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Generación Mediterránea S.A.

Interim Condensed Financial Statements

At March 31, 2017 and for the three-month period
ended March 31, 2017 and 2016
presented in a comparative format

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Contents

Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS

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

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

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Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS

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

Terms	Definitions
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption unto: GUMAs, GUMEs, GUPAs and GUD
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supplies of over 310kW
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Particular Large Users
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAT	Futures market
MAPRO	Major Scheduled Maintenance
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ON	Negotiable obligations
PWPS	Pratt & Whitney Power System Inc
Resolution 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical pronouncements
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
SADI	Argentine Interconnection System
ES	Energy Secretariat
CGU	Cash-Generating Unit

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Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee
at March 31, 2017

President
Armando R. Losón

Vice President 1st
Guillermo G. Brun

Vice President 2nd
Julián P. Sarti

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

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

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

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

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Legal information

Company Name:	Generación Mediterránea S.A.
Legal domicile:	Av. L.N. Alem 855, piso 14, City of Buenos Aires
Main line of business:	Generation and sale of electric energy. Development of energy projects, execution of projects, provision of advisory and other services, management, administration and performance of works of any nature; investments and financial transactions of any kind, except for those under Law No. 21526

Registration with the Superintendency of Commercial Companies:

By-laws	January 28, 1993
Latest amendment:	March 17, 2017
Registration number with the Superintendency of Commercial Companies:	No. 644 of Book 112, Volume "A" of Corporations
Tax ID: No.	31-68243472-0
Expiration date of Company By-laws:	January 28, 2092
Parent company:	**Albanesi S.A.**
Legal domicile:	Av. L.N. Alem 855, piso 14, City of Buenos Aires
Main line of business of Parent Company:	Investment and financial activities
Percentage of equity interest held by Parent Company:	95%
Percentage of voting rights of Parent Company:	95%

CAPITAL STATUS (Note 14)	
Class of shares	**Subscribed, inscribed and paid-in**
	$
Ordinary, registered, non-endorsable shares of $1 nominal value each and entitled to 1 vote per share.	138,172,150

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Generación Mediterránea S.A.

Interim Condensed Statements of Financial Position

At March 31, 2017 and December 31, 2016

Stated in pesos

	Note	03.31.17	12.31.16
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	7,114,025,138	4,491,820,544
Investments in Companies	25	129,861	129,861
Other receivables		66,558,240	49,598,816
Trade receivables		10,199,967	57,883,839
Total non-current assets		**7,190,913,206**	**4,599,433,060**
CURRENT ASSETS			
Materials and spare parts		27,501,538	27,636,382
Other receivables		1,175,982,285	1,192,569,484
Other financial assets at fair value through profit and loss		173,737,988	136,206,567
Trade receivables		602,268,899	456,444,479
Cash and cash equivalents	13	555,202,633	444,954,591
Total current assets		**2,534,693,343**	**2,257,811,503**
Total Assets		**9,725,606,549**	**6,857,244,563**
SHAREHOLDERS' EQUITY			
Share capital	14	138,172,150	125,654,080
Additional paid-in capital		211,405,124	111,514,225
Legal reserve		4,968,948	4,968,948
Optional reserve		48,330,099	48,330,099
Special reserve		1,275,621	1,275,621
Retained earnings		79,129,044	3,580,661
Technical revaluation reserve		1,615,917,905	1,474,799,111
TOTAL SHAREHOLDERS' EQUITY		**2,099,198,891**	**1,770,122,745**
LIABILITIES			
NON-CURRENT LIABILITIES			
Allowances and Provisions	17	8,745,029	9,135,552
Deferred tax liabilities, net		984,463,658	861,147,900
Loans	16	4,311,590,102	3,458,177,301
Trade payables		697,636,265	250,442,290
Total non-current liabilities		**6,002,435,054**	**4,578,903,043**
CURRENT LIABILITIES			
Other liabilities		35,580	2,752,893
Tax payables		25,351,923	17,221,490
Salaries and social security charges		4,201,230	3,748,321
Derivative financial instruments		-	2,175,000
Loans	16	566,020,991	284,868,267
Trade payables		1,028,362,880	197,452,804
Total current liabilities		**1,623,972,604**	**508,218,775**
Total Liabilities		**7,626,407,658**	**5,087,121,818**
Total liabilities and equity		**9,725,606,549**	**6,857,244,563**

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

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Generación Mediterránea S.A.

Interim Condensed Statement of Comprehensive Income

For the three-month period ended March 31, 2017 and 2016

Stated in pesos

	Note	Three months at 03.31.17	Three months at 03.31.16
Sales revenue	7	633,356,818	506,849,415
Cost of sales	8	(457,487,680)	(339,814,783)
Gross income		**175,869,138**	**167,034,632**
Selling expenses	9	18,948,578	(507,368)
Administrative expenses	10	(6,438,637)	(9,888,149)
Other operating income and expenses		135,848	2,198,727
Operating income		**188,514,927**	**158,837,842**
Financial income	11	2,874,757	1,642,719
Financial expenses	11	(82,841,841)	(63,274,330)
Other financial results	11	76,404,789	(43,348,001)
Financial results, net		**(3,562,295)**	**(104,979,612)**
Income before tax		**184,952,632**	**53,858,230**
Income tax		(67,119,759)	(20,893,637)
Income for the period		**117,832,873**	**32,964,593**
Earnings per share			
Basic and diluted earnings per share	15	0.8528	0.2623

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

Generación Mediterránea S.A.

Interim Condensed Statements of Changes in Equity

For the three-month periods ended March 31, 2017 and 2016

Stated in pesos

	Share Capital (Note 14)	Share premium	Legal reserve	Optional reserve	Special reserve	Technical revaluation reserve	Unappropriated retained earnings	Total equity
Balances at December 31, 2015	**76,200,073**	-	**2,439,117**	**19,870,827**	-	**567,352,214**	**33,487,164**	**699,349,395**
Addition as a result of the merger through absorption January 1, 2016	49,454,007	111,514,225	457,444	2,128,288	1,275,621	481,086,393	(136,702,918)	509,213,060
Reversal of optional reserve as per Minutes of Shareholders' Meeting dated March 16, 2016	-	-	-	(9,700,000)	-	-	9,700,000	-
- Distribution of dividends	-	-	-	-	-	-	(9,700,000)	(9,700,000)
Reversal of technical revaluation reserve	-	-	-	-	-	(10,843,591)	10,843,591	-
Comprehensive income for the three-month period	-	-	-	-	-	-	32,964,593	32,964,593
Balances at March 31, 2016	**125,654,080**	**111,514,225**	**2,896,561**	**12,299,115**	**1,275,621**	**1,037,595,016**	**(59,407,570)**	**1,231,827,048**
Minutes of Shareholders' Meeting dated April 20, 2016								
- Setting up legal reserve	-	-	2,072,387	-	-	-	(2,072,387)	-
- Setting optional reserve	-	-	-	36,030,984	-	-	(36,030,984)	-
Other comprehensive income for the complementary nine-month period	-	-	-	-	-	471,804,937	-	471,804,937
Reversal of technical revaluation reserve	-	-	-	-	-	(34,600,842)	34,600,842	-
Comprehensive income for the complementary nine-month period	-	-	-	-	-	-	66,490,760	66,490,760
Balances at December 31, 2016	**125,654,080**	**111,514,225**	**4,968,948**	**48,330,099**	**1,275,621**	**1,474,799,111**	**3,580,661**	**1,770,122,745**
Addition as a result of the merger through absorption January 1, 2017	12,518,070	99,890,899	-	-	-	161,984,473	(63,150,169)	211,243,273
Reversal of technical revaluation reserve	-	-	-	-	-	(20,865,679)	20,865,679	-
Comprehensive income for the three-month period	-	-	-	-	-	-	117,832,873	117,832,873
Balances at March 31, 2017	**138,172,150**	**211,405,124**	**4,968,948**	**48,330,099**	**1,275,621**	**1,615,917,905**	**79,129,044**	**2,099,198,891**

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

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Interim Condensed Statements of Cash Flows

For the three-month periods ended March 31, 2017 and 2016

Stated in pesos

	Notes	03.31.17	03.31.16
Cash flow provided by operating activities:			
Comprehensive income for the period		117,832,873	32,964,593
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		67,119,759	20,893,637
Interest accrued, net	11	77,733,535	58,609,832
Depreciation of property, plant and equipment	8 and 12	52,525,026	28,654,962
Income from changes in the fair value of financial instruments		(33,814,411)	(7,251,021)
(Decrease) in provision for contingencies	17	(390,523)	(1,471,639)
(Decrease) in bad debt allowance	21	(76,869)	-
Current value		(2,052,973)	-
Exchange rate differences		(59,173,388)	39,215,470
Changes in operating assets and liabilities:			
Decrease (Increase) in trade receivables		21,752,005	(130,396,247)
Decrease (Increase) in other receivables		24,965,623	(208,876,165)
(Increase) share parts and materials		(8,943,291)	(4,345,496)
Increase in trade payables		346,272,192	36,491,081
(Decrease) in other liabilities		(2,717,313)	(53,622,891)
(Decrease) in salaries and social security charges		(230,153)	(2,734,939)
(Decrease) Increase in tax payables		(1,639,270)	17,832,846
Net cash flow provided by (used in) operating activities		**599,162,822**	**(174,035,977)**
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	12	(1,292,874,248)	(16,262,750)
Payment of derivative instruments		(2,175,000)	-
Collections of financial instuments		25,521,793	6,491,642
Net suscription of mutual funds		(57,968,725)	1,575,051
Incorporation of cash by merger		86,524,181	(8,763,199)
Loans granted		(4,310,000)	-
Net cash flow (used in) investing activities		**(1,245,281,999)**	**(16,959,256)**
Cash flow provided by financing activities:			
Loans taken out	16	1,605,417,114	612,054,277
Payment of loans	16	(680,884,879)	(356,754,601)
Payment of interest	16	(196,791,278)	(43,968,381)
Net cash flow provided by financing activities		**727,740,957**	**211,331,295**
NET INCREASE IN CASH		**81,621,780**	**20,336,062**
Cash and cash equivalents at the beginning of the period		444,954,591	(32,833,887)
Financial results of cash and cash equivalents		28,626,262	5,937,493
Cash, cash equivalents at period end	13	555,202,633	(18,435,318)
		81,621,780	**20,336,062**

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

Generación Mediterránea S.A.

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Interim Condensed Statements of Cash Flows (Cont'd)

For the three-month periods ended March 31, 2017 and 2016

Stated in pesos

Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	12	(697,636,265)	(11,068,148)
Interest capitalized in property, plant and equipment	12	24,326,794	-
Payment of dividends		-	(9,700,000)
Addition of property, plant and equipment as a result of the merger	12	708,545,901	1,068,873,584
Addition of trade receivables as a result of the merger		59,089,006	120,098,598
Addition of other receivables as a result of the merger		56,066,060	108,259,299
Addition of materials and spare parts as a result of the merger		(9,078,135)	6,270,052
Addition as a result of the merger of other financial assets at fair value through profit and loss		-	1,210,961
Addition of trade payables as a result of the merger		(206,608,339)	(67,806,826)
Addition of other debts as a result of the merger		-	(58,184,938)
Addition of loans as a result of the merger		(424,285,831)	(490,716,207)
Addition of salaries and social security charges as a result of the merger		(683,062)	(1,628,857)
Addition of tax payables as a result of the merger		(58,326,510)	(193,707,527)

NOTE 1: GENERAL INFORMATION

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

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

Central Térmica Modesto Maranzana

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

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

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

To maintain a high level of availability of the PW turbines, GMSA signed a contract for long-term maintenance with PWPS (expiring on December 31, 2019) whereby PWPS provides technical assistance and ensures a stock of spare parts in the Company's repair shops.

The Power Plant is connected to the Argentine Grid (SADI) through EPEC's high voltage network.

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

In November 2016, the first external audit for the maintenance of the Integrated Management System was made after the re-certification obtained in 2015, with satisfactory results.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Modesto Maranzana (Cont'd)

For 2017 we foresee, in the first six-month period, an internal audit under Standards in effect to date, migration of the Environmental Management System and Quality Management System to its new versions in 2015 and implementation of changes based on, mainly, training activities for staff, both in classroom or distance learning. In the second six-month period, annual external audit for the maintenance of the system (2nd in a three-year period of certifications) under version 2015 for Quality and Environment Systems.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB for the provision and assembly of two Siemens SGT-800 turbines of 50 MW each. Thus, the installed capacity of the power plant would change from the current 250 MW to 350 MW in 2017. An investment of USD 83.9 million is expected for this work. At the date of these interim condensed financial statements, the Company has completed payment to Siemens Industrial Turbomachinery AB of USD 20 million, representing 50% for the purchase of two turbines, while the remaining balance will be paid in 24 installments as from August 2017. Turbines, generator, anchor bolts and chimneys are already at the power plant.

Furthermore, in September 2016, negotiations were completed in connection with transformers, civil works for the project, chillers assembly, cooling tower and other ancillary works, enlargement of the 132 kv field. In addition, in November 2016, an agreement was signed with Siemens for the maintenance and supply of spare parts for USD 847 thousand payable in two installments of 50% each, with effective date as from the start of operations. In the first quarter of 2017, the mechanical and electric assembly was hired for $ 25 million. As of March 2017, USD 45 million have been invested. At the date of presentation of these interim condensed financial statements, the works for the CTMM project have a 98% degree of completion.

Group's companies merger process.

GMSA (the merging and continuing company) has been involved in a merger process with the following companies: GISA, GLBSA and GRISA (the merged companies). The final merger agreement was signed on November 10, 2015, establishing January 1, 2016 as the effective merger date. The merger was approved by the CNV on March 22, 2016 and registered with the Superintendency of Companies on May 18, 2016 (See Note 26.a)

As a result of the merger, the Power Plants owned by the merged companies have been transferred to GMSA, Below is a detail of the most relevant information on each of the Power Plants.

Central Térmica Independencia (CTI) is located in the city of San Miguel de Tucumán, province of Tucumán, CTI is out of service, and during 2011 GISA performed all the necessary works to install 120MW with PWPS technology, and recondition the existing ancillary facilities, GISA obtained authorization for the commercial operation of the new turbines on November 17, 2011.

NOTE 1: GENERAL INFORMATION (Cont'd)

Group's companies merger process. (Cont'd)

To keep a high level of power available, GISA and PWPS entered into a long-term maintenance contract (which was transferred to GMSA as a result of the merger and expires on December 31, 2019), contemplating the provision of technical assistance by PWPS and a stock of spare parts available at the Company's workshops.

CTI is connected to SADI through TRANSNOA S,A, transformer substation, situated within the power plant's premises.

Central Térmica Riojana (CTRI) has three power generation units, Turbogrupo Fiat TG21, of 12MW; Turbogrupo Jhon Brown TG22, of 16MW; and Turbogrupo Fiat TG23, of 12MW, connected to SADI grid by means of the TRASNOA S,A, transformer substation.

On July 20, 2015 GRISA executed an addendum to the contract with CAMMESA under ES Resolution 220/07 to enlarge the installed capacity by 50MW.

On September 7, 2015, GRISA executed a contract with Siemens Industrial Turbomachinery AB, whereby it agreed to purchase a turbine Siemens SGT800 of 50 MW, for an amount of USD 19.3 million. The payment of the turbine Siemens SGT800 was completed in February 2016 and it arrived at the plant in June 2016. The remaining equipment, including a power transformer, gas compressor, water plant, chillers and tanks, among others, is currently installed. At the date of these interim condensed financial statements, the work is completed and administrative procedures have been started for its authorization. In addition, the internal and external work of Natural Gas by ECOGAS has been authorized. The total project investment amounts to approximately USD 43 million; as of March 2017, USD 40 million have been invested. At the date of presentation of these interim condensed financial statements, the works for the CTRi project have a 99% degree of completion.

Central Térmica La Banda (CTLB) has currently two power generation units Turbogrupo Fiat TG21 of 16 MW and Turbogrupo Fiat TG22 of 16 MW, connected to SADI grid through the TRASNOA S,A, transformer substation.

For CTI, CTLB y CTRi, the certification ISO14001:2004 of the Integrated Management System of the Power Plant are effective. The documentation is correctly updated having adjusted it to the organization's demands and objectives for a sure and efficient performance. The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and pre-emptive follow ups, undertaken, have been performed in due time and manner. There have been no environmental incidents or emergency situations arising from the development of the service process and activities.

In November 2016, the first external audit for the maintenance of the Integrated Management System was made after the re-certification obtained in 2015, with satisfactory results

NOTE 1: GENERAL INFORMATION (Cont'd)

Group's companies merger process. (Cont'd)

For 2017 we foresee, in the first six-month period, an internal audit under Standards in effect to date, migration of the Environmental Management System and Quality Management System to its new versions in 2015 and implementation of changes based on, mainly, training activities for staff, both in classroom or distance learning. In the second six-month period, annual external audit for the maintenance of the system (2nd in a three-year period of certifications) under version 2015 for Quality and Environment Systems in effect as from July 2017.

Furthermore, in 2016 GMSA (merging and continuing company) has been part of a merger process in which GFSA was merged. On November 15, 2016, a final merger agreement was signed which established as effective date of the merger January 1, 2017. The merger was approved by the CNV on March 2, 2017 and which was registered with the IGJ on March 17, 2017 (See Note 26.b).

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

The Turbine purchase agreement totaled USD 26.87 million. At the date of presentation of these interim condensed financial statements, all the advances agreed with the supplier have been paid for USD 14.87 million. The agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount has been disclosed under non-current trade payables, equivalent to $ 188,978,427 million.

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

Enlargement at Central Térmica Independencia

In relation to Resolution No, 21/16 previously described, an enlargement by 100 MW of the power generation capacity in CTI, through the installation of two Siemens SGT-800 turbines of 50 MW each. The estimated investment amounts to approximately U$S82 million. The enlargement will be completed in two stages, installing 50MW in each of them. We estimate that the commercial operation of the first stage will start in the third quarter of 2017, and the second stage in the first quarter of 2018.

NOTE 1: GENERAL INFORMATION (Cont'd)

Enlargement at Central Térmica Independencia (Cont'd)

On April 30, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the first 50 MW SGT-800 turbines. At December 31, 2016, 50% of the turbine has been paid, and the remaining 50% will be paid in 24 installments as from September 2017. The turbine is at the plant. The total value of the turbine reaches USD 20.4 million.

On August 9, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the first 50 MW SGT-800 turbines. In that month, 5% was paid, in January 2017 a further 5% was paid and in March 2017 the remaining 40% was paid. In September 2016, the Deferred Payment Agreement was executed for the remaining 50% which will be paid in 24 installments as from April 2018. On April 27, 2017, the pieces of the second turbine were shipped, which arrival is expected at the Zarate port on May 22, 2017. The shipping of the chimneys will be made on May 18, 2017, their arrival in Buenos Aires is expected by the end of June 2017. The value of the turbine amounts to USD 19.7 million.

It should be noted that the hiring of the two 75 MVA transformers, civil works under the project and chiller equipment was concluded in September 2016. Additionally, in November 2016, two contracts were executed with Siemens, an assembly contract for a total of USD 7.5 million and a contract for maintenance and spare parts for a total of USD 1.02 million.

The latter will be paid in three installments, in June 2017 (35%), in September 2017 (35%) and in February 2018 (30%). Further, in December 2016 the construction of the 132 Kv field was hired, and a cooling tower was acquired.

During January 2017, the engineering and management services of the external natural gas work were hired for an amount of USD 6.2 million, together with the chillers and cooling towers assembly for USD 1.4 million. In March 2017, the mechanic and electric assembly was hired for $ 20 million, reaching an invested total of USD 23 million. At the date of presentation of the interim condensed separate financial statements, the progress of work of the CTI project is 96%.

Central Térmica Ezeiza

Also under Resolution No, 21/16 described above, the construction of a new plant in the province of Buenos Aires started (Central Térmica Ezeiza) with 150 MW of power generation capacity, through the installation of three Siemens turbines SGT-800 of 50 MW each. The estimated investment amounts to U$S 151.8 million.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Ezeiza (Cont´d)

On April 30, 2016, a contract has been signed with Siemens Industrial Turbomachinery AB for the purchase of two SGT-800 turbines of 50 MW each. In September 2016, a payment was made for 50% of the value of the first two turbines, and the remaining 50% will be paid in 24 installments as from September 2017. Both turbines are already at the plant. The total value of the turbines reaches USD 20.4 million each.

On August 9, 2016, a contract was signed with Siemens Industrial Turbomachinery AB for the purchse of a third SGT-800 turbine of 50 MW.

In that month 5% was paid, in January 2017 a further 5% was paid, and in March 2017, the remaining 40% was paid. In September 2016, a deferred payment agreement (DPA) was signed for the remaining 50%, which will be paid in 24 installments as from April 2018. The value of the turbine amounts to USD 19.8 million. On April 27, 2017, the pieces of the third turbine were shipped, which arrival is expected at the Zarate port on May 22, 2017. The shipping of the chimneys will be made on May 18, 2017, their arrival in Buenos Aires is expected by the end of June 2017. In a similar manner, purchase agreements have been signed for three transformers of 75 MVA, Alfa Laval equipment and chillers, the construction of 132kv fields and the purchase of land in Ezeiza and civil works. In October 2016, two water tanks and one gas oil tank were acquired.

In November 2016 an assembly contract was executed with Siemens for USD 9.3 million, and a contract for maintenance and spare parts was executed for USD 1.6 million. The latter will be paid 35% in June 2017, 35% in September 2017, and the remaining 30% in February 2018.

In December 2016 the control room and gantry cranes were built and dirt moving activities were conducted, among other civil works.

In the first quarter of 2017, services for engineering and management of the external natural gas work were hired for USD 5.2 million. In addition, the installation was awarded of the gas oil system, compressed air system and drainage for USD 2.8 million. Services for the electrical and civil works and communication system were hired. As of March 2017, USD 62 million have been invested. At the date of presentation of these interim condensed financial statements, the works for the CTE project have a 92% degree of completion.

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

The Company's revenue from electricity generation activity derives from sales to Large Users on the Forward Market (MAT), basic and surplus demand (ES Resolution 1281/06); from sales to CAMMESA under ES Resolution 220/07; sales under ES Resolution 22/16 and under ES Resolution 19/17. 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 WEM administered by CAMMESA.

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

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 March 5, 2006 and (ii) they must have fuel supply and transportation contracts.

As established by this resolution:

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

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

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

As to the Energía Plus program, at march 31, 2017 almost all the nominal power of 135MW available was under contract. The average term of most of the Energía Plus contracts entered into between the Company and its customers ranges between 1 and 2 years. Sales under this modality are paid by customers directly to the Company.

b) Supply Contract with WEM (Resolution 220/07)

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

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

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

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and energy 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.

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

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

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

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

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

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

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

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

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

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

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

c) Sales under ES Resolution 22/16

On March 22, 2013, the Energy Secretariat published ES Resolution 95/13 that aims at adapting the system for the remuneration of the power generation plants not subject to special regimes, such as Energía Plus and WEM Supply Contracts.

ES Resolution 529/14 was published on May 20, 2014, amending and extending application of ES Resolution 95/13. The main change is the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of a new item, called "Remuneration for Non-recurring Maintenance".

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

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

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

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

The remuneration schedule updated under Resolution 22/16 basically consists of 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 is based on the technology detailed below:

Power Plant	Classification	Fixed cost per Resolution 22 $/MWhrp
GLB/GR	TG Units with Power (P) < 50 MW (small)	152.30
GM	CC Units with Power (P) < 150 MW (small)	101.20

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

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

This price may be increased by a percentage established by Resolution 22/16 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 cost is paid on the basis of the power generated and the fuel used. The recognized prices rose from 33.10 $/MWh to 46.30 $/MWh for the generation of Natural Gas, and from 57.90 $/MWh to 81.10 $/MWh for Gas Oil.

3. Additional remuneration is determined based on total generation and has two components: one that is charged directly at 13.70 $/MWh, and another that is allocated to a trust for new investments, charged at 5.90 $/MWh.

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

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

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

   - Additional remuneration based on production: An additional remuneration may be received based on the volume of energy produced during the year, according to the type of fuel used. This increase to be applied to variable costs will be of 15% for liquid fuel and 10% for gas/coal, when they reach an accumulated value of 25% and 50% of 92% annual generation, respectively.

   - Additional remuneration based on efficiency: An additional remuneration may 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 with the pertinent fuel, and recognized as additional remuneration.

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

d) Sales under ES Resolution 19/17

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

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

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

It will be effective as from February 1, 2017.

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

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

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

2. Remuneration per Energy: It is comprised by:

2.1 Energy generated: It is the remuneration received for the energy effectively generated, valued according to the type of fuel at 5USD/MWh for Natural Gas and 8 USD/MWh for Gas Oil or Fuel Oil.

2.2 Energy operated: The generators received an additional remuneration of 2 USD/Mwh, irrespective of the type of fuel, for the Energy Operated, represented by the integration of hourly powers in the period.

2.3 Additional remuneration incentive for efficiency:

2.3.1 Additional remuneration variable cots efficient thermal power generation: The generator will receive an additional remuneration if the fuel consumption objectives are accomplished.

2.3.2 Additional remuneration for thermal power generators of little use: An additional remuneration is established according to the frequency of starts based on the energy generated.

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

d) Sales under ES Resolution 19/17 (Cont´d)

2.3.2.1 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Use Factor (which is defined as the use factor of the nominal power recorded over the last twelve-month period. It will have a value of 0.5 for thermal units with FU < 30% and 1.0 for those with FU < 15%. For the rest of the cases it will be 0

2.3.2.2 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Start Factor (which is determined based on the starts recorded over the last twelve-month period. It will have a value of 0 for <= 74, 0.1 between 75 and 149 and 0.2 for more than 150 starts).

NOTE 3: BASIS FOR PRESENTATION

These interim condensed financial statements for the three-month period ended March 31, 2017 and 2016 have been prepared in accordance with IAS 34. These interim condensed financial information must be read jointly with the Company's financial information at December 31, 2016.

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

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

The interim condensed financial statements for the three-month period ended March 31, 2017 and 2016 have not been audited. Company's management estimates that they include all adjustments necessary to reasonably present the results for each period. The results for the three-month period ended March 31, 2017 and 2016 do not necessarily reflect a proportionate percentage of the Company's results for full years.

These interim condensed financial statements were approved for issuance by the Company's Board of Directors on May 12, 2017.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Comparative information

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

The final merger agreement was signed on November 15, 2016 establishing a merger between GFSA through absorption into GMSA effective January 1, 2017. The increase in the variations is basically due to this condition. The information is not comparative.

NOTE 4: ACCOUNTING POLICIES

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

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

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

4.1) New standards accountants, modifications and interpretations

IAS 7 "Statement of cash flows": was amended in January 2016. Is required to disclose information for users to understand the changes in liabilities generated by financing activities. This includes the changes in cash flows, such as the uses of funds and loan amortization; and the changes not involving cash outflows, such as acquisitions, sales and unrealized exchange differences. It applies for annual periods beginning on or after January 1, 2017. The application of the amendments will not impact on the results of operations or in the financial position of the Company, it only implies new disclosures.

IAS 12 "Income tax": was amended in January 2016 to clarify the requirements as regards recognition of deferred tax assets for unrealised losses. The amendments explain how to recognize deferred tax when an asset is measured at fair value and that fair value is below the tax base of the asset. The amendments also explain other issues related to the recognition of deferred tax assets. The amendments will be effective as from January 1, 2017. The application of the amendments have no impact on the results of operations or in the financial position of the Company.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

In preparing these interim condensed financial statements, the critical judgments delivered by the Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the financial statements for the fiscal year ended December 31, 2016.

NOTE 6: FINANCIAL RISK MANAGEMENT

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

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

NOTE 7: SALES REVENUE

	03.31.17	03.31.16
Sale of electricity Res, 95/529/482/22/19	12,634,213	28,512,066
Sale of electricity in the spot market	65,685,004	69,802,733
Sale under Energía Plus	233,470,587	219,982,222
Sale of electricity Res, 220	321,567,014	188,552,394
	633,356,818	**506,849,415**

NOTE 8: COST OF SALES

	03.31.17	03.31.16
Cost of purchase of electric energy	(179,653,558)	(113,785,192)
Cost of gas and gas oil consumption at the plant	(151,734,663)	(138,097,051)
Fees and compensation for services	(705,613)	(1,876,963)
Salaries and social security contributions	(16,293,182)	(15,705,606)
Other employee benefits	(1,242,248)	(951,627)
Taxes, rates and contributions	(6,913,606)	(1,245,310)
Maintenance services	(41,036,273)	(34,054,657)
Depreciation of property, plant and equipment	(52,525,026)	(28,654,962)
Per diem, travel and representation expenses	(170,386)	(204,697)
Insurance	(5,240,455)	(3,705,459)
Communication expenses	(1,293,027)	(668,655)
Sundry	(679,643)	(864,604)
	(457,487,680)	**(339,814,783)**

NOTE 9: SELLING EXPENSES

	Note	03.31.17	03.31.16
Salaries and social security contributions		-	(362.658)
Taxes, rates and contributions		(695.154)	(144.710)
Tax recovery of gross income	**29**	19.643.732	-
		18.948.578	**(507.368)**

NOTE 10: ADMINISTRATIVE EXPENSES

	03.31.17	03.31.16
Fees and compensation for services	(2,451,446)	(5,384,777)
Salaries and social security contributions	-	(1,087,973)
Other employee benefits	(158,045)	(475,333)
Taxes, rates and contributions	(454,525)	(442,944)
Per diem, travel and representation expenses	(804,200)	(1,363,540)
Insurance	(370,431)	(77,265)
Office expenses	(882,115)	(416,510)
Communication expenses	(55,037)	(2,513)
Leases	(981.000)	-
Sundry	(281,838)	(637,294)
	(6,438,637)	**(9,888,149)**

NOTE 11: FINANCIAL RESULTS

	03.31.17	03.31.16
Financial income		
Commercial interest	574,822	1,642,719
Loan granted interest	2,299,935	-
Total financial income	**2,874,757**	**1,642,719**
Financial expenses		
Loan interest	(78,166,568)	(57,131,540)
Commercial interest and other	(3,543,207)	(3,121,011)
Bank expenses and commissions	(1,132,066)	(3,021,779)
Total financial expenses	**(82,841,841)**	**(63,274,330)**
Other financial results		
Exchange difference, net	59,173,388	(39,215,470)
Changes in the fair value of financial instruments	33,814,411	7,251,021
Other financial results	(16,583,010)	(11,383,552)
Total other financial results	**76,404,789**	**(43,348,001)**
Total financial results, net	**(3,562,295)**	**(104,979,612)**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Original value						Depreciation					Net amount at end of period / year	
Type of asset	Value at beginning of the period / year	Addition as a result of the merger	Increases	Transfers /Deletions	Technical revaluation	Value at end of the period / year	Accumulated at beginning of period / year	Addition as a result of the merger	For the period / year (1)	Technical revaluation	Accumulated at end of period / year	03.31.2017	12.31.2016
Land	184,769,155	341,200	1,397,739	-	-	186,508,094	-	-	-	-	-	186,508,094	184,769,155
Building	92,314,799	16,439,100	-	-	-	108,753,899	-	-	504,933	-	504,933	108,248,966	92,314,799
Facilities	238,766,199	49,460,000	263,349	-	-	288,489,548	-	-	2,816,892	-	2,816,892	285,672,656	238,766,199
Machineries	2,947,847,599	642,121,700	15,291,107	36,146,483	-	3,641,406,889	-	-	48,470,853	-	48,470,853	3,592,936,036	2,947,847,599
Works in progress - Extension of Plant	987,294,546	-	1,949,030,152	(36,146,483)	-	2,900,178,215	-	-	-	-	-	2,900,178,215	987,294,546
Computer and office equipment	7,473,494	202,354	201,372	-	-	7,877,220	3,754,470	18,453	407,835	-	4,180,758	3,696,462	3,719,024
Vehicles	6,512,931	-	-	-	-	6,512,931	1,403,710	-	324,513	-	1,728,223	4,784,709	5,109,222
Spare parts and materials	32,000,000	-	-	-	-	32,000,000	-	-	-	-	-	32,000,000	32,000,000
At 03.31.2017	**4,496,978,723**	**708,564,354**	**1,966,183,719**	**-**	**-**	**7,171,726,796**	**5,158,180**	**18,453**	**52,525,026**	**-**	**57,701,659**	**7,114,025,138**	**-**
At 12.31.2016	**1,208,996,997**	**1,069,605,208**	**1,606,372,161**	**-**	**612,004,357**	**4,496,978,723**	**2,816,102**	**731,624**	**115,459,849**	**(113,849,395)**	**5,158,180**	**-**	**4,491,820,544**
At 03.31.2016	**1,208,996,997**	**1,069,605,208**	**27,330,898**	**-**	**-**	**2,305,933,103**	**2,816,102**	**731,624**	**28,654,962**	**-**	**32,202,688**	**2,273,730,415**	**-**

(1) Depreciation charges for the three-month period ended March 31, 2017 and for the fiscal year ended December 31, 2016 were allocated to cost of sales, including $32,101,045 and $69,914,512, respectively, for higher value from the technical revaluation.

NOTE 13: CASH AND CASH EQUIVALENTS

	03.31.17	12.31.16
Cash	355,845	317,866
Banks in local currency	23,087,431	63,525,280
Banks in foreign currency	782,609	2,292,705
Mutual founds	509,122,045	360,217,751
Checks to be deposited	21,854,703	18,600,989
	555,202,633	**444,954,591**

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

		03.31.17	03.31.16
Cash and cash equivalents		555,202,633	39,248,955
Bank overdrafts	16	-	(57,684,273)
Cash and cash equivalents (bank overdrafts included)		**555,202,633**	**(18,435,318)**

NOTE 14: CAPITAL STATUS

Subscribed capital at March 31, 2017 amounts to $138,172,150.

At the Extraordinary Meeting of Shareholders held on October 15, 2015 which approved the merger through absorption of GMSA (the merging company), GISA, GLBSA and GRISA (the merged companies), a capital increase was resolved considering the respective swap ratio as from the effective merger date (January 1, 2016) in the amount of $49,454,007, taking the share capital to $125,654,080 and delegating on the Board of Directors the date of issuance of the shares, under the terms of Section 188 of the General Companies Law No, 19550. In this regard, the Board of Directors approved on January 11, 2016 the issuance of 49,454,007 ordinary registered non-endorsable shares of $1 nominal value each and entitled to 1 vote per share, corresponding to the above-mentioned capital increase. This capital increase and the consequent amendment of by-laws are currently duly registered with the IGJ.

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

NOTE 15: EARNINGS PER SHARE

Basic

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

	03.31.17	03.31.16
Comprehensive income for the period	117,832,873	32,964,593
Weighted average of outstanding ordinary shares	138,172,150	125,654,080
Basic earnings per share	**0.8528**	**0.2623**

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

NOTE 16: LOANS

Non-current	03.31.17	12.31.16
International bond	2,666,457,044	2,659,743,432
Debt under BAF loan	151,997,999	631,249,936
Negotiable obligations	1,206,890,529	139,283,447
CAMMESA	8,436,648	10,123,978
Other bank debts	262,465,910	-
Finance lease debts	15,341,972	17,776,508
	4,311,590,102	**3,458,177,301**

Current		
International bond	24,662,152	89,615,062
Debt under BAF loan	42,164	3,840,614
Negotiable obligations	225,775,754	84,703,205
CAMMESA	6,749,323	6,749,323
Other bank debts	301,461,307	93,451,938
Finance lease debts	7,330,291	6,508,125
	566,020,991	**284,868,267**

At March 31, 2017, total debt is $ 4,877 million. The following table shows our total debt at that date.

NOTE 16: LOANS (Cont'd)

	Original principal	Balance as of March 31, 2017	Interest rate	Currency	Date of issuance	Maturity date
		(Pesos)	(%)			
Loan agreement						
BAF	USD 10,000,000	152,040,163	10%	USD	February 11, 2016	February 16, 2019
Subtotal		**152,040,163**				
Debt securities						
International ON	USD 180,000,000	2,691,119,196	9.625%	USD	July 27, 2016	July 27, 2023
Class IV NO	$ 15,704,532	16,468,882	BADLAR + 6.5%	ARS	July 17, 2015	July 17, 2017
Clase V NO	$ 135,161,548	132,293,051	BADLAR+4%	ARS	June 30, 2016	June 30, 2018
Clase VI NO	USD 34,696,397	528,522,200	8%	USD	February 16, 2017	February 16, 2020
Clase VII NO	$ 553,737,013	561,212,401	BADLAR+4%	ARS	February 16, 2017	February 16, 2019
Clase II NO (GFSA)	$ 78,745,284	78,985,230	BADLAR + 6.5%	ARS	March 8, 2016	March 8, 2018
Clase III NO (GFSA)	$ 110,459,507	115,184,519	BADLAR + 5.6%	ARS	July 6, 2016	July 6, 2018
Subtotal		**4,123,785,479**				
Other liabilities						
CAMMESA		15,185,971				
Chubut's Loan	USD 4,531,109	68,990,205	LIBOR + 5%	USD	December 1, 2016	December 1, 2017
Supervielle's Loan	USD 4,475,314	68,695,633	7%	USD	February 1, 2017	August 1, 2018
Hipotecario's Loan	USD 20,000,000	303,383,786	10%	USD	January 11, 2017	January 11, 2021
Itaú's Loan	USD 4,375,000	67,215,991	4.25%	USD	January 11, 2017	July 11, 2017
Santander Río's Loan	USD 3,150,000	48,205,213	4.75%	USD	March 14, 2017	March 14, 2018
Other bank debts (GFSA)		7,436,390				
Finance lease		22,672,263				
Subtotal		**601,785,452**				
Total financial debt		**4,877,611,093**				

a) International issuance of negotiable obligations

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

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

This issuance allows for the financing of the investments related to the Company's expansion plans, as a result of the ES having awarded the Wholesale Demand Contracts through Resolution 115/2016 dated June 14, 2016, and also the Group's projects under development, which in the aggregate represent works for installing 460 nominal MW. In addition, it allows for improving the Group's financial profile with the early repayment of existing loans, obtaining a term for financing in accordance with the projects under financing and also a considerable decrease in related costs, which implies greater financial efficiency and release of guarantees.

NOTE 16: LOANS (Cont'd)

a) International issuance of negotiable obligations (Cont'd)

International Negotiable Obligation:

Principal: Nominal value: USD 250,000,000; nominal value assigned to GMSA: USD 180,000,000. (Considering merging effect with GFSA).

Interest: fixed rate of 9.625%

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

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

The balance of the International NO at March 31, 2017 amounts to $ 2,691,119,196.

As a result of the issue of International Bonds, the Company has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospectus. At the date of these financial statements, the Company is complying with all the commitments undertaken in its indebtedness.

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

- Loans from Banco de la Provincia de Córdoba
- Loan from Banco Hipotecario
- Loan from ICBC (GISA)
- Loan from Nuevo Banco de la Rioja
- Loan from Banco Ciudad
- Loan from Banco Chubut
- Loan from Banco Supervielle
- Loan from Banco Macro
- Syndicated Loan
- Loan from Banco de la Provincia de Buenos Aires (GFSA)
- Syndicated Loan (GFSA)

NOTE 16: LOANS (Cont'd)

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

On February 11, 2016, GMSA, on its own and as the continuing company of GISA and GRISA as a result of the merger through absorption duly informed on November 10, 2015 entered into a loan agreement with BAF Latam Trade Finance Funds B,V, which granted a credit line for a total amount of U$S 40,000,000 to be used for (i) financing of the project for the installation of a new turbine of 50 MW in its power plant in La Rioja U$S 19,867,315 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 U$S 20,132,695 of the loan agreement entered into on May 4, 2011, between GISA (debtor), UBS Securities LLC (moneylender) and UBS AG Stamford Branch (administrative agent).

The most relevant provisions are the following:

Principal: nominal value: U$S 40,000,000

Interest: annual fixed rate of 10%.

Repayment: interest will be paid on a quarterly basis, as from the following date: May 15, 2016, Principal will be fully repaid by the due date: February 15, 2019.

On March 29, 2017, an early repayment of USD 30 million was made.

The balance of the loan at March 31, 2017 amounts to $ 152,040,163. The remaining loan principal balance at the date of issuance of the interim condensed financial statements is U$S 10,000,000.

At the date of these interim condensed financial statements, the Company complies with all the covenants related to financial ratios (minimum equity requirements, EBITDA ratio on interest expenses, leverage ratio and capitalization ratio).

c) Negotiable obligations

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA, through Resolution 16942, was granted authorization from the CNV 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 up to U$S 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

At March 31, 2017 there are outstanding Class IV, V, VI and VII (GMSA) NO and Class II y III (GFSA) NO, issued in the amounts and under the conditions described below:

Class IV Negotiable Obligations:

Principal: Nominal value: $ 130,000,000

Interest: (i) from the date of issuance and liquidation until nine (9) months have elapsed from the date of issuance and liquidation, inclusive, the loan will accrue interest at a fixed rate of 28%; (ii) from the beginning of the tenth (10) month, counted as from the date of issuance and liquidation, until the date on which the principal is fully settled (not inclusive), interest will accrue at an annual floating rate equal to the sum of: (a) private banks BADLAR rate plus (b) 6,50%,

Repayment terms and conditions: interest on Class IV Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: October 15, 2015; January 15, 2016; April 15, 2016; July 15, 2016; October 17, 2016; January 16, 2017; April 17, 2017 and July 17, 2017.

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

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

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

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

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

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class V Negotiable Obligations:

Principal: Nominal value: $200,000,000

Interest: Private Banks BADLAR rate plus 4%

Term and repayment: interest on Class V Negotiable Obligations will be paid on a quarterly basis, past due, in the following dates: March 31, 2016, December 31, 2016, March 31, 2017, June 30, 2017, March 31, 2017, December 31, 2017, March 31, 2018 and June 30, 2018.

Principal on Class V Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 31% of nominal value of the negotiable obligations and the last installment to 40% of nominal value, payable on December 31, 2017, March 31, 2018 and June 30, 2018, respectively.

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

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

Class VI Negotiable Obligations:

Principal: Nominal value: USD 34,696,397

Interest: 8% annual nominal, payable on a quarterly basis from May 16, 2017 to maturity.

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

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

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

The remaining balance of principal on that Negotiable Obligation at March 31, 2017 amounts to USD 34,696,397.

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class VII Negotiable Obligations:

Principal: Nominal value: $553,737,013

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

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

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

The remaining balance of principal on that Negotiable Obligation at March 31, 2017 amounts to $553,737,013.

Class II Negotiable Obligations (GFSA):

Principal: Nominal value: $ 130,000,000

Interest: Private Banks BADLAR rate plus 6,5%. The interest rate applicable during the first 12 months can never be less than the minimum rate of 33%.

Repayment term and method: interest on Class II Negotiable Obligations (GFSA) will be paid on a quarterly basis, past due, in the following dates: (i) June 8, 2016; (ii) September 8, 2016; (iii) December 8, 2016; (iv) March 8, 2017; (v) June 8, 2017; (vi) September 8, 2017; (vii) December 8, 2017 and (viii) March 8, 2018; Or if it is not a business day or there is no such day, the interest payment date to be considered shall be the next business day immediately following.

Principal on Class II Negotiable Obligations (GFSA) shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the negotiable obligations and the last installment to 40% of nominal value, payable on (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018; Or if it is not a business day or there is no such day, the interest payment date to be considered shall be the next business day immediately following.

Madurity date: March 8, 2018.

NOTE 16: LOANS (Cont'd)

c) Negotiable obligations (Cont'd)

Class II Negotiable Obligations (GFSA): (Cont'd)

On February 16, 2017, Class VI and VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class II (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). The amount paid on the Class II Negotiable Obligation was $51,254,716, with a balance of principal of $78,745,284, at the date of these interim condensed financial statements.

Class III Negotiable Obligations (GFSA):

Principal: Nominal value: $ 160,000,000

Interest: Private Banks BADLAR rate plus 5.6 %

Repayment term and method interest on Class III Negotiable Obligations (GFSA) will be paid on a quarterly basis, past due, in the following dates: (i) October 6, 2016; (ii) January 6, 2017; (iii) April 6, 2017; (iv) July 6, 2017; (v) October 6, 2017; (vi) January 6, 2018; (vii) April 6, 2018 and (viii) July 6, 2018; Or if it is not a business day or there is no such day, the interest payment date to be considered shall be the next business day immediately following.

Principal on Class III Negotiable Obligations (GFSA) shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the negotiable obligations and the last installment to 40% of nominal value, payable on (i) January 6, 2018; (ii) April 6, 2018; (iii) July 6, 2018; Or if it is not a business day or there is no such day, the interest payment date to be considered shall be the next business day immediately following.

Madurity date: July 6, 2018.

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

On February 16, 2017, Class VI and VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class III (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). The amount paid on the Class III Negotiable Obligation was $ 49,540,493, with a balance of principal of $110,459,507, at the date of these interim condensed financial statements.

NOTE 16: LOANS (Cont'd)

d) Loan from CAMMESA (GRISA)

At March 31, 2017 the Company holds financial debts with CAMMESA for $15,185,971, guaranteed by the assignment of 100% of the present and future credit rights for the sale of energy in the Spot market of the WEM, upon implementation of a trust agreement in accordance with Law No. 24441.

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

This loan has a repayment period set in 48 monthly and consecutive installments, to which interest must be added applying the rate equivalent to the average return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the WEM. At the closing date of these interim condensed financial statements, 21 installments, equivalent to $11,811,308, had been paid.

The balance of the loan at March 31, 2017 amounts to $15,185,971.

e) Loan from CAMMESA (CTMM)

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

In November 2016, the Company made the first filing for $ 7,355,080 through a note to CAMMESA for the accumulated amount paid until October 2016 inclusive. At January 2, 2017, the total amount of disbursements received from CAMMESA amounts to $7,360,000.

As of March 31, 2017, the balance for the financing amounts to $ 7,360,000 and is included in the caption Current Trade Receivables, net of receivables for Remuneration for Non-Recurring Maintenance.

NOTE 16: LOANS (Cont'd)

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

	03.31.17	12.31.16
Fixed rate		
Less than 1 year	251,180,696	93,455,683
Between 1 and 2 years	105,801,470	-
Between 2 and 3 years	190,893,890	604,897,002
More than 3 years	3,311,294,750	2,686,096,366
	3,859,170,806	**3,384,449,051**
Floating rate		
Less than 1 year	314,840,295	191,412,584
Between 1 and 2 years	141,087,100	153,587,756
Between 2 and 3 years	562,468,563	13,455,141
After 3 years	44,329	141,036
	1,018,440,287	**358,596,517**
	4,877,611,093	**3,743,045,568**

Company loans are denominated in the following currencies:

	03.31.17	12.31.16
Argentine pesos	949,221,903	265,144,586
US Dollars	3,928,389,190	3,477,900,982
	4,877,611,093	**3,743,045,568**

Changes in Company's loans were as follows:

	03.31.17	03.31.16
Loans at beginning	3,743,045,568	288,518,491
Addition as a result of the merger	424,285,829	490,716,207
Loans received	1,605,417,114	612,550, 375
Loans paid	(680,884,879)	(356,754,601)
Accrued interest	152,966,729	54,070,139
Interest paid	(196,791,278)	(43,968,381)
Exchange difference	(124,353,431)	28,804,695
Bank overdrafts	-	(3,551,958)
Capitalized expenses/present values	(46,074,559)	(449,259)
Loans at closing	**4,877,611,093**	**1,069,935,708**

NOTE 17: PROVISIONS

	For bad debts Sales	For Contingencies
Balance at December 31, 2016	2,732,633	9,135,552
Increases	-	-
Decreases	(76,869)	(390,523)
Balance at March 31, 2017	**2,655,764**	**8,745,029**

NOTE 17: PROVISIONES (Cont'd)

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

NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Income / (Loss)	
	$	
a) Sales of energy	**03.31.17**	**03.31.16**
Other related parties:		
Solalban Energía S.A.	16,035,564	30,480,433
RGA	12,440,456	11,245,228
	28,476,020	**41,725,661**
b) Purchase of gas and energy		
Other related parties:		
RGA (*)	(396,479,794)	(125,046,626)
	(396,479,794)	**(125,046,626)**
c) Administrative services		
Other related parties:		
RGA	(870,201)	(1,564,661)
	(870,201)	**(1,564,661)**
d) Leases		
Other related parties:		
RGA	(981,000)	-
	(981,000)	**-**
e) Other purchases and services received		
Other related parties:		
BDD	(29,405)	-
AJSA	(3,477,999)	(1,668,900)
ASA	(575,486)	-
	(4,082,889)	**(1,668,900)**

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

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

f) Expenses reimbursement

Other related parties:

	Income / (Loss) $ 03.31.17	03.31.16
RGA	-	27,513
GROSA	4,660,394	4,101,673
CTR	5,375,247	7,720,288
GFSA (1)	-	49,287
	10,035,641	**11,898,761**

g) Financial expenses recovery

Other related parties:

RGA	-	(2,660,598)
	-	**(2,660,598)**

h) Purchase of spare parts

Other related parties:

GFSA (1)	-	(10,572,050)
	-	**(10,572,050)**

i) Loan granted interest

Other related parties:

AISA	2,999,935	-
	2,999,935	**-**

j) Gas pipeline construction

Other related parties:

RGA	(50,529,396)	-
	(50,529,396)	**-**

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

k) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their fees at March 31, 2017 and 2016 amounted to $2,185,060 and $1,491,524, respectively.

	03.31.17	03.31.16
Salaries	(2,185,060)	(1,491,524)
	(2,185,060)	**(1,491,524)**

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

l) Balances at the date of the financial statements

	03.31.17	12.31.16
Current trade receivables with other related parties		
GROSA	2,773,281	2,773,281
CTR	1,815,000	1,815,000
	4,588,281	**4,588,281**
Other current receivables with other related parties		
ASA	56,491,726	60,162,259
AISA	69,098,630	66,798,695
AJSA	1,269,120	-
CTR	14,565,149	8,061,229
GROSA	13,645,892	8,060,360
	155,070,517	**143,082,543**
Current trade payables with other related parties		
RGA	39,304,628	94,027,202
AJSA	-	13,351,020
Solalban Energía S.A.	3,919	541,641
	39,308,547	**107,919,863**
Other current liabilities with other related parties		
BDD	35,580	-
GFSA (1)	-	2,752,893
	35,580	**2,752,893**

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

m) Loans granted with other related parties

	03.31.17	12.31.16
Loan granted to Albanesi Inversora S.A.		
Loans at beginning	66,798,695	-
Loans granted	-	60,000,000
Accrued interest	2,299,935	6,798,695
Loans at closing	**69,098,630**	**66,798,695**

Entity	Amount	Interest rate	Conditions
At 03.31.2017			
AISA	60,000,000	BADLAR + 3%	Expiration: 1 year, automatically renewable up to 5 years
TOTAL	**60,000,000**		

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

	03.31.17	12.31.16
Loans granted to Directors		
Loans at beginning	15,112,286	-
Loans granted	4,310,000	15,112,286
Accrued interest	1,101,483	-
Loans at closing	**20,523,769**	**15,112,286**

Entity	Ammount	Interest Rate	Conditions
At 03.31.17			
Directors	19,422,286	Badlar + 3%	Expiration: 3 years
TOTAL	**19,422,286**		

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

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS

19.1 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at March 31, 2017 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between the Company and large customers of the Forward Market under ES regulations set forth by 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	359,962,447	359,962,447	-

(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 March 31, 2017, under ES Resolution 1281/06.

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

19.2 Loan BAF Latam Trade Finance Funds B.V.

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

The rights assigned under the contract are detailed below:

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

NOTE 20: WORKING CAPITAL

The Company reports at March 31, 2017 a surplus in working capital of $ 910,720,739 (calculated as current assets less current liabilities), which means a drop of $833,219,803, compared to the surplus in working capital at the closing of the year ended December 31, 2016 ($1,743,940,542 at 12/31/2016). The variation is mainly due to the application of funds to the progress of investment projects which are being developed by the Company.

NOTE 21: STORAGE OF DOCUMENTATION

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

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

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

NOTE 22: LONG-TERM MAINTENANCE CONTRACT

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

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

Compliance with the energy sale agreements is thus guaranteed.

NOTE 23: SEGMENT REPORTING

The information on operating segments is presented in accordance with information for interim periods 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.

The Board considers the electric power generation and sales business activity as only one segment.

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

NOTE 24: PRESENTATION TO CAMMESA

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

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

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

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

On June 10, 2016 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution 529/14 of CTRI and CTLB. Since the effective date of that Resolution, in February 2014 and until April 2016 inclusive, GLB has generated a total of 60,166MWh, equivalent to the amount of $ 2,935,346 and GR generated a total of 51,564MWh, equivalent to the amount of $3,068,853. In addition, a note about non-recurring maintenance was filed with CAMMESA by both CTLB and CTRi, for a total amount of USD 953,000 plus VAT. The technical team from CAMMESA completed the visits to the power plants and issued a report on CTLB and CTRi which is under economic assessment.

NOTA 24: PRESENTACION CAMMESA (Cont'd)

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

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

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

Between November 2016 and March 2017, the Company made two presentations, through a note to CAMMESA for $ 8,268,323.

At March 31, 2017, the total amount of disbursements received from CAMMESA amounts to $ 7,360,000. The Company records an accumulated balance for non-recurring maintenance of $ 46,036,643, net of the payments received.

Subsequently, on May 8, 2017, CAMMESA disbursed $ 900,000 on the second presentation.

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 March 31, 2017.

NOTE 26: MERGER

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

On November 10, 2015, GMSA, GISA, GLBSA and GRISA signed a final merger agreement ("the Final Merger Agreement") based on which the merger through absorption of GISA, GLBSA and GRISA into GMSA (the "Corporate Reorganization").

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

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

In turn, on March 22, 2016, the CNV through Resolutions No. 18004 and 18006 approved the early dissolution of GISA and the pertinent transfer of the public offering from GISA to GMSA Both the dissolution without liquidation of GISA, as that of GRISA and GLBSA were registered with the Superintendency of Commercial Companies on May 18, 2016.

NOTE 26: MERGER (Cont'd)

b) GMSA – GFSA MERGER THROUGH ABSORPTION

On November 15, 2016, GMSA and GFSA entered into a final merger agreement (the "GMSA-GFSA Final Merger Agreement") whereby the companies started a process for the merger of GFSA into GMSA (the "GMSA-GFSA Corporate Reorganization").

The GMSA-GFSA Corporate Reorganization comprises the same objectives and benefits as those mentioned for the merger described above and as mentioned in this case, the benefits mentioned will be obtained without involving tax costs, based on the fact that the GMSA-GFSA Corporate Reorganization will be tax free pursuant to Section 77 and subsequent sections of the Law No. 26839 - Income Tax Law.

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

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

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

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

NOTE 26: MERGER (Cont'd)

b) GMSA – GFSA MERGER THROUGH ABSORPTION (Cont'd)

On March 2, 2017, the CNV through Resolution No. 18537 approved the described merger through absorption pursuant to the terms of Section 82 of the General Companies Law No. 19550 as well as the capital increase with the pertinent amendments to by-laws decided under the merger, and ordered that the file be sent to the IGJ for its registration, which was performed on March 17, 2017. Furthermore, through Resolution No. 18358 dated March 2, 2017, the CNV approved the dissolution without liquidation of GFSA which was registered with the IGJ on March 17, 2017. At the date of issue of these interim condensed financial statements, the Company was not notified of the Resolution by the CNV authorizing the transfer of the public offering from GFSA to GMSA.

NOTE 27: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

Siemens Industrial Turbomachinery AB

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

The commercial loan to be granted shall be repaid in 24 equal and consecutive monthly installments of 4,17% of each installment total amount, with the first one falling due in August 2017, Payments shall be made in SEK (Swedish crowns).

On September 13, 2016, four Deferred Payment Agreements were executed with Siemens Industrial Turbomachinery AB for the turbines to be installed in CTE and CTI whereby, once fulfilled the preceding conditions fixed in the agreements, the Company will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of GI and the work of Ezeiza, equivalent to SEK 438,960,000 (approximately U$S 52 million).

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

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

NOTE 27: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

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

Commitment (1)		SEK	Total	2017	2018	2019	2020
			USD				
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTMM	177,000,000	**19,784,000**	4,122,000	9,892,000	5,770,000	-
Siemens Industrial Turbomachinery AB for the acquisition of three turbines Siemens SGT 800	CTE	263,730,000	**29,477,000**	3,297,000	13,527,000	11,441,000	1,212,000
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTI	175,230,000	**19,586,000**	1,649,000	8,581,000	8,144,000	1,212,000

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

Pratt & Whitney Power System Inc.

GFSA signed an agreement with Pratt & Whitney Power System Inc. for the purchase of the turbine FT 4000™ SwiftPac® 60 including whatever is necessary for the installation and startup. The agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount has been disclosed under non-current trade payables, equivalent to $ 188,978,427 million. The financing will accrue interest at a 7.67% annual rate and will be calculated on a monthly basis of 30 days/360 days yearly, with interest capitalized on a quarterly basis.

Below is a detail of future contractual obligations by calendar year relating to the contract with PWPS:

	Total	2016	2017	2018	2019	2020	2021	2022	2023
Compromisos (1)	USD								
PWPS por la compra de la turbina FT4000™ SwiftPac®	17,975,401	750,000	750,000	750,000	750,000	3,743,495	3,743,495	3,743,495	3,744,916

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

NOTE 28: OPERATIONAL ALL-RISK COVERAGE:

All-risk insurance with business interruption insurance coverage

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

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

Construction and Installation all-risk insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Construction and Installation all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God.

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

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

NOTE 29: EXEMPTION GRANTED BY THE GENERAL REVENUE BOARD OF TUCUMAN

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

NOTE 30: SUBSEQUENT EVENTS

a) Commercial authorization of CTRi

At the date of these interim condensed financial statements, CTRi obtained the commercial authorization to start operations of the new Siemens SGT 800 turbine of 50 MW.

NOTE 30: SUBSEQUENT EVENTS (Cont'd)

b) Approval of maximum amount of the International Bond

On April 26, 2017, the Company approved the increase of the maximum amount of the outstanding Negotiable Obligations for USD 250,000,000 (US dollars two hundred and fifty million) for up to USD 350,000,000 (US dollars three hundred and fifty million).

NOTE 31: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LENGUAGE

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

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

Summary Activity at March 31, 2017 and 2016

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

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

On November 15, 2016, GMSA and GFSA entered into a final merger agreement whereby the companies established the merger through absorption by GMSA from the effective merger date as January 1, 2017
The increase in variations is mainly attributed to this situation. The information is not comparative.

Three-month period ended March 31.

	2017	2016	Var.	Var. %
	GWh			
Sales per type of market				
Sales CAMMESA 220	216	171	45	26%
Sale of Energía Plus	128	205	(77)	(37%)
Sales Spot Market	68	132	(64)	(49%)
Sale of electricity Res. 95/529/482/22/19	124	131	(7)	(5%)
	536	**639**	**(103)**	**(16%)**

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

Three-month period ended March 31.

	2017	2016	Var.	Var. %
	(in millions of pesos)			
Sales per type of market				
Sales CAMMESA 220	321.6	188.6	133.0	71%
Sale of Energía Plus	233.5	220.0	13.5	6%
Sales Spot Market	65.7	69.8	(4.1)	(6%)
Sale of electricity Res. 95/529/482/22/19	12.6	28.5	(15.9)	(56%)
	633.4	**506.8**	**126.5**	**25%**

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

Summary Activity at March 31, 2017 and 2016

Results for the Three-month period ended March 31, 2017 and 2016 (in millions of pesos)

	Three-month period ended March 31.			
	2017	2016	Var.	Var. %
Sale of energy	633.4	506.8	126.5	25%
Net sales	**633.4**	**506.8**	**126.5**	**25%**
Cost of purchase of electric energy	(179.7)	(113.8)	(65.9)	58%
Cost of gas and gasoil consumption	(151.7)	(138.1)	(13.5)	10%
Salaries and social security contributions	(17.5)	(16.7)	(0.8)	5%
Maintenance services	(41.0)	(34.1)	(7.0)	21%
Depreciation of property. plant and equipment	(52.5)	(28.7)	(23.9)	83%
Insurance	(5.2)	(3.7)	(1.5)	41%
Taxes. rates and contributions	(6.9)	(1.2)	(5.7)	455%
Other	(2.8)	(3.6)	0.8	(21%)
Cost of sales	**(457.5)**	**(339.8)**	**(117.7)**	**35%**
Gross income	**175.9**	**167.0**	**8.9**	**5%**
Salaries and social security contributions	-	(0.4)	0.4	(100%)
Taxes. rates and contributions	(0.7)	(0.1)	(0.5)	311%
Tax recovery of gross income	19.6	-	19.6	100%
Selling expenses	**18.9**	**(0.5)**	**19.5**	**(3835%)**
Salaries and social security contributions	(0.2)	(1.6)	1.4	(90%)
Fees and compensation for services	(2.5)	(5.4)	2.9	(54%)
Per diem. travel and representation expenses	(0.8)	(1.4)	0.6	(41%)
Sundry	(3.0)	(1.6)	(1.3)	86%
Administrative expenses	**(6.4)**	**(9.9)**	**3.4**	**(35%)**
Other operating income	0.1	2.2	(2.1)	(94%)
Operating income	**188.5**	**158.9**	**29.1**	**18%**
Commercial interest	0.6	1.6	(1.1)	(65%)
Loan interest	(75.9)	(57.1)	(18.6)	33%
Tax interest	(3.5)	(3.1)	(0.4)	14%
Bank expenses and commissions	(1.1)	(3.0)	1.8	(59%)
Exchange difference. Net	59.2	(39.2)	98.4	(251%)
Other financial results	17.2	(4.1)	21.4	(517%)
Financial and holding result. net:	**(3.6)**	**(105.0)**	**101.4**	**(97%)**
Income before tax	**185.0**	**53.9**	**131.1**	**243%**
Income tax	(67.1)	(20.9)	(46.2)	221%
Income for the period	**117.8**	**33.0**	**84.9**	**257%**

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Summary Activity at March 31, 2017 and 2016

Sales:

Net sales for the period ended March 31, 2017, reached $ 633.4 million, an increase of $126.5 million or 25% from the $ 506.8 million for the same period in 2016.

During the first three months of 2017, energy sales reached 536 MWh, having decrease 16% from the 639 MWh sold in 2016.

The main sources of income of the Company and their behavior during the three-month period ended March 31. 2017. compared with the previous year are described below:

(i) $233.5 million for sales of Energía Plus, up 6% from the $ 220.0 million in the same period of fiscal year 2016. This variation is explained by a favorable effect in the price, as a result of the increase in the exchange rate.
(ii) $321.6 million for sales of energy in the forward market to CAMMESA under Resolution No. 220/07, up 71% as against $ 188.6 million in the same period of fiscal year 2016. This variation is explained by the increase in the price as a result of the exchange rate, an increase in the sales volume and the impact of the merger of GFSA through absorption into GMSA.
(iii) $65.7 million for sales of energy in the Spot market, down 6% from the $ 69.8 million in the same period of fiscal year 2016. This variation is explained by the administration of excess generation volumes made by CAMMESA and the impact of the merger of GFSA through absorption into GMSA.

(iv) $12.6 million for sales of energy under Resolution 95/529/482/22/19, down 56% from the $ 28.5 million in the same period of fiscal year 2016.

Cost of sales

Cost of sales for the three-month period ended March, 2017, reached $ 457.5 million, an increase of $117.7 million or 35% from the $ 339.8 million for the same period in 2016.

The main costs of sales of the Company and their behavior during for this period. compared with the previous year are described below:

(i) $179.7 million for purchases of electricity, up 58% as regards $ 113.8 million for the same period of fiscal year 2016, due to the effect on the price from the variation in the exchange rate and merger.
(ii) $ 151.7 million for gas and gas oil consumption cost of the plant, up 10% from the $ 138.1 million in the same period of fiscal year 2016. This variation is due to a larger supply by CAMMESA, effect on the price from the variation in the exchange rate and merger.
(iii) $ 41.0 million for maintenance services, up 21% from the $ 34.1 million in the same period of fiscal year 2016. This variation is due to the changes in the US dollar exchange rate and the merger of GFSA through absorption into GMSA.
(iv) $ 52.5 million for depreciation of fixed assets, up 83% from the $ 28.7 million in the same period of fiscal year 2016. This variation is mainly due to the greater depreciation value of the caption building, facilities and machinery as a result of their revaluation at December 31, 2016 and the impact of the merger of GFSA through absorption into GMSA.
(v) $ 17.5 million for salaries, wages and social security contributions, up 5% as against the $ 16.7 million for the same period in fiscal year 2016, increase attributable to the salary rises granted and the impact of the merger of GFSA through absorption into GMSA.
(vi) $ 5.2 million for insurance, up 41% from the $ 3.7 million of the same period in 2016 related to the exchange rate variation.

Summary Activity at March 31, 2017 and 2016

Gross income

The gross income recorded for the three-month period ended March 31, 2017 was $175.9 million, compared with an income of $167.0 million for the same period in 2016, accounting for a 5% increase. This is due to the variation in the exchange rate and the merger of GFSA through absorption into GMSA.

Selling expenses

Selling expenses for the three-month period ended March 31, 2017 were $ 18.9 million profits, compared with $ 0.5 million loss recorded for the same period in 2016, equivalent to an improvement of $ 19.5 million (or 3835%). On March 3, 2017, the Revenue department of the General Revenue Board of Tucumán resolved that GMSA is exempt from the turnover tax in the jurisdiction of Tucumán, amending the tax as from the period December 11.

Administrative expenses

Administrative expenses for the three-month period ended March 31, 2017 were $ 6.4 million, compared with $ 9.9 million recorded for the same period in 2016, equivalent to a reduction of $ 3.4 million (or 35%).
The main components of the Company´s administrative expenses are as follows:

(i) $2.5 million in fees and income from services, down 54% from the $ 5.4 million of the previous fiscal year.

(ii) $3.0 million in sundry expenses, up 86% from the $ 1.6 million of the previous fiscal year. The main variations are due to the captions office expenses and taxes and rates.

(iii) $0.2 million for salaries, wages and social security contributions, down 90% from the $ 1.6 million in the same period of fiscal year 2016. The decrease in the payroll is mainly due to the hiring of services provided by third parties.

Operating income

The operating income recorded for the three-month period ended March 31, 2017 was $ 188.5 million, compared with an income of $ 158.8 million for the year 2016, accounting for a 19% increase.

Financial results

The financial results recorded for the three-month period ended March 31, 2017 totaled a loss of $ 3.6 million, compared with a loss of $ 105.0 million for the same period in 2016, accounting for a 97% decrease

The most salient aspects of this variation are described below:

(i) $75.9 million of financial interest losses, up 33% compared with the $ 57.1 million loss for the year 2016 as a result of an increase in the financial debt generated by the merger through absorption.

(ii) $17.2 million profits for other financial results, down 517% from the $ 4.1 million losses in the same period of fiscal year 2016.

(iii) 59.2 million profits for net exchange differences, accounting for a 251% decrease from the $ 39.2 million losses recorded in the previous fiscal year.

Summary Activity at March 31, 2017 and 2016

Income before tax:

For the three-month period ended March 31, 2017, the Company records an income before taxes of $ 185.0 million, compared with an income of $ 53.9 million for the same period in 2016, accounting for a 243% increase.

The income tax charge totals $ 67.1 thousand for the current period, compared with the $ 20.9 thousand of the same period of the previous fiscal year.

Net income:

The net income for the three-month period ended March 31, 2017 was $ 117.8 million, compared with $ 33.0 million for the same period in the year 2016, accounting for a 257% increase.

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

	03.31.17	03.31.16	03.31.15	03.31.14	03.31.13
Non-Current Assets	7,190.9	4,599.4	877.8	363.7	377.0
Current Assets	2,534.7	2,257.8	255.4	252.0	201.6
Total Assets	**9,725.6**	**6,857.2**	**1,133.2**	**615.7**	**578.6**
Shareholders' Equity	2,099.2	1,770.1	489.3	120.1	104.0
Total Shareholder's Equity	**2,099.2**	**1,770.1**	**489.3**	**120.1**	**104.0**
Non-Current Liabilities	6,002.4	4,578.9	269.0	149.0	208.4
Current Liabilities	1,624.0	508.2	374.9	346.6	266.2
Total Liabilities	**7,626.4**	**5,087.1**	**643.9**	**495.6**	**474.6**
Total Liabilities and Shareholders' Equity	**9,725.6**	**6,857.2**	**1,133.2**	**615.7**	**578.6**

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

	03.31.17	03.31.16	03.31.15	03.31.14	03.31.13
Operating income	188.5	158.8	35.3	42.2	18.1
Financial and holding results	(3.6)	(105.0)	(21.4)	(33.2)	(20.9)
Net result	**185.0**	**53.9**	**14.0**	**9.0**	**(2.8)**
Income tax	(67.1)	(20.9)	(5.9)	(3.6)	-
Net income	**117.8**	**33.0**	**8.0**	**5.5**	**(2.8)**
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**117.8**	**33.0**	**8.0**	**5.5**	**(2.8)**

Summary Activity at March 31, 2017 and 2016

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

	03.31.17	03.31.16	03.31.15	03.31.14	03.31.13
Funds (applied) generated by operating activities (1)	599.2	599.2	40.9	43.3	1.7
Funds applied to investment activities	(1,245.3)	(1,245.3)	(0.5)	(0.9)	(1.0)
Funds generated by (applied to) financing activities	727.7	727.7	(41.2)	(41.1)	(6.2)
Increase/(Decrease) in cash and cash equivalents	**81.6**	**81.6**	**(0.8)**	**1.3**	**(5.5)**

5. Ratios presented comparatively with the previous period:

	03.31.17	03.31.16	03.31.15	03.31.14	03.31.13
Liquidity (1)	1.56	1,38	0.68	0.73	0.76
Credit standing (2)	0.28	0.62	0.76	0.24	0.22
Locked-up capital (3)	0.74	0.71	0.77	0.59	0.65
Indebtedness ratio (4) (*)	6.10	3.00	1.22	1.74	2.00
Interest coverage ratio (5)	2.72	2.64	2.23	1.89	1.81

(1) Current assets / Current liabilities
(2) Equity / Total liabilities
(3) Non-current assets / Total Assets
(4) Financial debt / annualized EBITDA
(5) Annualized EBITDA / Interest accrued

(*) According to the guidelines for calculating the debt ratio included in the International Bond prospectus, at March 31, 2017 this ratio records a value of 6.24.

Summary Activity at March 31, 2017 and 2016

6. Brief comment regarding the Outlook for Fiscal year 2017:

Commercial and operating sector

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

The Company is undertaking investment projects to increase power generation capacity by 400 MW.

Under contracts pursuant to Energy Secretariat Resolution 220/07. progress is being made in two projects for an additional total power generation capacity of 150 MW. as detailed below:

In CTRi a turbine Siemens SGT-800 of 50 MW nominal capacity has been installed. The work is completed and administrative procedures have been started for its authorization.

Furthermore. the installation of two Siemens SGT-800 turbines with a nominal capacity of 50 MW is expected at GM. It is expected to become commercially operative in the second quarter of 2017. under a contract pursuant to Energy Secretariat Resolution 220/07.

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

The projects are set within the framework of agreements entered into with CAMMESA under the above-mentioned ES Resolution 21/16.

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

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

Financial position

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

On July 27. 2016. GMSA. CTR and GFSA co-issued an international bond for USD 250 million. falling due within 7 years. The international bond is guaranteed by ASA. GMSA was entitled to receive USD 173 million and GFSA was entitled to receive USD 7 million, of the total amount issued. and applied those funds to the prepayment of financial debt and to investment project financing.

These actions have enabled the Company to improve its working capital and the profile of the financial debt. extending maturity terms and reducing the Company's financial cost. while assuring investment project financing.

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ADDITIONAL INFORMATION REQUIRED BY SECTION 12, CHAPTER III, TITLE IV, OF THE NATIONAL SECURITIES COMMISSION REGULATIONS, FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

General matters referred to the activity of GMSA

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

   There are none.

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

   There are none.

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

	Trade receivables	Other financial assets at fair value through profit and loss	Other receivables	Trade payables	Loans	Salaries and social security charges	Tax payables and deferred tax liability	Other liabilities
	$							
To be due								
First quarter	348,983,012	173,737,988	1,111,458,195	586,630,380	146,726,226	4,201,230	25,351,923	35,580
Second quarter	253,285,887	-	2,677,455	441,732,500	158,843,381	-	-	-
Third quarter	-	-	2,677,455	-	121,315,877	-		-
Fourth quarter	-	-	2,677,455	-	139,135,508	-		-
More than one year	10,199,967		66,558,240	697,636,265	4,311,590,102		984,463,658	-
Subtotal	**612,468,866**	**173,737,988**	**1,186,048,799**	**1,725,999,145**	**4,877,611,093**	**4,201,230**	**1,009,815,581**	**35,580**
Past due	-			-	-	-		-
Without started term	-		56,491,726	-	-	-		-
Total at 03.31.17	**612,468,866**	**173,737,988**	**1,242,540,525**	**1,725,999,145**	**4,877,611,093**	**4,201,230**	**1,009,815,581**	**35,580**
Non-interest bearing	612,468,866		1,173,441,895	1,725,999,145	-	4,201,230	1,009,815,581	35,580
At fixed rate	-	-	-	-	(1) 3,859,170,806	-	-	-
At floating rate	-	173,737,988	69,098,630	-	(1) 1,018,440,287			-
Total at 03.31.17	**612,468,866**	**173,737,988**	**1,242,540,525**	**1,725,999,145**	**4,877,611,093**	**4,201,230**	**1,009,815,581**	**35,580**

(1) See note 16 to the interim condensed financial statements at March 31, 2017.

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

Captions	Class and foreign currency amount		Current exchange rate at closing (1)	Recored amount 03.31.17	Recored amount 12.31.16
				$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents					
Cash	U$S	7,130	15.290	109,018	105,226
Banks	U$S	49,288	15.290	753,621	2,292,705
Trade receivables					
Trade receivable - Energía Plus	U$S	4,678,190	15.290	71,529,524	104,995,841
Trade receivable - Resolution 220/07	U$S	10,819,339	15.290	165,427,695	57,950,769
Trade receivable – Lease of tanks	U$S	641,404	15.290	9,807,061	10,127,762
Total current assets				**247,626,918**	**175,472,303**
Total Assets				**247,626,918**	**175,472,303**
Liabilities					
CURRENT LIABILITIES					
Trade payable					
Related parties	U$S	2,562,231	15.340	39,304,628	107,378,222
Common suppliers	U$S	15,214,308	15.390	234,148,193	83,280,447
Loans					
Foreign loan	U$S	20,818,660	15.390	320,399,184	186,907,614
Total current liabilities				**593,852,005**	**377,566,283**
NON-CURRENT LIABILITIES					
Trade payable					
Common suppliers	U$S	12,279,300	15.390	188,978,427	-
Common suppliers	SEK	295,903,338	1.719	508,657,838	250,442,290
Loans					
Foreign loan	U$S	234,437,297	15.390	3,607,990,006	3,290,993,368
Total non-current liabilities				**4,116,647,844**	**3,541,435,658**
Total liabilities				**4,710,499,849**	**3,919,001,941**

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

5. General Companies Law

Percentage of participation in intercompany.

There are no participations in intercompany.

Accounts payable and receivable with intercompany

See Note 18 K) to the interim condensed financial statements at March 31, 2017.

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

   There are none.

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

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

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

Current values

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

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

Property, plant and equipment

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

   There are none.

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

    There are none.

Equity interest in other companies

11. Interests in other companies in excess of what is authorized by Sect. 31 of Law No. 19550.

    There are none.

Recoverable values

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

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

Insurance

13. Insured items:

Kind of risk	Insured amount 2017	Insured amount 2016
Operational all risks – Material damage	USD 305,200,000	USD 265,200,000
Operational all risks – Loss of profit	USD 64,465,990	USD 42,168,517
Construction all risk – Plant enlargement – Material damage	USD 285,706,443	USD 285,706,443
Construction all risk – Plant enlargement - alop	USD 99,746,356	USD 99,746,356
RC - Siemens STG-800	USD 5,000,000	USD 5,000,000
Civil liability	USD 9,000,000	USD 9,000,000
Civil Liability (primary)	USD 5,000,000	USD 4,000,000
Civil Liability of Directors and Executives	USD 15,000,000	USD 15,000,000
Siemens Transport STG-800	USD 103,890,000	USD 103,890,000
Automobile	$ 1,394,000	$ 1,394,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Director´s bond	$ 450,000	$ 450,000
Customs bond	$ 1,285,961,802	$ 1,009,906,781
Environmental bond	$ 13,021,315	$ 14,017,389
Bond business habilitation projects	$ 486,832,500	$ 499,810,500
Technical equipment insurance	USD 89,287	USD 89,287
Personal accidents	$ 250,000	$ 250,000
Personal accidents	USD 500,000	USD 500,000
Life insurance – mandatory life insurance	$ 41,480	$ 33,330
Life – group life insurance (LCT)	Disability: 1 salary per year Death: 1/2 salary per year	Disability: 1 salary pear year Death: 1/2 salary per year
Life – Additional group life insurance	24 salaries	24 salaries

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

Operational all risk:

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

It should be mentioned that in October 2015, the policy was renewed, achieving better coverage conditions and reducing the Premium rate by 10%.

Civil liability:

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

They are structured as follows:

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

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

Transport insurance:

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

Mandatory life insurance:

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

Life insurance (LCT, employment contract Law):

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

Group Life insurance:

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

Automobile insurance:

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

Customs Guarantees:

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

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

Directors' bond:

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

Environmental bond:

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

Financial bond:

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

<u>Positive and negative contingencies</u>

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

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

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

The following have been set up:

a. Allowances deducted from assets:

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

b. Provisions carried under liabilities:

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

Company's legal advisors has been considered.

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

    There are none.

Irrevocable contributions on account of the future subscription of shares

16. Status of the procedure for its capitalization.

    There are none.

17. Unpaid cumulative dividends on preferred shares.

    There are none.

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

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

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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at March 31, 2017, the statement of comprehensive income for the three-month period ended March 31, 2017, the statements of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes.

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

Board's responsibility

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

Scope of our review

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

Conclusion

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

Report on compliance with regulations in force

In accordance with current regulations, we report that:

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

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

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

d) at March 31, 2017 the debt accrued by Generación Mediterránea S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $ 2,063,173 none of which was claimable at that date.

Autonomous City of Buenos Aires, May 12, 2017

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

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Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at March 31, 2017, the statement of comprehensive income for the three-month period ended March 31, 2017, the statements of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2016 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

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

3. Our review was carried out in accordance with standards applicable to syndics. Those standards require that the procedures established in Technical Pronouncement No. 33 of the Argentina Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements be performed, and include verifying the consistency of the documents reviewed with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their unqualified review report on the interim condensed financial statements on May 12, 2017. A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company. We have not assessed the administrative, financing, marketing or operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

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

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

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

Autonomous City of Buenos Aires, May 12, 2017

For the Syndics' Committee

Marcelo Pablo Lerner
Full Syndic