasing Corporation compliance of Alba Jet S.A. obligations arising from the financial lease contract for the purchase of the new Learjet 45 XR aircraft.

Purchase of grapes

The subsidiary BDD purchases the grape for the production of its wines from the related company Alto Valle del Río Colorado S.A.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 36: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

a) Transactions with related companies and affiliates

		12.31.15	12.31.14
		$	
		Profit / (Loss)	
Purchase of grape			
AVRC	Related company	(2,131,034)	(2,398,330)
Purchase of gas			
RGA [(1)]	Related company	(230,508,113)	(245,170,213)
Purchase of energy			
Solalban Energía S.A.	Affiliate company	(552,956)	(667,676)
Purchase of wines			
BDD	Related company	(13,150)	-
Sale of wine[(2)]			
RGA	Related company	-	434,719
CTR	Related company	1,964	14,126
Centennial S.A.	Related company	-	4,959
AVRC	Related company	-	17,355
Sale of energy			
RGA	Related company	17,178,470	1,693,259
Solalban Energía S.A.	Affiliate company	22,984,636	3,380,376
Sale of components and spare parts			
CTR	Related company	107,743,359	-
Sale of interests in subsidiaries			
RGA	Related company	108,750,000	
Financial interest earned			
RGA	Related company	-	513,481
Financial interest paid			
Centennial S.A.	Related company	(2,101,632)	(33,702)
Sale of flights			
CTR	Related company	-	1,016,910
RGA	Related company	-	1,293,550
Leases and services agreements			
RGA	Related company	(5,212,215)	(5,199,739)
Reimbursement of expenses			
CTR	Related company	-	12,500
RGA	Related company	(17,382)	(500,528)
Collection of dividends			
Solalban Energía S.A.	Affiliate company	5,880,000	10,099,176

(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 operations of Bodega del Desierto S.A are disclosed within discontinued operations.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 36: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

b) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their remuneration at December 31, 2015 and 2014 amounted to $ 10,121,357 and $ 7,562,822, respectively.

	12.31.15	12.31.14
Salaries	10,121,357	7,562,822
	10,121,357	**7,562,822**

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

Captions	Type	12.31.15	12.31.14	01.01.14
			$	
NON-CURRENT ASSETS				
Other receivables				
Contributions pending paying-in	Minority interest	-	-	450,000
RGA	Related company	739	-	-
Shareholders' private accounts	Minority interest	-	27,355,823	4,023,631
CTR	Related company	-	-	-
AVRC	Related company	-	-	395,000
		739	**27,355,823**	**4,868,631**
CURRENT ASSETS				
Trade receivables				
CTR	Related company	1,500,000	1,468,768	4,878
Solalban Energía S.A.	Affiliate company	18,215	113,634	-
RGA	Related company	-	42,532,413	34,887,793
		1,518,215	**44,114,815**	**34,892,671**
Other receivables				
Contributions pending paying-in	Minority interest	525,000	-	127,004
Shareholders' private accounts	Minority interest	62,142,446	12,751,045	4,916,783
CTR	Related company	33,237,850	-	-
RGA	Related company	-	7,985	35,304
		95,905,296	**12,759,030**	**5,079,091**
NON-CURRENT LIABILITIES				
Other liabilities				
RGA	Related company	100,000,000	364,934,244	353,983,724
Dividends payable	Minority interest	-	145,000	145,000
		100,000,000	**365,079,244**	**354,128,724**
CURRENT LIABILITIES				
Trade payables				
BDD	Related company	10,620	-	-
Solalban Energía S.A.	Affiliate company	215,538	-	463,368
AJSA	Related company	2,940,772	-	-
RGA	Related company	85,705,783	121,281,904	39,262,570
		88,872,713	**121,281,904**	**39,725,938**
Other liabilities				
AVRC	Related company	-	5,592,822	2,939,381
RGA	Related company	116,641,152	110,595,942	30,441,861
Shareholders' private accounts	Minority interest	145,000	-	7,138,958
Centennial S.A.	Related company	-	-	70,000
		116,786,152	**116,188,764**	**40,590,200**

NOTE 37: WORKING CAPITAL

At December 31, 2015 the Company records a negative working capital of $ 357,809,373 (calculated as current assets less current liabilities), while at December 31, 2014 the deficit in working capital amounted to $ 310,451,752.

At the date of issue of these financial statements, the Company and its shareholders are implementing the following action plan to reduce the current deficit in working capital:

1. To continue paying the debt held by ASA with RGA, according to the following detail:

i) $ 100 million resulting from the cash flows obtained from entering the public offering system and the creation of a global program for the issue of Class II Negotiable Obligations.

ii) $ 16 million approximately, corresponding to dividends expected to be received from subsidiaries such as GMSA, GROSA and Solalban Energía S.A. for the year 2015.

iii) $ 9 million that the Company will obtain from the release of GMSA's optional reserve.

2. On February 11, 2016 GMSA received a bullet loan from BAF Latam Trade Finance Funds B.V, for an amount of USD 40 million, falling due three years as from the issuance date.
3. The start-up of the GFSA electricity generation plant, from which, based on the Company'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. Additional income from GRISA power plant, with the start-up of the new turbine Siemens Industrial Turbomachinery AB of 50MW, which is estimated to be operating by the fourth quarter of 2016.
5. Additional cash flow to be obtained from the adjustment that the Energy Secretariat is expected to make on the system of ES Resolutions No. 95/2013, No. 529/2014 and No. 482/2015, which will increase the operating results of certain subsidiaries, with substantial improvement in the working capital position.

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

NOTE 38: 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.

NOTE 38: SEGMENT REPORTING (Cont'd)

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

• 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 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.

Below is an analysis of the Group's business lines for the year ended December 31, 2015:

Information on consolidated income for the year ended December 31, 2015:

	Electricity	Wines	Air transportation service	Deletions	12.31.15
Operating income	1,521,554,884	-	-	(1,686,114)	1,519,868,770
Cost of sales and services	(1,124,055,474)	-	-	1,686,114	(1,122,369,360)
Gross income	**397,499,410**	-	-	-	**397,499,410**
Selling expenses	(11,021,843)	-	-	-	(11,021,843)
Administrative expenses	(49,980,106)	-	-	-	(49,980,106)
Income from interests in associates	(1,474,760)	-	-	-	(1,474,760)
Other operating income	77,627,248	-	-	-	77,627,248
Other operating expenses	(40,194,077)	-	-	-	(40,194,077)
Operating income	**372,455,872**	-	-	-	**372,455,872**
Financial results	(329,265,914)	-	-	-	(329,265,914)
Income/Loss before income tax	**43,189,958**	-	-	-	**43,189,958**
Income tax and minimum notional income tax	9,458,971	-	-	-	9,458,971
Income/Loss from continuing operations	**52,648,929**	-	-		**52,648,929**
Income/Loss from discontinued operations	-	**(6,787,065)**	**(9,202,853)**	-	**(15,989,918)**
Net income/loss for the year	**52,648,929**	**(6,787,065)**	**(9,202,853)**	-	**36,659,011**

Consolidated information on financial position at December 31, 2015

	Electricity	Wines	Air transportation service	Deletions	12.31.15
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

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 38: SEGMENT REPORTING (Cont'd)

This is an analysis of the Group's business lines for the year ended December 31, 2014:

Information on consolidated income for the year ended December 31, 2014:

	Electricity	Wines	Air transportation service	Deletions	12.31.14
Operating income	1,141,281,256	-	-	-	1,141,281,256
Cost of sales and services	(835,126,445)	-	-	-	(835,126,445)
Gross income	306,154,811	-	-	-	306,154,811
Selling expenses	(12,188,747)	-	-	-	(12,188,747)
Administrative expenses	(32,264,305)	-	-	-	(32,264,305)
Income from interests in associates	4,693,235	-	-	-	4,693,235
Other operating income	6,041,647	-	-	-	6,041,647
Other operating expenses	(92,330)	-	-	-	(92,330)
Operating income	272,344,311	-	-	-	272,344,311
Financial results	(318,529,253)	-	-	-	(318,529,253)
Income/Loss before income tax	**(46,184,942)**	-	-	-	**(46,184,942)**
Income tax and minimum notional income tax	11,948,735	-	-	-	11,948,735
Total continuing operations	**(34,236,207)**	-	-	-	**(34,236,207)**
Discontinued operations	-	407,357	(6,951,787)	-	(6,544,430)
Total income for the year	**(34,236,207)**	**407,357**	**(6,951,787)**	-	**(40,780,637)**

Consolidated information on financial position at December 31, 2014

	Electricity	Wines	Air transportation service	Deletions	12.31.14
Assets	2,764,996,113	28,234,425	101,420,336	-	2,894,650,874
Liabilities	2,112,795,984	9,540,738	69,908,568	-	2,192,245,290
Investments in associates	183,358,371	-	-	-	183,358,371
Additions and transfers of property, plant and equipment	180,043,947	1,171,881	51,981,931	-	233,197,759
Depreciation of property, plant and equipment	101,337,604	759,082	3,853,116	-	105,949,802

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 39: DISCONTINUED OPERATIONS

In the course of 2015, ASA sold its interests in BDD and AJSA to RGA. At December 31, 2014, 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:

	12.31.15	**12.31.14**
Sales revenue	18,982,235	19,854,657
Cost of sales	(18,856,940)	(23,196,861)
Gross income	**125,295**	**(3,342,204)**
Selling expenses	(2,835,218)	(1,297,342)
Administrative expenses	(1,673,822)	(6,136,331)
Other operating income and expenses	98,645	24,072,964
Operating income	**(4,285,100)**	**13,297,087**
Financial results, net	**(5,842,822)**	**(20,758,786)**
Income before tax	**(10,127,922)**	**(7,461,699)**
Income tax	(5,861,996)	917,269
Loss from discontinued operations	**(15,989,918)**	**(6,544,430)**

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 39: DISCONTINUED OPERATIONS (Cont'd)

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

Statement of cash flows:

	12.31.15	12.31.14
Funds generated by (used in) operating activities	(2,435,815)	(27,695,700)
Funds (used in) investment activities	(1,257,361)	(15,404,577)
Funds (used in) generated by financing activities	3,478,892	43,794,202
(Decrease) Increase in cash for the year	**(214,284)**	**693,925**

The cash flow generated by this transaction is detailed below:

	12.31.15
Sale of interests in subsidiaries	
Trade receivables	5,016,521
Other receivables	17,355,894
Inventories	15,837,602
Property, plant and equipment	87,481,415
Intangible assets	2,376
Accounts payable	(5,246,571)
Financial debts (not including bank overdrafts)	(27,089,035)
Salaries and social security charges	(1,284,662)
Tax payables	(1,596,041)
Other liabilities	(57,041,443)
Net value of deconsolidated assets not affecting cash	**33,436,056**
Cash and cash equivalents (including bank overdrafts) sold	779,482
Net value of deconsolidated assets	**34,215,538**
Non-controlling interest	(2,107,208)
Income for sale of interests in subsidiaries	76,641,670
Company selling value	**108,750,000**
Mutual funds sold	779,482
Balances with RGA offset RGA	(108,750,000)
Mutual funds disposed of due to sales	(779,482)

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 40: RESTRICTED ASSETS AND OTHER COMMITMENTS

A. GMSA

A.1 Loans from CAMMESA

At December 31, 2015, GMSA has settled the financial debt with CAMMESA that was secured with an assignment of 15% of the current and future receivables for the sale of energy in the Spot Market of the WEM. This debt was incurred to finance improvements in the boiler of the combined cycle (MMARTG01 and MMARTG02).

A.2 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 Energía Plus sale transactions (conducted or to be conducted); 21 contracts of GMSA were pledged as collateral for that assignment of rights.

At the date of these 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 balance of the debt under the syndicated loan for that fiscal year is $56,700,000 million, which shows an improvement in GMSA's financial structure.

A.3 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at December 31, 2015 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between GMSA 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
Sale commitments[1]			
Electric energy and power - Plus	967,045,516	947,413,701	19,631,815

[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 December 31, 2015, under ES Resolution 1281/06.

NOTE 40: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

B. GISA

B.1) Loan with UBS AG.

On May 4, 2011, GISA as trustor, Banco de Servicios y Transacciones S.A., as trustee, and UBS AG Stamford Branch, as beneficiary, entered into a Contract of Assignment of Fiduciary Rights and Trust for Guarantee Purposes to secure proper and timely compliance with all of the payment obligations assumed and/or to be assumed by GISA with any and all the Creditors-Beneficiaries, the Collateral Agent and/or the Trustee, under the loan disbursed on May 13, 2011.

The rights assigned under the contract are detailed below:

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

The credits and assets held in trust at December 31, 2015 and 2014 are the following:

	12.31.15	12.31.14
Assets held in trust		
Property, plant and equipment	265,188,606	292,374,457
Total	**265,188,606**	**292,374,457**

If GISA does not comply with its obligations, the trustee will retain in the collateral accounts the amount equivalent to the amounts necessary to pay the beneficiaries, on the following payment date, the principal installment and/or compensatory interest under the contract entered into.

B.2 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at December 31, 2015 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between GISA and large customers of the Forward Market under the ES regulations.

	Total	Up to 1 year	From 1 to 3 years
Sale commitments[(1)]			
Electric energy and power - Plus	38,387,419	30,321,649	8,065,770

(1) Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract.

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 40: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

C. GRISA

C.1 Other commitments - Contract with Siemens (Unrecorded contractual commitments)

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 161,032,000 (Swedish crowns). For this purpose, the studies and engineering works necessary for its installation were started, so as to be able to place the turbine into service in October 2016.

Advance payments on the contract, in the order of SEK 40,258,000 (Swedish crowns) are disclosed under other current receivables.

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

	2016
Commitments [(1)]	
Siemens Industrial Turbomachinery AB	SEK 120,774,000

[(1)] The commitment is denominated in Swedish crowns and considering the time of payment according to the particular conditions of the contract.

D. GFSA

D.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 26.97 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 works in progress under Property, plant and equipment.

Further, the purchase contract contemplates financing by the vendor of USD 12 million over a 4-year term that can be extended for another 4 years, as from the provisional acceptance by GFSA. This financing will accrue interest at an annual rate of 7.6718%, to be calculated on a 30-day month/360-day year basis, capitalized quarterly.

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

	Total	2016	2017	2018	2019	2020	2021	2022	2023
Commitments [(1)]	USD								
PWPS for the purchase of a turbine FT4000™ SwiftPac®	22,088,151	961,620	961,620	961,620	961,620	961,620	961,620	961,620	15,356,811

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

Albanesi S.A.

Notes to the Consolidated Financial Statements (Cont'd)

NOTE 41: CONTRACT WITH GENERAL ELECTRIC COMPANY – GENERACION RIOJANA S.A.

On April 27, 2011, GRISA entered into a contract with General Electric Co. for the purchase of a gas turbine model GE PG 6FA.03, together with field engineering services. The contract was executed with the aim of fulfilling the technical requirements timely set by CAMMESA, to increase the available power of the Plant from 40MW to 117MW. Due to subsequent changes in those requirements, the conclusion was reached that the turbines were not fit for the current technical requirements, and it was necessary to include an addendum to the contract.

This addendum was signed in June 2015, modifying the purpose of the contract and agreeing that General Electric Co. would provide GRISA with AGP and PIP instead of the turbine of the 2011 contract. The AGP and PIP were made available on June 30, 2015 and to date have already been brought into the country. Their price amounted to $ 66,345,753 (USD 7,300,369), out of which General Electric Co. recognized $ 48,947,038 (USD 5,445,821) to GRISA for the payments made under the original contract. Further, GRISA recognized to General Electric Co. the amount of $ 48,547,760 (USD 5,341,963) as expenses for the contract suspension. At December 31, 2015 the balance of the debt with General Electric Co. is $ 24,183,306 (USD 1,854,548).

These assets were sold by GRISA to CTR for an amount of USD 8,030,407 (equivalent to $ 72,578,818 at June 30, 2015) which, net of the cost, generated an income of $ 6,233,065 at June 30, 2015. CTR is to pay GRISA for the purchase in two installments: one due November 30, 2015 of USD 3,269,560 and the second due on January 31, 2017 of USD 4,760,847.

At the date of these financial statements, both invoices have been fully paid, with a remaining balance made up of provisions for the year for financial costs related to the sale and exchange differences for $ 33,237,850, disclosed in other current receivables.

Income/Loss from the transactions mentioned above, shown in the "Other income and expenses" line of the Statement of Comprehensive Income, is extraordinary and unique and unrelated to GRISA's main line of business.

NOTE 42: GASNOR S.A. FRAMEWORK OFFER

On February 24, 2011, GISA entered into a Framework Agreement with Gasnor S.A. (the distributor) whereby GISA undertakes to perform the works necessary for adapting the natural gas distribution system owned by Gasnor S.A. for it to be able to deliver gas in the supply pressure conditions required by GISA.

The parties agreed that GISA will bill the distributor for an amount of $ 4,654,236 (plus value added tax), the resulting total of all the works. The balance of these invoices will be offset against the gas carriage charges recorded subsequent to the performance and authorization of the works.

NOTE 43: LONG-TERM MAINTENANCE CONTRACT – GENERACIÓN MEDITERRANEA AND GENERACIÓN INDEPENDENCIA S.A.

GMSA and GISA signed with the company PWPS a global service agreement (Long Term Service Agreement). On November 14, 2012, an offer letter was accepted as addendum to the contract to include a turbine installed in GMSA's extension of 2010.

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 and GISA entered into an equipment lease agreement whereby PWPS must make available to GMSA and GISA under EXW conditions replacement equipment (Gas Generator/Power Turbine) within 72 hours, in case of unplanned placing of equipment out of service. PWPS guarantees availability not lower than ninety-five percent (95%) to the power plants of GMSA and GISA for a contractual year. In addition, the GMSA and GISA 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. In this way, compliance with energy sales contracts is guaranteed.

NOTE 44: 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; the accumulated amount for this item by the end of December 2016 would be approximately $ 25,000,000.

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 $ 18,781,019 at December 31, 2015.

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..

NOTE 45: MERGER THROUGH ABSORPTION

GMSA (the merging and continuing company), GISA (the merged company), GLBSA (the merged company) and GRISA (the merged company) started a merger process through the absorption of the latter three companies, and a consolidated statement of financial position for merger purposes was issued at June 30, 2015, based on special statements of financial position for merger purposes of each company.

The purpose of the merger is to enhance and optimize, through a corporate reorganization, 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 they are included in Section 77 and following provisions of the Income Tax Law.

A preliminary merger agreement was entered into on August 31, 2015 establishing a merger between GISA, GLBSA and GRISA through absorption into GMSA (the continuing Company) effective January 1, 2016.

The meetings of the Companies' shareholders were held on October 15, 2015 which approved the preliminary merger agreement that had already been approved by the Board of Directors. The dissolution of the merged companies, an increase of GMSA capital as a result of the merger, and the transfer of the public offering from GISA to GMSA were also approved.

NOTE 45: MERGER THROUGH ABSORPTION (Cont'd)

The publication of the notice of the merger required by Section 83 of the General Companies Law (LGS) was completed on October 22, 2015, and the period for opposition of creditors commenced. As no creditor has opposed the merger or invoked any rights over the Participating Companies during that period, the Final Merger Agreement was signed on November 10, 2015.

The presentation of the merger formalities with the CNV was made on November 13, 2015 and, after the administrative authorization of that agency has been obtained, the pertinent presentation will be made to the IGJ for its registration with the Public Registry of Commerce.

NOTE 46: 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 47: COMPENSATION FROM PWPS

As of December 31, 2015, GFSA had submitted a claim to PWPS for an amount of USD 1.5 million, equivalent to $ 19.4 million, as a compensation for the delay in the delivery of the turbine by PWPS.

Compensation is due under the agreement the Company signed with PWPS on April 4, 2014, which sets forth that the seller should pay a compensation for any delay in the delivery of the main components of the unit, which in turn delayed the construction of the facilities. In this case, the seller must pay to the buyer liquidated damages for the delay in the delivery of these components, based on the terms and amounts agreed upon in the contract.

At the date of issue of these financial statements, PWPS consented to the compensation payment, which will be settled in the first quarter of 2016.

NOTE 48: DISSOLUTION AND FINAL DISTRIBUTION OF ALBANESI FUEGUINA S.A.

On September 30, 2015, the Extraordinary Shareholders' Meeting of AFSA resolved the dissolution of the company under the provisions of Section No. 94 Subsection 1 of the Commercial Companies Law No. 19550.

Furthermore, on October 21, 2015, AFSA issued the Financial Statements for liquidation purposes for the non-annual period of nine months which were prepared for approval of the pertinent distribution project. In the Extraordinary Shareholders' Meeting held on October 21, 2015, the shareholders' approved the Financial Statements for liquidation purposes and the pertinent Distribution Project.

Lastly, on December 15, 2015, the procedure was started for dissolution and subsequent de-registration of AFSA from the Superintendency of Commercial Companies of the Province of Tierra del Fuego.

NOTE 49: SUBSEQUENT EVENTS

a) Banco Macro loan – GMSA

A loan agreement was entered into between GMSA and Banco Macro on January 20, 2016. The purpose of the loan is to apply the funds received to finance working capital. The loan amount was $ 10,000,000.
The principal will be settled in 6 monthly installments, the first one of which was paid on February 10, 2016; the loan accrues interest at BADCOR rate plus a 2% annual nominal margin.

Albanesi S.A.

NOTE 49: SUBSEQUENT EVENTS (Cont'd)

b) Banco Supervielle loan - GMSA

A loan agreement was entered into between GMSA and Banco Supervielle on February 3, 2016. The purpose of the loan is to apply the funds received to finance working capital. The loan amount was $ 15,000,000.
The principal will be settled in 12 monthly installments, the first one of which was paid on March 4, 2016, and the loan accrues interest at a fixed rate of 35%.

c) Loan from BAF Latam Trade Finance Funds B.V. - GMSA

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 (see Note 37) 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 (forty million US dollars) 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 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 (twenty million one hundred and thirty-two thousand six hundred and ninety five US dollars) of the loan agreement entered into on May 4, 2011, between GISA (debtor), UBS Securities LLC (moneylender) and UBS AG Stamford Branch (administrative agent).

d) Banco Chubut loan – GMSA

A loan agreement was entered into between GMSA and Banco Chubut on February 2, 2016, The loan amount was $ 5,000,000.

Principal will be amortized on a monthly basis and will fall due on May 20, 2016. It accrues interest at an annual rate of 29.98%.

e) Program of issuance of Negotiable Obligations

With the aim of obtaining financing of working capital necessary for the commercial operation and refinancing of existing liabilities, GFSA was authorized on February 26, 2016 for the public offering of Class II Negotiable Obligations for a nominal value of $ 70,000,000 to be extended to $ 130,000,000 for a term of 24 months at a floating rate falling due after 24 months have elapsed from issuance and settlement.

The advertising period started on February 29, 2016 and ended March 3, 2016, with the bidding process taking place on March 4, 2016.

NOTE 50: 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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Free translation from the original prepared in Spanish for publication in Argentina

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Leandro N. Alem 855, 14th floor
City of Buenos Aires
Tax ID No. 30-68250412-5

Report on the financial statements

We have audited the attached consolidated financial statements of Albanesi S.A. (the Company) and its subsidiaries, which consist of the consolidated statement of financial position as of December 31, 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, as well as a summary of the most significant accounting policies and other explanatory information.

The balances and other information corresponding to the fiscal year 2014 are an integral part of the audited financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board responsibility

The Board of Directors of the Company is responsible for the preparation and reasonable presentation of these consolidated financial statements under International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB). Further, the Board of Directors is responsible for the existence of adequate internal control to prepare consolidated financial statements free of any material misstatements due to error or irregularities.

Auditors' responsibility

Our responsibility is to express an opinion on the attached consolidated financial statements, based on our audit. We performed our audit in accordance with International Standards on Auditing (ISAs). These standards were adopted as review standard in Argentina through Technical Pronouncement No. 32 of the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), as approved by the International Auditing and Assurance Standards Board (IAASB) and they require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and other information disclosed in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements due to fraud or error. In making those risk assessments, the auditor must consider internal control relevant to the Company's preparation and reasonable presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements mentioned the first paragraph of this report present fairly, in all material respects, the consolidated financial position of Albanesi S.A. and its subsidiaries as of December 31, 2015, as well as the consolidated comprehensive income and consolidated cash flows for the fiscal year then ended, in accordance with International Financing Reporting Standards.

Report on compliance with regulations in force

In accordance with current regulations, we report, in connection with Albanesi S.A., that:

a) the consolidated financial statements of Albanesi S.A. have been transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our field of competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the separate financial statements of Albanesi S.A. arise from accounting records carried in all formal respects in conformity with legal provisions which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;

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 December 31, 2015, there is no debt accrued in favor of the Argentine Integrated Social Security System;

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e) as required by section 21, subsection e), Chapter III, Part IV, Title II of the rules issued by the National Securities Commission, we report that total fees for auditing and related services billed to the Company during the fiscal year ended December 31, 2015 account for:

e.1) 66% of the total fees for services billed to the Company for all items during that fiscal year;
e.2) 10% of the total fees for services for auditing and related services billed to the Company, its parent companies, subsidiaries and related companies during that year;
e.3) 6% of the total fees for services billed to the Company, its parent companies, subsidiaries and related companies for all items during that year;

f) we have applied for Albanesi S.A. the money laundering abatement and anti-terrorist financing procedures comprised in the professional standards issued by the Professional Council in Economic Sciences of the City of Buenos Aires.

City of Buenos Aires, March 8, 2016

PRICE WATERHOUSE & CO. S.R.L.

Carlos Horacio Rivarola (Partner)