

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



## **Albanesi S.A.**

### **Interim Condensed Consolidated Financial Statements**

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

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

## **Albanesi S.A.**

### **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2017 AND 2016**

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## GLOSSARY OF TECHNICAL TERMS

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

<b>Terms</b>	<b>Definitions</b>
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fuegoína S.A.
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Interest rates paid by financial institutions on their time deposits for over one million pesos.
BCRA	Argentine Central Bank
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Power Plant)
CTF	Central Térmica Frías (Frías Power Plant) located in Frías, Santiago del Estero (merged with GMSA)
CTI	Central Térmica Independencia (Independencia Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana (MM Power Plant) located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Power Plant) located in La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam <sup>3</sup>	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters.
DH	Historical availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target availability
DR	Registered availability
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINMEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric

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**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

<b>Terms</b>	<b>Definitions</b>
GfSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supplies of over 300kW.
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Particular Large Users
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts-hour
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 10 <sup>6</sup>
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
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 No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
RG	General Resolution
RGA	Rafael G. Albanesi S.A.
TP	Technical Pronouncement
SADI	Argentine Interconnection System
SE	Energy Secretariat
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
CGU	Cash Generating Unit

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## **Albanesi S.A.**

### **Composition of the Board of Directors and Syndics' Committee at June 30, 2017**

#### **President**

Armando R. Losón

#### **1st. Vice-president**

Guillermo G. Brun

#### **2nd. Vice-president**

Julián P. Sarti

#### **Full Directors**

Carlos A. Bauzas

Sebastián A. Sánchez Ramos

Oscar C. De Luise

#### **Alternate Directors**

Armando Losón (h)

José L. Sarti

Juan G. Daly

María de los Milagros D. Grande

Ricardo M. Lopez

Romina S. Kelleyian

#### **Full Syndics**

Enrique O. Rucq

Francisco A. Landó

Marcelo P. Lerner

#### **Alternate Syndics**

Carlos I. Vela

Juan Cruz Nocciolino

Johanna M. Cárdenas

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## **Albanesi S.A.**

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

**DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:**

Of by-laws or incorporation agreement: June 28, 1994  
Latest amendment: November 8, 2016

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

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

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

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**Albanesi S.A.**

**Interim Condensed Consolidated Statement of Financial Position**

At June 30, 2017 and December 31, 2016

Stated in pesos

	Notes	06.30.17	12.31.16
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	8,749,246,170	5,366,612,435
Investments in associates	8	286,307,000	293,807,569
Investments in other companies		129,861	129,861
Deferred tax assets		5,859,940	1,497,552
Other receivables		69,060,937	64,287,587
Trade receivables		61,946,389	130,234,824
<b>Total non-current assets</b>		<b>9,172,550,297</b>	<b>5,856,569,828</b>
<b>CURRENT ASSETS</b>			
Inventories		35,629,838	31,358,120
Other receivables		1,098,134,650	1,341,638,457
Trade receivables		671,218,450	532,137,414
Other financial assets at fair value through profit and loss		30,451,950	136,206,567
Cash and cash equivalents	9	267,117,357	531,824,982
<b>Total current assets</b>		<b>2,102,552,245</b>	<b>2,573,165,540</b>
<b>Total Assets</b>		<b>11,275,102,542</b>	<b>8,429,735,368</b>

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

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**Albanesi S.A.**

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

At June 30, 2017 and December 31, 2016

Stated in pesos

	Notes	06.30.17	12.31.16
<b>EQUITY</b>			
Share capital	10	62,455,160	62,455,160
Legal reserve		4,381,440	1,942,908
Optional reserve		101,010,691	-
Technical revaluation reserve		1,709,364,919	1,760,090,123
Other comprehensive income		(3,397,653)	(3,397,653)
Retained earnings		125,664,691	103,449,223
<b>Equity attributable to the owners</b>		<b>1,999,479,248</b>	<b>1,924,539,761</b>
<b>Non-controlling interest</b>		<b>106,476,733</b>	<b>100,881,306</b>
<b>Total Equity</b>		<b>2,105,955,981</b>	<b>2,025,421,067</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	8,133,548	9,135,552
Other liabilities		4,550,600	-
Deferred tax liabilities		995,415,078	928,044,072
Defined benefit plans		4,550,600	5,173,822
Loans	12	4,756,384,329	4,180,163,453
Trade payables		917,031,046	444,542,066
<b>Total non-current liabilities</b>		<b>6,688,329,036</b>	<b>5,567,058,965</b>
<b>CURRENT LIABILITIES</b>			
Other liabilities		88,241,419	89,629,740
Social security debts		17,625,252	7,996,685
Defined benefit plans		3,196,671	3,250,194
Loans	12	1,303,870,500	462,358,204
Derivative financial instruments		-	2,175,000
Current income tax, net		-	2,649,551
Tax payables		18,056,826	21,366,445
Trade payables		1,049,826,857	247,829,517
<b>Total current liabilities</b>		<b>2,480,817,525</b>	<b>837,255,336</b>
<b>Total Liabilities</b>		<b>9,169,146,561</b>	<b>6,404,314,301</b>
<b>Total Liabilities and Equity</b>		<b>11,275,102,542</b>	<b>8,429,735,368</b>

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



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**Albanesi S.A.**

**Interim Condensed Consolidated Statement of Comprehensive Income**  
For the six and three-month periods ended June 30, 2017 and 2016  
Stated in pesos

	Notes	Six-month period at		Three-month period at	
		06.30.17	06.30.16	06.30.17	06.30.16
Sales revenue	14	1,197,886,625	1,258,816,453	542,137,029	674,821,659
Cost of sales	15	(863,461,747)	(929,398,042)	(379,968,082)	(536,103,540)
<b>Gross income</b>		<b>334,424,878</b>	<b>329,418,411</b>	<b>162,168,947</b>	<b>138,718,119</b>
Selling expenses	16	17,383,781	(5,331,318)	(760,337)	(4,435,625)
Administrative expenses	17	(22,840,932)	(22,795,803)	(15,300,987)	(8,086,499)
(Loss) / Income from interests in associates	8	(1,620,569)	5,742,816	(2,204,772)	8,087,857
Other operating income / (loss)	18	889,953	1,229,987	530,305	(2,196,727)
Other operating expenses	18	-	(970,403)	-	(970,403)
<b>Operating income</b>		<b>328,237,111</b>	<b>307,293,690</b>	<b>144,433,156</b>	<b>131,116,722</b>
Financial income	19	18,871,447	5,218,446	11,915,151	3,575,727
Financial costs	19	(183,857,518)	(188,548,604)	(80,479,266)	(85,858,849)
Other financial results	19	(20,169,558)	(84,666,608)	(95,153,368)	(22,573,966)
<b>Financial results, net</b>		<b>(185,155,629)</b>	<b>(267,996,766)</b>	<b>(163,717,483)</b>	<b>(104,857,088)</b>
<b>Income / (loss) before tax</b>		<b>143,081,482</b>	<b>39,296,924</b>	<b>(19,284,327)</b>	<b>26,259,634</b>
Income tax		(62,546,568)	(21,950,527)	258,713	(12,369,016)
<b>Income / (loss) for the period</b>		<b>80,534,914</b>	<b>17,346,397</b>	<b>(19,025,614)</b>	<b>13,890,618</b>
<b>Other Comprehensive Income / (Loss)</b>					
<i>Items to be reclassified into income/loss</i>					
Translation difference		-	(158,127)	-	(113,662)
Effect of hyperinflation		-	73,795	-	3,018
<i>Items not reclassified into income/loss</i>					
Income related to defined benefit plans		-	(13,463)	-	(6,730)
Impact on income tax		-	4,713	-	2,356
<b>Other comprehensive loss for the period</b>		<b>-</b>	<b>(93,082)</b>	<b>-</b>	<b>(115,018)</b>
<b>Comprehensive income / (loss) for the period</b>		<b>80,534,914</b>	<b>17,253,315</b>	<b>(19,025,614)</b>	<b>13,775,600</b>
<b>Income / (loss) for the period attributable to:</b>					
Owners of the company		74,939,487	16,103,746	(18,932,607)	13,266,031
Non-controlling interest		5,595,427	1,242,651	(93,007)	624,587
<b>Comprehensive income / (loss) for the period attributable to:</b>					
Owners of the company		74,939,487	16,011,104	(18,932,607)	13,151,236
Non-controlling interest		5,595,427	1,242,211	(93,007)	624,364
<b>Earnings per share attributable to the owners of the company</b>					
Basic and diluted earnings per share from continuing operations	20	1.20	0.44		

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

# Albanesi S.A.

## Interim Condensed Consolidated Statement of Changes in Equity

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

Stated in pesos

	Shareholders' contributions	Retained earnings					Total equity			
		Legal reserve	Optional reserve	Technical revaluation reserve	Translation reserve	Other comprehensive income		Retained earnings	Total	Non-controlling interest
<b>Balances at December 31, 2015</b>	4,455,160	-	-	1,226,610,421	(2,857,973)	(1,594,964)	43,137,735	1,269,750,379	69,378,408	1,339,128,787
Capital increase as per Minutes of Shareholders' Meeting dated March 22, 2016	58,000,000	-	-	-	-	-	-	58,000,000	-	58,000,000
As resolved by the Ordinary Shareholders' Meeting held on April 20, 2016:										
- Legal reserve	-	1,942,908	-	-	-	-	(1,942,908)	-	-	-
- Distribution of cash dividends	-	-	-	-	-	-	(41,194,827)	(41,194,827)	-	(41,194,827)
Dividends attributable to the non-controlling interest	-	-	-	-	-	-	-	-	(485,000)	(485,000)
Capital contributions from non-controlling interest	-	-	-	-	-	-	-	-	25,000	25,000
Reversal of technical revaluation reserve	-	-	(26,354,561)	-	-	-	26,354,561	-	-	-
Other comprehensive loss for the period	-	-	-	(84,327)	(8,315)	-	(92,642)	(92,642)	(440)	(93,082)
Comprehensive income for the six-month period	-	-	-	-	-	16,103,746	16,103,746	16,103,746	1,242,651	17,346,397
<b>Balances at June 30, 2016</b>	62,455,160	1,942,908	-	1,200,255,860	(2,942,300)	(1,603,279)	42,458,307	1,302,566,656	70,160,619	1,372,727,275
Dividends attributable to the non-controlling interest	-	-	-	-	-	-	-	-	(600,000)	(600,000)
Reversal of technical revaluation reserve	-	-	(28,324,019)	-	-	-	28,324,019	-	-	-
Other comprehensive income for the year	-	-	588,158,282	2,942,300	(1,794,374)	-	-	589,306,208	28,063,597	617,369,805
Income for the six-month complementary period	-	-	-	-	-	-	32,666,897	32,666,897	3,257,090	35,923,987
<b>Balances at December 31, 2016</b>	62,455,160	1,942,908	-	1,760,090,123	-	(3,397,653)	103,449,223	1,924,539,761	100,881,306	2,025,421,067
As resolved by the Ordinary Shareholders' Meeting held on April 18, 2017:										
- Legal reserve	-	2,438,532	-	-	-	-	(2,438,532)	-	-	-
- Optional reserve	-	-	101,010,691	-	-	-	(101,010,691)	-	-	-
Reversal of technical revaluation reserve	-	-	(50,725,204)	-	-	-	50,725,204	-	-	-
Comprehensive income for the six-month period	-	-	-	-	-	-	74,939,487	74,939,487	5,595,427	80,534,914
<b>Balances at June 30, 2017</b>	62,455,160	4,381,440	101,010,691	1,709,364,919	-	(3,397,653)	125,664,691	1,999,479,248	106,476,733	2,105,955,981

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

## Albanesi S.A.

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

	Notes	06.30.17	06.30.16
<b>Cash flow provided by operating activities:</b>			
Income for the period		80,534,914	17,346,397
<b>Adjustments to arrive at net cash flow provided by operating activities:</b>			
Income tax		62,546,568	21,950,527
Income/(loss) from investment in associates	8	1,620,569	(5,742,816)
Depreciation of property, plant and equipment	7 and 15	122,051,283	86,873,496
Fair value of receivables and debts		(5,917,113)	(5,695,574)
Decrease in provisions	13	(1,002,004)	(1,823,886)
Bad debts	13	(76,869)	3,870,073
Results from changes in the fair value of financial instruments	19	(41,067,235)	(11,087,045)
Interest, exchange differences and others		172,727,923	161,369,085
Accrual of benefit plans		302,094	1,298,888
<b>Changes in operating assets and liabilities:</b>			
(Increase) in trade receivables		(72,168,784)	(236,103,478)
Decrease/ (Increase) in other receivables (1)		217,466,152	(489,497,888)
(Increase) in inventories		(4,271,718)	(3,262,421)
Increase in trade payables		78,240,617	23,978,072
Increase / (Decrease) in other liabilities		23,947,359	(4,123,756)
Increase in social security charges and taxes		3,070,470	19,152,478
<b>Net cash flow provided by (used in) operating activities</b>		<b><u>638,004,226</u></b>	<b><u>(421,497,848)</u></b>
<b>Cash flow provided by investment activities</b>			
Collection of dividends		5,880,000	-
Payments for the acquisition of property, plant and equipment	7	(1,956,544,936)	(362,046,672)
Collection of financial instruments		25,521,793	-
Payment of derivative instruments		(2,175,000)	-
Subscription of mutual funds, net		98,135,642	1,210,961
Loans granted		(12,660,001)	-
<b>Cash flow (used in) investment activities</b>		<b><u>(1,841,842,502)</u></b>	<b><u>(360,835,711)</u></b>
<b>Cash flow provided by financing activities:</b>			
Dividends paid to non-controlling interest		-	(485,000)
Capital contributions from minority shareholders		-	25,000
Repayment of loans	12	(944,502,238)	(639,109,238)
Repayment of interest	12	(318,413,495)	(180,967,992)
Loans received		2,175,818,974	1,884,490,330
<b>Cash flow provided by (used in) investment activities</b>		<b><u>912,903,241</u></b>	<b><u>1,063,953,100</u></b>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b><u>(290,935,035)</u></b>	<b><u>281,619,541</u></b>
Cash and cash equivalents at the beginning of the period		517,167,118	(38,660,701)
Financial results of cash and cash equivalents		40,885,274	7,230,657
Cash and cash equivalents at the end of the period	9	<u>267,117,357</u>	<u>250,189,497</u>
		<b><u>(290,935,035)</u></b>	<b><u>281,619,541</u></b>

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

- 1) Includes advanced payments to suppliers for the purchase of assets

## Albanesi S.A.

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

	<u>Notes</u>	<u>06.30.17</u>	<u>06.30.16</u>
Capital increase		-	(58,000,000)
Acquisition of property, plant and equipment not yet paid	7	(1,094,893,920)	(6,198,325)
Other comprehensive income for the period		-	(93,082)
Financial costs capitalized in property, plant and equipment	7	(453,246,162)	(95,076,116)
Offset dividends		-	41,194,827
Issuance of Negotiable Obligations paid in kind		(255,826,342)	-
Cession of receivables from Directors to RGA		(20,785,080)	-

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**Albanesi S.A.**

**Notes to the Interim Condensed Consolidated Financial Statements**

For the six and three-month periods ended June 30, 2017 and 2016  
and the fiscal year ended December 31, 2016

Stated in pesos

**NOTE 1: GENERAL INFORMATION**

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

The Albanesi Group has been active in the generation and sale of electricity through ASA, AISA and AESA, and has focused on the gas transportation and sale business through RGA.

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

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

Companies	Country of incorporation	Main business activity	% participation in decision-making	
			06.30.17	12.31.16
GMSA	Argentina	Generation of electric energy	95.00%	95.00%
GFSA <sup>(1)</sup>	Argentina	Generation of electric energy	-	95.00%
GROSA	Argentina	Generation of electric energy	95.00%	95.00%
Solalban Energia S.A.	Argentina	Generation of electric energy	42.00%	42.00%
GLSA	Argentina	Generation of electric energy	95.00%	95.00%

(1) Company merged with GMSA within the framework of the merger through absorption process as described in Note 28.

The power generation segment of the Albanesi Group has an installed capacity of approximately 1,042 MW, which represents 4% of the installed capacity in Argentina. Once the various projects currently underway are complete, Albanesi Group, through ASA, AISA and Albanesi Energia S.A. (affiliate of ASA) will have an installed capacity of approximately 1,522 MW.

GMSA (the merging and continuing company) has been part of a merger process with the following companies, which were merged into GMSA: GISA, GLBSA and GRISA. The final merger agreement was signed on November 10, 2015, with the effective merger date being January 1, 2016. The merger was approved by the CNV on March 22, 2016 and registered with the Superintendency of Companies on May 18, 2016. (See note 28.a).

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

Furthermore, in 2016 GMSA (the merging and continuing company) absorbed GFSA as part of a merger process. The final merger agreement was signed on November 15, 2016, with the effective merger date being January 1, 2017. The merger was approved by the CNV on March 2, 2017 and registered with the Superintendency of Companies on March 17, 2017 (See Note 28.b).

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

In 2015, Albanesi Group entered the capital markets through ASA. On November 20, 2015, it obtained the authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. ASA thus issued Class I Negotiable Obligations for \$ 70 million on December 29, 2015; Class II Negotiable Obligations for \$ 220 million on October 25, 2016; and Class III Negotiable Obligations for \$ 256 million on June 15, 2017.

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

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

**New projects**

GMSA, subsidiary of ASA, announced a plan to increase generation of electricity in its installed plants in different locations in Argentina, which involves works that will contribute an additional 400 MW to the national grid (including CTRi and CTMM already operating).

**Expansion of Central Térmica Riojana**

On September 7, 2015, GRISA executed a contract with Siemens Industrial Turbomachinery AB, whereby it agreed to purchase a turbine Siemens SGT800 of 50 MW, for an amount of SEK 19.3 million. The turbine came into operation on May 20, 2017.

**Expansion of Central Térmica Modesto Maranzana**

On March 28, 2016 GMSA entered into an agreement with Siemens Industrial Turbomachinery AB for the provision and installation of two Siemens SGT-800 turbines of nominal power 50 MW each. This expansion was carried out under the framework of an agreement executed under Resolution No. 220/07 S.E. An investment of USD 86.2 million was necessary for this work. CAMMESA authorized the commercial operation of the two Siemens SGT-800 turbines on July 6, 2017. Thus, the Power Plant's installed capacity has increased from 250 MW to 350 MW. At the date of signing these interim condensed consolidated financial statements, it is in commercial operation.

**Resolution No. 21/16**

Under Resolution No. 21/16, GMSA presented projects for expanding the generating capacity by 250 MW, which were awarded following a public call for tenders. At June 30, 2016, GMSA executed the agreements under this Resolution with CAMMESA involving the Central Térmica Ezeiza stage I and II projects for 150 MW and CTI stage I and II for 100 MW, with amounts stipulated in USD, take-or-pay clause, and a 10 year effective term as from the committed date or date of commercial authorization, whichever takes place first.

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**New projects (Cont'd)**

**Expansion of Central Térmica Independencia**

Also, a 100 MW expansion of the generating capacity was commenced at CTI with the installation of two 50 MW-each Siemens SGT-800 turbines. The estimated investment amounts to approximately USD 82 million. The enlargement will be completed in two stages, installing 50 MW 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.

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

On August 9, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a second 50 MW SGT-800 turbine. A payment of 5% was made that same month, and a second 5% was paid in January 2017, and the remainder (40%) was paid in March 2017. In September 2016 an agreement was signed for the financing by Siemens of the deferred payment of the remaining 50%, which will be paid in 24 installments as from April 2018. The parts of the second turbine and the chimneys are already at the plant. The value of the turbine amounts to USD 20 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 July 2017 (35%), September 2017 (35%) and 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 39 million. At the date of presentation of the interim condensed consolidated financial statements, the progress of work of the CTI project is 97.5%.

**Central Térmica Ezeiza**

In addition, the construction of a new plant commenced in the Province of Buenos Aires (Central Térmica Ezeiza) with a generating capacity of 150 MW, with the installation of three 50 MW-each Siemens SGT-800 turbines. The total estimated investment amounts to USD 151.8 million.

The project will be completed in two stages, with the installation of 100 MW in the first stage, and of an 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.

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**New projects (Cont'd)**

**Central Térmica Ezeiza (Cont'd)**

On April 30, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of two 50 MW SGT-800 turbines. 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 21 million each.

On August 9, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a third 50 MW SGT-800 turbine. A payment of 5% was made that same month, and a second 5% was paid in January 2017, and the remainder (40%) was paid in March 2017. In September 2016 an agreement was signed for the financing by Siemens of the deferred payment of the remaining 50%, which will be paid in 24 installments as from April 2018. The value of the turbine amounts to USD 20.3 million. The parts of the third turbine and the chimneys are already at the plant. Additionally, contracts have been executed for the purchase of three 75 MVA transformers, the Alfa Laval equipment and chillers, the construction of 132 kv fields, the purchase of the land in Ezeiza, and civil works under the project. In October 2016, two water tanks and one diesel tank were purchased.

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.

During the first quarter of 2017, engineering and management services of the external natural gas work were hired for an amount of USD 5.2 million. In addition, the installation of the gas oil and compressed air systems and drainages was awarded for USD 2.8 million. Services for the electric and civil works and the communication system were hired. At June 2017, USD 83.7 million have been invested. At the date of presentation of the interim condensed consolidated financial statements, the progress of work of the CTE project is 97%.

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION**

The Group's revenue from electricity generation activity is derived from sales to Large Users on the Forward Market, basic and surplus demand (ES Resolution No. 1281/06), from sales to CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) according to ES Resolution No. 220/07, and sales under ES Resolution No. 22/16 and ES Resolution No. 19/17. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the Wholesale Electricity Market (WEM) administered by CAMMESA.

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

The Energy Secretariat approved Resolution No. 1281/06 which provides that the existing energy sold on the Spot Market has these priorities:

- (1) Demand lower than 300 KW;
- (2) Demand over 300 KW, with contracts; and
- (3) Demand over 300 KW, with contracts; and



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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

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

The resolution also establishes that:

- Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").
- The electricity consumed by GU300 above their Basic Demand must be supplied by new generation (Energía Plus) and contracted at a price agreed upon by the parties. This may not exceed 50% of the actual demand.
- New Agents entering the system must contract 50% of their total demand under the Energía Plus service, under the conditions described above.

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

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

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

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

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.

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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

b) WEM Supply Contract (Resolution No. 220/07) (Cont'd)

GMSA and CAMMESA entered into several WEM supply contracts: for CTMM, the agreement was on 45 MW of power for a term of 10 years counted as from the commercial operation; for CTI, 100 MW of power for a term of 10 years counted as from November 2011, and for CTF 55.5 MW of power for a term of 10 years counted as from December 2015.

These agreements set forth a remuneration made up of 5 components:

- i) fixed charge for power hired, affected by monthly average availability; the remunerated price is:

Power Plant	Fixed charge for contracted power	Contracted power
	USD/MW-month	MW
CTMM	USD 16.133	45
CTI	USD 17.155	100
CTF	USD 19.272	55.5

- ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents  
 iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant

Power Plant	Variable charge in USD/MWh	
	Gas	Gas oil
CTMM	USD 7.83	USD 8.32
CTI	USD 7.52	USD 7.97
CTF	USD 10.83	USD 11.63

- 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.

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

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 16.790/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (Gas 11.44 USD/MWh – Fuel oil 15.34 USD/MWh); iv) a variable charge for repayment of fuel costs, all of them at reference price; and v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

c) Sales under ES Resolution No. 22/16

On March 22, 2013 the Energy Secretariat issued ES Resolution No. 95/13 that aimed at adapting the system for the remuneration of the generation pool without affecting special regimes, such as Energía Plus and WEM Supply Contracts.

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

ES Resolution No. 529/14 established that from February 2014, commercial management and fuel dispatch would be centralized in the Dispatch Management Agency (CMMESA). Costs related to operation would cease to be recognized as the contractual relationships between WEM agents and their suppliers of fuel and inputs were terminated. ES Resolution No. 1281/06 (Energía Plus) was excluded from these regulations.

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

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

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

The remuneration system, updated by Res. No. 22/16, basically comprised the following items:

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

Power Plant	Classification	Fixed Cost as per Res. No. 22/16
		\$/MWhrp
GLB/GR	TG Units with Power (P) < 50 MW (small)	152.3
GROSA	TV Units with Power (P) > 100 MW (large)	129.2
CTMM	CC Units with Power (P) < 150 MW (small)	101.20

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

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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

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

3) Additional remuneration: this is determined based on total generation and includes two elements: a portion that was collected directly by the generating companies, and another that was allocated to a trust for new investments.

Power Plant	Classification	Additional Remuneration \$/MWh as per Res. No. 22	
		Direct Generation	Trust Fund
GLB/GR	TG Units with Power (P) < 50 MW (small)	13.70	5.90
GROSA	TV Units with Power (P) > 100 MW (large)	9.40	7.80
CTMM	CC Units with Power (P) < 150 MW (small)	13.70	5.90

4) Remuneration of non-recurring maintenance: this is determined monthly on the basis of the electricity generated. The accumulated funds can be used for performing non-recurring maintenance works.

Power Plant	Classification	Res. No. 22
		\$/MWh
GLB/GRI	TG Units with Power (P) < 50 MW (small)	41.50
GROSA	TV Units with Power (P) > 100 MW (large)	45.10
CTMM	CC Units with Power (P) < 150 MW (small)	39.50

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

Power Plant	Classification	Res. No. 422 \$/MWh
GLB/GR	TG Units with Power (P) < 50 MW (small)	15.80
GROSA	TV Units with Power (P) > 100 MW (large)	15.80
CTMM	CC Units with Power (P) < 150 MW (small)	15.80

The balance not recognized for this item amounts to \$ 31,708,050.

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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

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

- Additional remuneration for production: a remuneration might be received based on the volume of energy produced during the year, varying according to the type of fuel. This increase would be applied to the variable costs at 15% for liquid fuel and 10% for gas/carbon, when it reached an accumulated value of 25% and 50%, respectively, of the 92% annual generation.
- Additional remuneration for efficiency: an additional remuneration might be received if the fuel consumption objectives were accomplished. Actual consumption was compared to reference consumption for each machine and type of fuel on a quarterly basis. The difference percentage was valued at the variable cost of operation and maintenance associated to the pertinent fuel, and recognized as additional remuneration.

d) Sales under ES Resolution No. 19/17

Resolution MinEyM SE 19-E/17 was published on January 27, 2017, and replaces Energy Secretariat Resolution SE 22/16. The new resolution adapts the remuneration criteria to reasonable, foreseeable and efficient economic conditions through medium term commitments.

The Generating Agents under the framework of contracts governed by Resolutions No. 1281/2006, 220/2007, 21/2016, and any other type of WEM contract that has a differential system established or authorized by the competent authority of the WEM, are excluded from this system

The main changes include the proviso that remuneration is based on Available Power and Generated Energy valued in USD, thus simplifying the calculation.

The new resolution becomes effective on February 1, 2017.

The remuneration system, updated by ES Res. No. 19/17, basically comprises 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 from February 2017 until October 2017 at 6,000 USD/MW-month and as from November 2017 onwards, at 7,000 USD/MW-month.
  - ADDITIONAL price with maximum in accordance with additional availability Offered and allocated. Valued from February 2017 until October 2017 at 1,000 USD/MW-month and as from November 2017 onwards, at 2,000 USD/MW-month.

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

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

2. Remuneration per Energy: It is comprised by:

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

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

2.3 Additional remuneration as incentive for efficiency:

2.3.1 Additional remuneration variable costs efficient thermal power generation: The generating agent may receive an additional remuneration if the fuel consumption objectives are accomplished.

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

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

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

**NOTE 3: BASIS OF PRESENTATION**

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

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

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

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

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

**NOTE 3: BASIS OF PRESENTATION (Cont'd)**

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

The results for the six- and three-month periods then ended do not necessarily reflect a proportionate percentage of the Company's results for the full year.

These interim condensed consolidated financial statements for the six- and three-month periods ended June 30, 2017 and 2016 were approved for issuance by the Company's Board of Directors on August 11, 2017.

**Comparative information**

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

**NOTE 4: ACCOUNTING POLICIES**

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

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

No new IFRS or IFRIC applicable as from the current period have a material impact on the interim condensed consolidated financial statements of the Company.

**4.1) New accounting standards, modifications and interpretations issued by the IASB**

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

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

**NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

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

**NOTE 6: FINANCIAL RISK MANAGEMENT**

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

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



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

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

Captions	ORIGINAL VALUE						DEPRECIATION					Net amount at end of period/year	
	Value at the beginning of year	Additions (1)	Disposals / Transfers	Revaluation of original values	Value at the end of year	Accumulated at the beginning of year	For the year (2) and (3)	Disposals	Revaluation of accumulated depreciation	Accumulated at the end of period/year	06.30.17	12.31.16	
Land	185,110,355	1,647,739	-	-	186,758,094	-	-	-	-	-	186,758,094	185,110,355	
Real property	108,753,899	-	6,962,156	-	115,716,055	-	1,726,641	-	-	1,726,641	113,989,414	108,753,899	
Facilities	288,226,199	263,349	-	-	288,489,548	-	12,037,034	-	-	12,037,034	276,452,514	288,226,199	
Machinery and turbines	3,589,969,300	20,571,851	45,358,900	-	3,655,900,051	-	91,366,651	-	-	91,366,651	3,564,533,400	3,589,969,300	
Computer and office equipment	7,975,978	720,194	-	-	8,696,172	3,864,828	848,772	-	-	4,713,600	3,982,572	4,111,150	
Vehicles	6,778,518	252,281	-	-	7,030,799	1,509,934	679,698	-	-	2,189,632	4,841,167	5,268,584	
Tools	3,225,387	172,674	-	-	3,398,061	1,036,082	289,552	-	-	1,325,634	2,072,427	2,189,305	
Furniture and fixtures	507,536	21,224	-	-	528,760	261,569	33,436	-	-	295,005	233,755	245,967	
Works in progress	987,294,546	3,452,839,402	(52,321,056)	-	4,387,812,892	-	-	-	-	-	4,387,812,892	987,294,546	
Civil work on third party property	15,086,573	315,669	-	-	15,402,242	8,039,312	894,283	-	-	8,933,595	6,468,647	7,047,261	
Facilities on third party property	138,972,270	5,457	-	-	138,977,727	62,089,391	9,530,569	-	-	71,619,960	67,357,767	76,882,879	
Machinery and turbines on third party property	63,119,883	-	-	-	63,119,883	25,897,568	4,644,647	-	-	30,542,215	32,577,668	37,222,315	
Assets under construction on third party property	52,862,725	17,303,128	-	-	70,165,853	-	-	-	-	-	70,165,853	52,862,725	
Inputs and spare parts	21,427,950	10,572,050	-	-	32,000,000	-	-	-	-	-	32,000,000	21,427,950	
<b>Total at 06.30.17</b>	<b>5,469,311,119</b>	<b>3,504,685,018</b>	-	-	<b>8,973,996,137</b>	<b>102,698,684</b>	<b>122,051,283</b>	-	-	<b>224,749,967</b>	<b>8,749,246,170</b>	-	
<b>Total at 12.31.16</b>	<b>3,081,054,514</b>	<b>1,668,245,474</b>	<b>(4,064,950)</b>	<b>724,076,081</b>	<b>5,469,311,119</b>	<b>70,319,664</b>	<b>174,705,961</b>	<b>(1,800)</b>	<b>(142,325,141)</b>	<b>102,698,684</b>	-	<b>5,366,612,435</b>	
<b>Total at 06.30.16</b>	<b>3,081,054,514</b>	<b>463,321,113</b>	<b>(1,800)</b>	-	<b>3,544,373,827</b>	<b>70,319,664</b>	<b>86,873,496</b>	<b>(1,800)</b>	-	<b>157,191,360</b>	<b>3,387,182,467</b>	-	

- (1) Includes the acquisition of assets of the project for the start-up and enlargement of the electricity generation plant.
  - (2) Depreciation was allocated to cost of sales.
  - (3) Depreciation charges for the six-month period ended June 30, 2017 and for the year ended December 31, 2016, including \$ 72,917,753 and \$ 75,593,672, respectively, due to a higher value for technical revaluation.
- Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

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

**NOTE 8: EQUITY INTEREST IN ASSOCIATE**

At June 30, 2017 and December 31, 2016, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires.

Changes in the investments in the Group's associates for the six-month periods ended June 30, 2017 and 2016:

	<u>06.30.17</u>	<u>06.30.16</u>
<b>At the beginning of the period</b>	<b>293,807,569</b>	<b>243,127,929</b>
Allocated dividends	(5,880,000)	-
(Loss)/(income) from interests in associates	(1,620,569)	5,742,816
<b>Period end</b>	<b>286,307,000</b>	<b>248,870,745</b>

Below is a breakdown of the investments and the value of interests held by the Company in the associate at June 30, 2017 and December 31, 2016, as well as the Company's share in the income/loss of the associate for the periods ended on June 30, 2017 and 2016:

Name of issuing entity	Main business activity	% share interest		Equity value		Participation of the Company in gains/losses	
		06.30.17	12.31.16	06.30.17	12.31.16	06.30.17	06.30.16
Associates							
Solalban Energía S.A.	Electricity	42%	42%	286,307,000	293,807,569	(1,620,569)	5,742,816
				<b>286,307,000</b>	<b>293,807,569</b>	<b>(1,620,569)</b>	<b>5,742,816</b>

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

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

Summarized statement of financial position:

	<u>06.30.17</u>	<u>12.31.16</u>
Total non-current assets	852,164,080	884,025,285
Total current assets	331,157,134	287,394,801
<b>Total Assets</b>	<b>1,183,321,214</b>	<b>1,171,420,086</b>
<b>Total equity</b>	<b>681,683,330</b>	<b>699,541,830</b>
Total non-current liabilities	265,005,358	272,611,435
Total current liabilities	236,632,526	199,266,821
<b>Total Liabilities</b>	<b>501,637,884</b>	<b>471,878,256</b>
<b>Total Liabilities and Equity</b>	<b>1,183,321,214</b>	<b>1,171,420,086</b>

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

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

	<b>06.30.17</b>	<b>06.30.16</b>
Sales revenue	508,306,218	415,440,207
(Loss)/Income for the period	(3,858,500)	13,673,369
Other comprehensive income	-	-
<b>Total (loss)/income for the period</b>	<b>(3,585,500)</b>	<b>13,673,369</b>

Statement of cash flows:

	<b>06.30.17</b>	<b>06.30.16</b>
Funds (used in) /generated by operating activities	(7,953,889)	10,917,000
Funds used in investment activities	(4,993,926)	(2,955,344)
Funds used in financing activities	(14,000,000)	(8,273,863)
<b>Decrease in cash for the period</b>	<b>(26,947,815)</b>	<b>(312,205)</b>

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

**NOTE 9: CASH AND CASH EQUIVALENTS**

	<b>06.30.17</b>	<b>12.31.16</b>
Cash	421,145	403,220
Checks to be deposited	50,320,989	18,600,989
Banks	28,195,443	69,918,627
Mutual funds	188,179,780	442,902,146
<b>Cash and cash equivalents (bank overdrafts excluded)</b>	<b>267,117,357</b>	<b>531,824,982</b>

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

	<b>Not</b>	<b>06.30.17</b>	<b>06.30.16</b>
Cash and cash equivalents		267,117,357	278,987,801
Bank overdrafts	<b>12</b>	-	(28,798,304)
<b>Cash and cash equivalents (bank overdrafts included)</b>		<b>267,117,357</b>	<b>250,189,497</b>

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

**NOTE 10: CHANGES IN CAPITAL**

Share capital at June 30, 2017 is comprised of:

Capital	Amount \$	Date	Approved by	Date of registration on the Public Registry of Commerce
			Body	
<b>Total at 12.31.2011</b>	<b>30,100,000</b>			
Capitalization of debt	10,000,000	12/31/12	Extraordinary Shareholders' Meeting	09/16/13
Capitalization of debt	20,000,000	12/30/13	Extraordinary Shareholders' Meeting	09/25/14
Share Capital reduction	(55,644,840)	07/16/14	Ordinary Shareholders' Meeting	09/25/14
Capitalization of debt	58,000,000	03/22/16	Extraordinary Shareholders' Meeting	11/08/16
<b>Total at 06.30.2017</b>	<b>62,455,160</b>			

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

**NOTE 11: DISTRIBUTION OF PROFITS**

*Dividends*

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

**NOTE 12: LOANS**

<u>Non-Current</u>	<u>06.30.17</u>	<u>12.31.16</u>
CAMMESA	186,047,380	195,731,948
Finance lease debts	19,785,764	17,776,508
Negotiable obligations	1,433,416,999	566,610,468
International bond	2,904,549,378	2,768,794,593
Cargill loan	211,849,491	-
BAF loan	-	631,249,936
Other bank debts	735,317	-
	<b>4,756,384,329</b>	<b>4,180,163,453</b>

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

**NOTE 12: LOANS (Cont'd)**

<u>Non-Current</u>	<u>06.30.17</u>	<u>12.31.16</u>
Bank overdrafts	-	14,657,864
Finance lease debts	8,637,558	6,819,519
Other bank debts	571,420,935	105,044,425
Cargill loan	53,081,895	-
BAF loan	-	3,840,614
Syndicated Loans	247,048,162	-
Negotiable obligations	314,640,504	231,544,561
International bond	100,916,966	93,701,898
CAMMESA	8,124,480	6,749,323
	<u><b>1,303,870,500</b></u>	<u><b>462,358,204</b></u>

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

	<u>06.30.17</u>	<u>12.31.16</u>
<b>Fixed rate</b>		
Less than 1 year	871,366,854	103,210,214
Between 1 and 2 years	4,866,950	-
Between 2 and 3 years	528,271,834	604,897,002
After 3 years	2,943,180,321	2,795,147,527
	<u><b>4,347,685,959</b></u>	<u><b>3,503,254,743</b></u>
<b>Floating rate</b>		
Less than 1 year	432,503,645	359,147,990
Between 1 and 2 years	860,901,964	580,914,777
Between 2 and 3 years	60,282,537	13,455,141
After 3 years	358,880,724	185,749,006
	<u><b>1,712,568,870</b></u>	<u><b>1,139,266,914</b></u>
	<u><b>6,060,254,829</b></u>	<u><b>4,642,521,657</b></u>

Group loans are denominated in the following currencies:

	<u>06.30.17</u>	<u>12.31.16</u>
Argentine pesos	1,392,912,525	1,051,153,425
US dollars	4,667,342,304	3,591,368,232
	<u><b>6,060,254,829</b></u>	<u><b>4,642,521,657</b></u>

The evolution of Group's loans during the period was the following:

	<u>06.30.17</u>	<u>06.30.16</u>
<b>Loans at beginning of year</b>	<b>4,642,521,657</b>	<b>1,364,719,629</b>
Loans received	2,431,645,316	1,890,688,655
Loans paid	(1,200,328,580)	(639,109,238)
Accrued interest	367,140,477	192,337,054
Interest paid	(318,413,495)	(180,967,992)
Exchange difference	199,055,651	38,660,290
Bank overdrafts	(14,657,864)	(41,428,095)
Capitalized expenses/fair values	(46,708,333)	8,404,941
<b>Loans at period end</b>	<u><b>6,060,254,829</b></u>	<u><b>2,633,305,244</b></u>

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

**NOTE 12: LOANS (Cont'd)**

At June 30, 2017, total financial debt amounts to \$ 6,060 million. Our total debt at that date is disclosed in the table below.

	Borrower	Principal	Balances at 06.30.17	Interest rate	Currency	Date of issuance	Maturity date
			(Pesos)	(%)			
<b>Loan agreement</b>							
Cargill	GMSA	USD 16,000,000	264,931,386	LIBOR + 5.5%	USD	06/28/2017	06/28/2020
Syndicated	GMSA	USD 15,000,000	247,048,162	6.50%	USD	06/12/2017	06/05/2018
<b>Subtotal</b>			<b>511,979,548</b>				
<b>Debt securities</b>							
International Bond	GMSA/ GFSA (1)	USD 180,000,000	3,005,466,344	9.625%	USD	07/27/2016	07/27/2023
Class IV NO	GMSA	\$ 7,969,464	8,315,599	BADLAR + 6.5%	ARS	07/17/2015	07/17/2017
Class V NO	GMSA	\$ 135,161,548	132,455,457	BADLAR + 4%	ARS	06/30/2016	06/30/2018
Class VI NO	GMSA	USD 34,696,397	573,129,538	8.0%	USD	02/16/2017	02/16/2020
Class VII NO	GMSA	\$ 553,737,013	567,008,514	BADLAR + 4%	ARS	02/16/2017	02/16/2019
Class II NO (GFSA <sup>(1)</sup> )	GMSA	\$ 78,745,284	77,528,934	BADLAR + 6.5%	ARS	03/08/2016	03/08/2018
Class III NO (GFSA <sup>(1)</sup> )	GMSA	\$ 110,459,507	112,606,386	BADLAR + 5.6%	ARS	07/06/2016	07/06/2018
Class I NO	ASA	\$ 781,200	757,287	BADLAR + 5.5%	ARS	12/29/2015	12/29/2017
Class II NO	ASA	\$ 25,820,000	26,266,321	BADLAR + 4%	ARS	10/25/2016	10/25/2018
Class III NO	ASA	\$ 255,826,342	249,989,467	BADLAR + 4.25%	ARS	06/15/2017	06/15/2021
<b>Subtotal</b>			<b>4,753,523,847</b>				
<b>Other liabilities</b>							
CAMMESA			194,171,860				
Banco Chubut Loan		USD 3,042,128	50,114,337	LIBOR + 5%	USD	12/01/2016	12/01/2017
Supervielle Loan		USD 3,668,441	60,860,375	7%	USD	02/01/2017	08/01/2018
Banco Hipotecario Loan		USD 20,000,000	328,254,667	10%	USD	01/11/2017	01/11/2021
Itaú Loan		USD 4,375,000	74,163,988	4.25%	USD	01/11/2017	07/11/2017
Santander Rio Loan		USD 2,362,500	39,181,786	4.75%	USD	03/14/2017	03/14/2018
BST Loan		USD 1,000,000	16,507,788	6.50%	USD	06/21/2017	06/05/2018
Other bank debts (GFSA)			3,073,312				
Finance lease debts			28,423,322				
<b>Subtotal</b>			<b>794,751,434</b>				
<b>Total financial debt</b>			<b>6,060,254,829</b>				

(1) Company absorbed by GMSA as from January 1, 2017 (See note 28.b)

The main financial debts are described below.

**A) INTERNATIONAL BOND ISSUE**

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

On April 26, 2017 GMSA approved an increase of the maximum amount of outstanding Bonds, from USD 250,000,000 (US dollars two hundred and fifty million) to up to USD 350,000,000 (US dollars three hundred and fifty million).

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

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

**NOTE 12: LOANS (Cont'd)**

**A) INTERNATIONAL BOND ISSUE (Cont'd)**

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 No. 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 financing costs, which implies greater financial efficiency and release of guarantees.

**International Bond:**

**Principal:** Nominal value: USD 250,000,000; value allocated to GMSA: USD 180,000,000. (Considering the effect of the merger with GFSA).

**Interest:** Fixed rate 9.625%

**Amortization term and method:** Interest on the International Bond shall be paid quarterly 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 International Bond shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

The balance of the International Bond at June 30, 2017 amounts to \$ 3,005,466,344.

As a result of the issue of International Bonds, GMSA and CTR has undertaken standard commitment for this type of issue, whose specific conditions are detailed in the pertinent public prospect. At the date of these interim condensed consolidated financial statements, the Company is complying with all its commitments undertaken as a result of loan agreements.

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:

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

**Albanesi S.A.**

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

**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A.**

**B.1) Loan BAF Latam Trade Finance Funds B.V.**

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

The most relevant provisions are the following:

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

**Interest:** annual fixed rate 10%.

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

On March 29, 2017, USD 30 million were repaid in advance.

On June 28, 2017 the remaining balance of the loan, USD 10 million, was repaid, and the Company is in the process of releasing the guarantees provided. See note 24.A.2.

**B.2) Negotiable obligations**

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA, through Resolution No. 16,942, 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 USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

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

**Class IV NO:**

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

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



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

**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)**

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

**Amortization term and method:** interest on Class IV NO will be paid on a quarterly basis, past due, 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 NO shall be amortized in 3 quarterly installments, the first two equivalent to 33% of nominal value of the NO and the last installment to 34% of nominal value, payable on January 16, 2017, April 17, 2017 and July 17, 2017, respectively.

The proceeds from the issuance of Class IV NO were allocated to the partial pre-settlement of the principal on Class II NO for an amount of \$ 87,824,000. The remaining amount was allocated to investments and working capital. This allowed for improving the financial profile of GMSA.

On June 30, 2016, Class V NO were issued, a portion in cash and the remainder through a voluntary swap of Class IV (GMSA) and Class III (GISA) NO, improving GMSA's working capital and indebtedness profile (term and rate). The amount repaid of Class IV NO totaled \$ 75,141,860, with an outstanding principal balance of \$ 54,858,140.

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

On February 16, 2017, Class VII Negotiable Obligation were issued, a portion in cash and the remainder through a voluntary swap of Class IV and V (GMSA) and Class II and III (GISA) NO, improving the Company's working capital and indebtedness profile (term and rate). The amount repaid of Class IV NO totaled \$ 1,340,000, with an outstanding principal balance of \$ 15,704,532.

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

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**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)**

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

**Class V NO:**

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

**Interest:** Private Banks BADLAR rate plus a 4% margin.

**Amortization term and method:** interest on Class V NO will be paid on a quarterly basis, past due, on the following dates: September 30, 2016; December 30, 2016; March 30, 2017; June 30, 2017; September 30, 2017; December 30, 2017; March 30, 2018, and June 30, 2018.

Principal on Class V NO shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the NO and the last installment to 40% of nominal value, payable on December 30, 2017, March 30, 2018 and June 30, 2018, respectively.

The proceeds from the issuance of Class V NO were applied to the repurchase of the remaining balance of GISA Class III NO, investments and working capital.

On February 16, 2017, Class VI and VII NO were issued, a portion in cash and the remainder through a voluntary swap of Class IV and V (GMSA) and Class II and III (GISA) NO, improving the GMSA working capital and indebtedness profile (term and rate). The amount repaid of Class V NO totaled \$ 64,838,452, with an outstanding principal balance of \$ 135,161,548.

The remaining balance of principal corresponding to the negotiable obligation at June 30, 2017 amounts to \$ 135,161,548.

**Class VI NO:**

**Principal:** Nominal value: USD 34,696,397

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

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

The amount was paid in in cash and in kind, through the swap of Class V NO for USD 448,262.

The proceeds from the issuance of the Class VI NO were destined to investments in physical assets on the various expansion projects at GMSA and to refinancing liabilities, improving GMSA's financial profile.

The remaining balance of principal corresponding to the negotiable obligation at June 30, 2017 amounts to USD 34,696,397.

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

**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)**

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

**Class VII Negotiable Obligations:**

**Principal:** Nominal value: \$ 553,737,013

**Interest:** Private Banks BADLAR rate plus a 4% margin. 8% annual nominal, paid quarterly as from May 16, 2017 to maturity.

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

The amount was paid in in cash and in kind, through the swap of Class II Negotiable Obligations (GFSA) for \$ 55,876,354, Class III Negotiable Obligations (GFSA) 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 issuance of the Class VII Negotiable Obligations were destined to investments in physical assets on the various expansion projects at GMSA and to refinancing liabilities, improving GMSA's financial profile.

The remaining balance of principal corresponding to the Negotiable Obligations at June 30, 2017 amounts to \$ 553,737,013.

**Class II Negotiable Obligations (GFSA):**

**Principal:** nominal value: \$ 130,000,000 (pesos one hundred and thirty million)

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

**Amortization term and method:** Interest will be paid quarterly in arrears, on the following dates: (i) June 8, 2016; (ii) September 8, 2016; (iii) December 8, 2016; (iv) March 8, 2017; (v) June 8, 2017; (vi) September 8, 2017; (vii) December 8, 2017 and (viii) March 8, 2018; or if that date was not a business day, the date for interest payment to be considered shall be the first immediate following business day.

Principal shall be amortized in 3 (three) quarterly and consecutive installments, the first two equivalent to 30% of nominal value of Class II Negotiable Obligations and the remaining equivalent to 40% of nominal value of Class II Negotiable Obligations, at the dates in which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018, or if that date was not a business day, on the first following business day.

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

On February 16, 2017, Class VI and Class VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap including Class II (GFSA) Negotiable Obligations, improving the GMSA working capital and indebtedness profile (term and rate). The amount paid of Class II Negotiable Obligations totaled \$ 51,254,716.

The remaining balance of principal corresponding to the Negotiable Obligations at June 30, 2017 amounts to \$ 78,745,284.

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

**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)**

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

**Class III Negotiable Obligations (GFSA):**

**Principal:** nominal value: \$ 160,000,000 (pesos one hundred and sixty million)

**Interest:** private banks BADLAR rate plus a 5.6 % margin

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

The principal will be repaid in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Class III NO at the dates in which 18, 21 and 24 months respectively have elapsed, counted as from the date of issuance and settlement, (i) January 6, 2018; (ii) April 6, 2018; (iii) July 6, 2018; if other than a business day, or if such day does not exist, on the first following business day.

Maturity date of Class III NO: July 6, 2018.

The proceeds from the issuance of Class III NO were applied to the repayment of the loan from Puente Hnos S.A., the repurchase of the remaining balance of Class I (GFSA) NO, working capital and investments 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 Class VII NO were issued, a portion in cash and the remainder through a voluntary swap including Class III (GFSA) NO, improving the GMSA working capital and indebtedness profile (term and rate). The amount paid of Class III NO totaled \$ 49,540,493.

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

**B.3) Cargill Loan**

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

**B.4) Syndicated loan**

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

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

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

**NOTE 12: LOANS (Cont'd)**

**B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)**

**B.5) CAMMESA LOAN (GRISA)**

At June 30, 2017, GMSA holds financial debts with CAMMESA for \$ 15,436,242, guaranteed by the assignment of 100% of the present and future credit rights for the sale of electricity in the Spot market of the WEM, from the implementation of a trust agreement in accordance with Law No. 24,441.

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

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

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

**B.6) CAMMESA LOAN (CTMM)**

On August 9, 2016, GMSA executed 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 system (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

At June 30, 2017, GMSA made four filings for \$ 10,470,144 through a note to CAMMESA for the accumulated amount paid until May 2017 inclusive.

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

**C) FINANCING FROM CAMMESA – GENERACIÓN ROSARIO S.A.**

On March 13, 2012, GROSА executed a new loan for consumption agreement with CAMMESA, through which they formalized the financing of the second stage of the repair of the Sorrento Power Plant, with the purpose of extending energy generation to 130 MW, for an amount equivalent to \$ 190,480,000.

At June 30, 2017, the total balance for that financing amounts to \$ 178,135,618, which is disclosed in the caption non-current financial liabilities.

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

In the operation period mentioned, a significant decrease in specific consumption was recorded which is translated into a 15% savings of fuel compared with the situation existing at the time GROSА took over Central Térmica Sorrento, as a result of maintenance and improvements made over the last years.

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

**NOTE 12: LOANS (Cont'd)**

**C) FINANCING FROM CAMMESA – GENERACIÓN ROSARIO S.A. (Cont'd)**

On May 30, 2016, GROSA signed a new mutuum agreement with CAMMESA whereby the financing of the Third Stage for the Repair of the Unit TV13 was formalized for an amount of up to USD 10,406,077 plus VAT. The financing will be repaid by applying the accumulated credit rights, or those to be accrued, for the Remuneration of Non-Recurring Maintenance set forth by Section 2 of ES Resolution No. 529/2014.

Between June 15 and June 2, 2017, GROSA sent thirteen notes to CAMMESA for a total amount of \$ 60,346,557 (with taxes), corresponding to the payment of suppliers of materials and services relating to the works performed in the period between November 2015 and May 2017. At June 30, 2017, the total amount of disbursements received from CAMMESA is \$ 60,435,594.

At June 30, 2017, the balance for this last financing amounts to \$ 66,027,897 and is included in the caption Non-Current Trade Receivables, net of receivables for Remuneration for Non-Recurring Maintenance.

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

Subsequently, on July 10 2017, GROSA filed a new voucher evidencing payments to suppliers of materials and services at June 30, 2017, for \$ 3,306,332 (with taxes).

On July 31, 2017, CAMMESA made a new disbursement for \$ 3,216,000.

**D) PROGRAM FOR THE ISSUE OF NO OF ALBANESI S.A.**

With the purpose of improving the financial profile of the company, on November 20, 2015, through CNV Resolution No. 17,887, ASA was granted authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) NO for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

**Class I NO**

On December 29, 2015, the Company issued Class I NO under the following conditions:

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

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

**Amortization term and method:** interest on Class I NO will be paid quarterly in arrears, on the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017; and December 29, 2017.

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

The proceeds from the issuance of the NO Class I were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

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

**NOTE 12: LOANS (Cont'd)**

**D) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A. (Cont'd)**

On October 25, 2016, Class II NO were issued, subscribed partly in cash and the remainder through a swap for 28% of the Class I NO, improving the Company's indebtedness profile (term and rate) and working capital. The amount paid was \$ 19,500,000.

On June 15, 2017, Class III NO were issued, with \$ 49,384,000 having been subscribed through a swap for Class I NO, and the remainder through a swap for Class II NO.

With these two issuances, the Company's indebtedness profile (term and rate) and working capital improved.

The remaining balance net of transaction costs pending amortization of that class at June 30, 2017 amounts to \$ 757,287.

**Class II NO**

On October 25, 2016 the Company issued Class II NO under the conditions described below:

**Principal:** Nominal value: \$ 220,000,000

**Interest:** Private Banks BADLAR rate plus a 4% margin.

**Amortization term and method:** interest on Class II NO will be paid quarterly in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

The principal on the Class II NO will be repaid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the NO and the last one to 40%, on the dates on which 18, 21 and 24 months are completed, counted as from the date of issuance; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

The proceeds from the issuance of the Class II NO were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III NO were issued, subscribed through paying in Class I and Class II NO, improving the Company's indebtedness profile (term and rate) and working capital. The amount paid was \$ 194,180,000.

The remaining balance net of transaction costs pending amortization of that class at June 30, 2017 amounts to \$ 26,266,321.

**Class III NO**

On June 15, 2017 the Company issued Class III NO under the conditions described below:

**Principal:** Nominal value: \$ 255,826,342

**Interest:** Private Banks BADLAR rate plus a 4.25% margin.

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

**NOTE 12: LOANS (Cont'd)**

**D) PROGRAM FOR THE ISSUE OF NO OF ALBANESI S.A. (Cont'd)**

**Amortization term and method:** interest on Class III NO will be paid quarterly in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020; March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The principal on the Class III NO will be repaid in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the NO at the dates in which 42, 45 and 48 months respectively have elapsed, counted as from the date of issuance and settlement, i.e. December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, on the first following business day.

The issuance of Class III NO was fully paid up with in-kind contributions as follows: a partial payment of Class I NO for \$ 52,519,884 and of Class II NO for \$ 203,306,458.

The remaining balance net of transaction costs pending amortization of that class at June 30, 2017 amounts to \$ 249,989,467.

**NOTE 13: PROVISIONS**

	For trade receivables	For other receivables	For contingencies
<b>Balances at December 31, 2015</b>	<b>839,252</b>	-	<b>9,949,496</b>
Increases	(1) 1,987,724	1,859,200	-
Decreases	-	-	(813,944)
<b>Balances at December 31, 2016</b>	<b>2,826,976</b>	<b>1,859,200</b>	<b>9,135,552</b>
Increases	-	-	-
Decreases	(76,869)	-	(1,002,004)
<b>Balances at June 30, 2017</b>	<b>2,750,107</b>	<b>1,859,200</b>	<b>8,133,548</b>

(1) The charge is expose in Selling expenses

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

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

**NOTE 14: SALES REVENUE**

	<b>06.30.17</b>	<b>06.30.16</b>
Sale of electricity Res. No. 95/529/482/22	71,714,145	115,553,403
Sale of electricity in the spot market	66,416,296	167,725,737
Sale under Energía Plus	541,371,014	410,025,933
Sale of electricity Res. No. 220	518,385,170	565,511,380
	<b>1,197,886,625</b>	<b>1,258,816,453</b>



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

**NOTE 15: COST OF SALES**

	<u>06.30.17</u>	<u>06.30.16</u>
Cost of purchase of electric energy	(408,338,921)	(288,032,571)
Cost of gas and gas oil consumption at the plant	(129,878,018)	(392,843,719)
Salaries and social security charges	(78,093,469)	(54,788,444)
Defined benefit plan	(302,094)	(1,298,888)
Other employee benefits	(3,090,356)	(2,000,654)
Rental	(1,973,192)	(2,111,850)
Professional fees	(1,482,313)	(5,019,911)
Depreciation of property, plant and equipment	(122,051,283)	(86,873,496)
Insurance	(12,352,720)	(11,723,782)
Maintenance	(88,034,199)	(68,207,119)
Electricity, gas, telephone and postage	(2,867,757)	(1,981,805)
Duties and taxes	(10,091,488)	(9,265,199)
Travel and per diem	(1,742,701)	(529,210)
Security guard and cleaning service	(768,006)	(1,584,497)
Miscellaneous expenses	(2,395,230)	(3,136,897)
	<u>(863,461,747)</u>	<u>(929,398,042)</u>

**NOTE 16: SELLING EXPENSES**

	<u>Note</u>	<u>06.30.17</u>	<u>06.30.16</u>
Salaries and social security charges		-	(417,274)
Duties and taxes		(2,275,410)	(1,043,971)
Tax recovery of gross income	31	19,643,732	-
Bad debts		15,459	(3,870,073)
		<u>17,383,781</u>	<u>(5,331,318)</u>

**NOTE 17: ADMINISTRATIVE EXPENSES**

	<u>06.30.17</u>	<u>06.30.16</u>
Salaries and social security charges	-	(3,621,035)
Other employee benefits	(182,039)	(521,043)
Rental	(2,309,000)	(11,000)
Professional fees	(17,130,628)	(13,578,952)
Insurance	(122,755)	(187,715)
Electricity, gas, telephone and postage	(1,764,821)	(1,082,397)
Duties and taxes	(442,711)	(1,292,745)
Travel and per diem	(623,437)	(1,120,628)
Miscellaneous expenses	(265,541)	(1,380,288)
	<u>(22,840,932)</u>	<u>(22,795,803)</u>

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

**NOTE 18: OTHER OPERATING INCOME AND EXPENSES, NET**

<u>Other operating income</u>	<u>Note</u>	<u>06.30.17</u>	<u>06.30.16</u>
Disaster recovery		442,354	-
Miscellaneous income		447,599	1,229,987
<b>Total Other operating income</b>		<b>889,953</b>	<b>1,229,987</b>
<u>Other operating expenses</u>			
Miscellaneous expenses		-	(970,403)
<b>Total Other operating expenses</b>		<b>-</b>	<b>(970,403)</b>

**NOTE 19: FINANCIAL RESULTS**

	<u>06.30.17</u>	<u>06.30.16</u>
<u>Financial income</u>		
Loan granted interest	8,304,403	-
Commercial interest	10,567,044	5,218,446
<b>Total financial income</b>	<b>18,871,447</b>	<b>5,218,446</b>
<u>Financial costs</u>		
Loan interest	(172,541,459)	(165,683,824)
Commercial interest and others	(7,845,775)	(15,116,987)
Bank expenses and commissions	(3,470,284)	(7,747,793)
<b>Total financial expenses</b>	<b>(183,857,518)</b>	<b>(188,548,604)</b>
<u>Other financial results</u>		
Exchange differences, net	(35,492,526)	(76,635,826)
Changes in the fair value of financial instruments	41,067,235	11,087,045
Loss from currency position, net	-	(73,795)
Other financial results	(25,744,267)	(19,044,032)
<b>Total other financial results</b>	<b>(20,169,558)</b>	<b>(84,666,608)</b>
<b>Total financial results, net</b>	<b>(185,155,629)</b>	<b>(267,996,766)</b>

**NOTE 20: EARNINGS PER SHARE**

**Basic**

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

<u>Continuing operations</u>	<u>06.30.17</u>	<u>06.30.16</u>
Income for the period attributable to the owners:	74,939,487	16,103,746
Weighted average of outstanding ordinary shares	62,455,160	36,323,292
<b>Basic and diluted earnings per share</b>	<b>1.20</b>	<b>0.44</b>

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

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

**NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

a) *Transactions with related companies and affiliates*

		<b>06.30.17</b>	<b>06.30.16</b>
		\$	
		Profit / (Loss)	
<b>Purchase of gas</b>			
RGA (1)	Related company	(763,498,317)	(236,344,176)
<b>Purchase of energy</b>			
Solalban Energía S.A.	Affiliate company	-	(71,252)
<b>Purchase of wines</b>			
BDD	Related company	(125,181)	(2,142)
<b>Purchase of flights</b>			
AJSA	Related company	(10,396,473)	(5,475,881)
<b>Sale of energy</b>			
RGA	Related company	26,144,376	49,332,694
Solalban Energía S.A.	Affiliate company	61,042,811	21,795,938
<b>Sale of components and spare parts</b>			
CTR	Related company	-	1,227,987
<b>Leases and services agreements</b>			
RGA	Related company	(14,914,684)	(4,403,962)
<b>Reimbursement of expenses</b>			
CTR	Related company	6,791,188	10,823,686
RGA	Related company	380,957	88,487
AESA	Related company	3,393,805	-
<b>Financial cost recovery</b>			
RGA	Related company	-	(3,515,702)
<b>Gas pipeline construction</b>			
RGA	Affiliate company	(80,206,785)	-
<b>Interest generated by loans granted</b>			
AISA	Related company	5,665,689	-
Directors	Related company	2,638,714	-
<b>Income from guarantees granted</b>			
CTR	Related company	447,600	-
<b>Dividends earned</b>			
Solalban S.A.	Affiliate company	5,880,000	-

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

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

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

*b) Remuneration of key managerial staff*

The senior management includes directors (executive and non-executive). Their remunerations at June 30, 2017 and 2016 amounted to \$ 7,217,104 and \$ 5,782,262, respectively.

	<b>06.30.17</b>	<b>06.30.16</b>
Salaries	(7,217,104)	(5,782,262)
	<b>(7,217,104)</b>	<b>(5,782,262)</b>

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

Captions	Type	06.30.17	12.31.16
<b>NON-CURRENT ASSETS</b>			
<b>Other receivables</b>			
Directors	Related company	11,856,850	17,343,215
Minority shareholders	Minority interest	-	18,750
		<b>11,856,850</b>	<b>17,361,965</b>
<b>CURRENT ASSETS</b>			
<b>Trade receivables</b>			
CTR	Related company	1,815,000	1,815,000
Solalban Energía S.A.	Affiliate company	16,588,866	-
		<b>18,403,866</b>	<b>1,815,000</b>
<b>Other receivables</b>			
Shareholders' accounts	Minority interest	147,861,358	147,861,358
AJSA - Advances on flights	Related company	1,343,243	-
AISA	Related company	72,464,384	66,798,695
AESA	Related company	8,123,829	4,036,908
CTR	Related company	12,855,958	8,434,229
Minority shareholders	Related company	18,750	-
		<b>242,667,522</b>	<b>227,131,190</b>
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
BDD	Related company	5,910	-
Solalban Energía S.A.	Affiliate company	-	541,641
AJSA	Related company	-	13,351,020
RGA	Related company	36,688,275	111,135,180
		<b>36,694,185</b>	<b>125,027,841</b>
<b>Other liabilities</b>			
RGA	Related company	87,200,660	89,629,740
BDD	Related company	145,559	-
		<b>87,346,219</b>	<b>89,629,740</b>

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

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

*d) Loans granted to related parties*

	<u>06.30.17</u>	<u>12.31.16</u>
<b>Loans to Albanesi Inversora S.A.</b>		
Balances at beginning of year	66,798,695	-
Loans granted	-	60,000,000
Accrued interest	5,665,689	6,798,695
<b>Balance at period end</b>	<b><u>72,464,384</u></b>	<b><u>66,798,695</u></b>
	<u>06.30.17</u>	<u>12.31.16</u>
<b>Loans to Directors</b>		
Balances at beginning of year	17,343,215	-
Loans granted	12,660,001	17,343,215
Cession <sup>(2)</sup>	(20,785,080)	-
Accrued interest	2,638,714	-
<b>Balance at period end</b>	<b><u>11,856,850</u></b>	<b><u>17,343,215</u></b>

(2) For the cession of receivables from Directors to GROSA to RGA, dated 06/30/2017.

The loans granted are governed by the following terms and conditions:

Entity	Amount	Interest rate	Terms and conditions
<b>At 06.30.17</b>			
Directors	9,218,136	BADLAR + 3%	Maturity date: 3 years
<b>Total in pesos</b>	<b><u>9,218,136</u></b>		

Entity	Amount	Interest rate	Terms and conditions
<b>At 06.30.17</b>			
AISA	60,000,000	BADLAR + 3%	Maturity date: 1 year,
<b>Total in pesos</b>	<b><u>60,000,000</u></b>		automatically up to 5 years

Receivables with 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 with related parties in any of the periods covered by these interim condensed consolidated financial statements. Trade payables with related parties arise mainly from transactions of purchases of gas and fall due in the month following the transaction date. Transactions with related parties are conducted in conditions similar to those carried out with independent parties.

**NOTE 22: WORKING CAPITAL**

At June 30, 2017, the Company reports a deficit in working capital of \$ 378,265,280 (calculated as current assets less current liabilities), which means a \$ 2,114,175,484 reduction compared to the surplus in working capital at the end of the fiscal year ended December 31, 2016 (\$ 1,735,910,204 at December 31, 2016). The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

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

**NOTE 23: SEGMENT REPORTING**

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

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

The Board of Directors considers the business as having a single segment: The Electricity segment comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

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: RESTRICTED ASSETS AND OTHER COMMITMENTS**

**A. GMSA**

**A.1 Other commitments**

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at June 30, 2017 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between GMSA and large customers of the Forward Market under the ES regulations according to Resolution No. 1281/06 (Energía Plus) . They are contracts denominated in United States dollars, entered into with private customers.

	Total	Up to 1 year	From 1 to 3 years
<i>Sale commitments <sup>(1)</sup></i>			
Electric energy and power - Plus	816,185,580	816,185,580	-

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

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

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

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

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

**A. GMSA (Cont'd)**

**A.2) Loan BAF Latam Trade Finance Funds B.V. (Cont'd)**

The rights assigned under the contract are detailed below:

- All the GMSA rights under the Project Documents.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due to GMSA by the Debtors under present and future electricity sales transactions carried out on the Energía Plus market.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due to GMSA to any Insurance Company, as of this date or in the future.
- Fiduciary ownership of the Real Estate Property existing at this date and any real estate property incorporated thereafter.
- Fiduciary ownership of GMSA assets.
- The right to make any claims and file any actions arising from the breach of the obligation to pay.
- Any collection right resulting from the rights assigned.
- Any and all rights that ASA has or may have with GMSA by reason of any irrevocable capital contribution.
- All the Funds existing in GMSA Account that have been received by GMSA in relation to the assigned rights.

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

**B. GROSA**

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

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

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph. GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

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

**NOTE 25: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY**

*Siemens Industrial Turbomachinery AB*

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

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

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

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

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

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

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



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

**NOTE 25: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)**

*Pratt & Whitney Power System Inc*

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

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

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

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

**NOTE 26: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI AND CTF POWER PLANTS**

GMSA signed with PWPS a global 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 CTRi, CTMM, CTI and CTE power plants. 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 efficient performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In addition, the agreement establishes that Siemens will make available for GMSA replacement equipment (engine gas generator), if necessary, for CTRi, CTMM, CTI and CTE. Siemens thus guarantees an average availability of not less than ninety six percent (96%) to the above mentioned 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 power sale agreement with CAMMESA under Resolution No. 220/07 (for CTRi and CTMM) and Resolution 21/16 (for CTI and CTE) is thus guaranteed.

Compliance with the energy sale agreements is thus guaranteed.

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

**NOTE 27: GMSA – PRESENTATION TO CAMMESA**

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

On August 26, 2015, GMSA made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution No. 529/14.

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

On January 27, 2016 the ES partially accepted the request submitted by GMSA, through the Notes mentioned in the above paragraphs, and authorized financing for up to USD 6,888,920 plus VAT. This financing will be repaid applying the accumulated receivables in favor of GMSA and the receivables to which it is entitled by application of the Remuneration for Non-Recurring Maintenance..

On June 10, 2016 GMSA submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTLB and CTRi. Since the effective date of that Resolution, in February 2014 and until April 2016 inclusive, GLB has generated a total of 60,166 MWh, equivalent to the amount of and GR generated a total of 51,564 MWh, equivalent to the amount of \$ 3,068,853. Further, 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 plant and issued a report on CTLB and CTRi which is under economic assessment.

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

On December 2, 2016, the new work plan for CTMM was submitted to CAMMESA The work schedule included in the plan is as follows:

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

Between November 2016 and June 2017, GMSA sent five notes to CAMMESA amounting to \$ 10,470,144.

At June 30, 2017, the total amount of disbursements obtained from CAMMESA is \$ 10,451,294. GMSA reports an accumulated balance for Non-Recurring Maintenance of \$ 44,103,331 net of payments received.

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**NOTE 28: MERGER THROUGH ABSORPTION**

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

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

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

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

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

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

**NOTE 28: MERGER THROUGH ABSORPTION (Cont'd)**

**b) GMSA – GFSa MERGER THROUGH ABSORPTION**

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

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

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

In particular, at GFSa Shareholders’ Meeting the following was also approved: (i) the early dissolution without liquidation of GFSa as a result of the merger, and its de-registration 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 NO issued by GFSa under the Program for the Issuance of Ordinary NO (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 NO for public offering, listing and trading.

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

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

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

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**NOTE 29: STORAGE OF DOCUMENTATION**

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

**NOTE 30: COVERAGE FOR OPERATIONAL ALL RISK:**

*All-risk insurance policy with coverage for loss of profits*

The Group has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of benefits as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover 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.

This insurance policy covers all physical damage to property of any kind and description, which is not expressly excluded in the policy, owned or under the charge or control of the insured, or those for which the insured has committed to cover for any damage, or those for which the insured can acquire insurable interest.

*Construction and Installation all-risk insurance policy*

Works for the installation or enlargement of capacity which are being developed by the Group are covered by a construction and assembly all-risk insurance coverage, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided they are not expressly excluded in the policy.

This policy also includes delay in start-up (DSU) insurance, up to 12 months, which provides 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 the equipment starts its operations, the new goods will remain covered under the new all-risk insurance coverage that Albanesi Group hired, which provides coverage for all the operating power plants.

**NOTE 31: EXEMPTION GRANTED BY THE GENERAL REVENUE BOARD OF TUCUMÁN**

On March 3, 2017, the General Revenue Board of Tucumán 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 GMSA's activity.

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

**NOTE 32: SUBSEQUENT EVENTS**

**a) Creation of Generación Centro S.A.**

Albanesi S.A. with Armando R. Loson, Holen S.A. and Carlos A. Bauzas created Generación Centro S.A. with a capital stock of \$ 500,000. Generación Centro S.A. was registered with the IGJ under number 13654, Book 85 of Companies by Shares, on July 12, 2017. Capital was fully issued in ordinary registered non-endorsable shares of \$ 1 par value each, and entitled to 1 (one) vote per share. The corporate purpose of Generación Centro S.A. is to: a) develop energy projects; b) execute projects, conduct, administer and perform works of any nature; and c) make investments and carry out financial transactions of any kind. ASA holds a 95% interest in Generación Centro S.A.

**b) Commercial authorization of CTMM**

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

**c) Creation of a program for the co-issuance**

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

**NOTE 33: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE**

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

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### Summary of activity at June 30, 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 No. 368/01 as amended of the National Securities Commission (CNV), we present below an analysis of the results of the operations of Albanesi S.A. (the company) and its equity and financial position, which should be read in conjunction with the accompanying financial statements.

	Six-month period ended June 30:			
	2017	2016	Var.	Var. %
	GWh			
<b>Sales by type of market</b>				
Sale of electricity Res. 95/529/482/22/19 and Spot Market	419.0	730.4	(311.4)	(43%)
Sale under Energía Plus	348.2	388.4	(40.2)	(10%)
Sale CAMMESA 220	352.5	389.6	(37.1)	(10%)
	<u>1,119.7</u>	<u>1,508.4</u>	<u>(388.7)</u>	<u>(26%)</u>

The sales for each market are outlined below (in million pesos):

	Six-month period ended June 30:			
	2017	2016	Var.	Var. %
	(in million pesos)			
<b>Sales by type of market</b>				
Sale of electricity Res. 95/529/482/22/19 and Spot Market	138.1	283.3	(145.2)	(51%)
Sale under Energía Plus	541.4	410.0	131.4	32%
Sale CAMMESA 220	518.4	565.5	(47.1)	(8%)
<b>Total</b>	<u>1,197.9</u>	<u>1,258.8</u>	<u>(60.9)</u>	<u>(5%)</u>

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

Results of the six-month period ended June 30, 2017 and 2016 (in million pesos):

	Six-month period ended June 30:			
	2017	2016	Var.	Var. %
Sales of energy	1,197.9	1,258.8	(60.9)	(5%)
<b>Net sales</b>	<b>1,197.9</b>	<b>1,258.8</b>	<b>(60.9)</b>	<b>(5%)</b>
Purchase of electricity	(408.3)	(288.0)	(120.3)	42%
Gas and gas oil consumption by the plant	(129.9)	(392.8)	262.9	(67%)
Salaries and social security charges	(78.1)	(54.8)	(23.3)	43%
Pension Plan	(0.3)	(1.3)	1.0	(77%)
Services under Maintenance	(88.0)	(68.2)	(19.8)	29%
Depreciation of property, plant and equipment	(122.1)	(86.9)	(35.2)	41%
Insurance	(12.4)	(11.7)	(0.7)	6%
Sundry	(24.4)	(25.7)	1.3	(5%)
<b>Cost of sales</b>	<b>(863.5)</b>	<b>(929.4)</b>	<b>65.9</b>	<b>(7%)</b>
<b>Gross income</b>	<b>334.4</b>	<b>329.4</b>	<b>5.0</b>	<b>2%</b>
Salaries and social security charges	-	(0.4)	0.4	(100%)
Taxes, rates and contributions	(2.3)	(1.0)	(1.3)	130%
Bad debts	-	(3.9)	3.9	(100%)
Tax recovery of gross income	19.6	-	19.6	100%
<b>Selling expenses</b>	<b>17.3</b>	<b>(5.3)</b>	<b>22.6</b>	<b>(426%)</b>
Salaries and social security charges	-	(3.6)	3.6	(100%)
Fees and compensation for services	(17.1)	(13.6)	(3.5)	26%
Travel, per diem and entertainment expenses	(0.6)	(1.1)	0.5	(45%)
Duties and taxes	(0.4)	(1.3)	0.9	(69%)
Sundry	(4.7)	(3.2)	(1.5)	47%
<b>Administrative expenses</b>	<b>(22.8)</b>	<b>(22.8)</b>	<b>-</b>	<b>0%</b>
Income from interests in associates	(1.6)	5.7	(7.3)	(128%)
Other operating income	0.8	1.2	(0.4)	(33%)
<b>Operating income</b>	<b>328.1</b>	<b>307.2</b>	<b>20.9</b>	<b>7%</b>
Commercial interest	10.6	5.2	5.4	104%
Loan interest, net	(172.5)	(165.7)	(6.8)	4%
Exchange differences, net	(35.5)	(76.6)	41.1	(54%)
Bank charges	(3.5)	(7.7)	4.2	(55%)
Sundry	15.8	(23.1)	38.9	(168%)
<b>Financial results, net</b>	<b>(185.1)</b>	<b>(267.9)</b>	<b>82.8</b>	<b>(31%)</b>
<b>Result before taxes</b>	<b>143.0</b>	<b>39.3</b>	<b>103.7</b>	<b>264%</b>
Income tax	(62.5)	(22.0)	(40.5)	184%
<b>Income from continuing operations</b>	<b>80.5</b>	<b>17.3</b>	<b>63.2</b>	<b>365%</b>



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

#### Sales:

Net sales for the six-month period ended June 30, 2017 amounted to \$ 1,197.9 million, compared with \$ 1,258.8 million for the same period of 2016, showing a decrease of \$60.9 million (5%).

For the period ended June 30, 2017, the dispatch of energy amounted to 1,119.7 GWh, reflecting a 26% decrease compared to 1,508.4 GWh the same period of 2016.

The main revenues of the Company and their behavior during the six-month period ended June 30, 2017 are described below, compared to the same period of 2016:

- (i) \$ 541.4 million in sales under Energía Plus, up 32% from the \$410.0 million in the same period of 2016. This variation arises from a favorable effect as a consequence of the increase in the exchange rate.
- (ii) \$ 518.4 million in sales of electricity in the futures market to CAMMESA under the framework of Resolution 220/07, an 8% decrease compared to \$ 565.5 million in the same period of 2016 due to a decrease in sales volume.
- (iii) \$ 138.1 million in sales of energy under Resolution No. 95/529/482/22/19 and in the spot market, a 51% decrease from the \$283.3 million in the same period of 2016. This variation mainly results from a decrease in sales volume offset by an increase in energy remuneration due to the application of Resolution No. 19.

#### Cost of Sales:

The total cost of sales for the period ended June 30, 2017 reached \$863.5 million, compared to \$929.4 million for the same period of 2016, reflecting a decrease of \$65.9 million (7%).

The main sales cost and their behavior during the current period and compared to the same period of 2016 are described below (in million pesos):

- (i) \$ 408.3 million in purchase of electricity, up 42% from the \$ 288.0 million for the same period of 2016, as a result of higher costs needed to supply the futures market with Energía Plus.
- (ii) \$ 129.9 million in gas and gas oil consumption by the plant, representing a 67% decrease compared to \$ 392.8 million for the same period of 2016. This is due to a decrease in the dispatch by CAMMESA.
- (iii) \$78.1 million in salaries and social security charges, up 28% from the \$54.8 million for the same period of 2016. This increment mainly results from salary increases and new staff hired.
- (iv) \$88.0 million in Services under Maintenance, up 29% from the \$68.2 million for the same period of 2016. This increase arises from the increase in the exchange rate offset by less operating hours, which causes an impact on the cost of the maintenance contract with PWPS in certain subsidiary companies. This contract is recognized by CAMMESA in the remuneration of operating and maintenance costs under the sales of Contract Resolution No. 220/07.

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

(v) \$122.1 million in depreciation of property, plant and equipment, up 41% from the \$86.9 million for the same period of 2016. This variation mainly results from the higher value of the depreciation of plant, property and equipment as a consequence of their revaluation at December 31, 2016, and the start-up of CTRi.

(vi) \$12.4 million paid for insurance, up 6% from the \$11.7 million for the same period in 2016 as a result of the rise in the exchange rate.

#### Gross income:

Gross income for the year ended June 30, 2017, was a profit of \$ 334.4 million, compared to the profit of \$ 329.4 million for the same period of 2016.

#### Selling expenses:

Selling expenses for the six-month period ended June 30, 2017 were a profit of / 17.3 million compared to the \$ 5.3 million loss for the same period of 2016, an improvement of \$ 22.6 million (426%) given that, on March 3, 2017, the department of collections of the General Revenue Board of Tucumán resolved to exempt GISA (company acquired by GMSA as from January 1, 2016) from Turnover Tax, amending the tax from the period December 2011.

#### Administrative expenses:

The administrative expenses for the six-month period ended June 30, 2017 amounted to \$ 22.8 million compared to the \$ 22.8 million for the same period of 2016, showing no variations.

#### Operating income:

The operating income for the period ended June 30, 2017 was a profit of \$328.2 million, compared to a loss of \$307.2 million for the same period of 2016, reflecting a 7% increase. This increment is mainly related to the effects of the increase in the exchange rate on the operating activity of the subsidiary companies, the start-up of CTRi and the high availability the plants had during the period under consideration.

#### Financial results:

Financial results for the period ended June 30, 2017 was a loss of \$185.1 million, compared to a loss of \$267.9 million for the same period of 2016, reflecting a 31% decrease.

The main aspects of this variation are the following:

- (i) \$172.5 million losses for financial interest on loans, up 4% from the \$165.7 million for the same period of 2016.
- (ii) \$35.5 million losses for net exchange differences, accounting for a 54% decrease from the \$76.6 million losses recorded in the same period of 2016.

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

Result before taxes:

For the period ended June 30, 2017, the Company reports profits before tax of \$ 143.1 million, which represents a 264% increase compared to the profits of \$ 39.3 million for the same period of 2016.

The loss for income tax was \$62.5 million for the period ended June 30, 2017, compared to a loss of \$22.0 million in 2016.

Net Result:

The net result for the period ended June 30, 2017 was a profit of \$80.5 million, compared to a profit of \$17.2 million for the same period of 2016, reflecting a 365% increase.

2. Equity structure compared with the previous period:  
(in million pesos)

	06.30.17	06.30.16	06.30.15
Non-current assets	9,172.6	3,774.7	2,412.5
Current assets	2,102.6	1,533.1	572.1
<b>Total Assets</b>	<b>11,275.2</b>	<b>5,307.8</b>	<b>2,984.6</b>
Equity attributable to the owners	1,999.5	1,302.6	671.9
Non-controlling Equity	106.5	70.1	46.9
<b>Total Equity</b>	<b>2,106.0</b>	<b>1,372.7</b>	<b>718.8</b>
Non-current Liabilities	6,688.3	3,005.3	1,228.0
Current Liabilities	2,480.9	929.8	1,037.8
<b>Total Liabilities</b>	<b>9,169.2</b>	<b>3,935.1</b>	<b>2,265.8</b>
<b>Total Equity and Liabilities</b>	<b>11,275.2</b>	<b>5,307.8</b>	<b>2,984.6</b>

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

3. Breakdown of results compared with the previous fiscal year:  
(in million pesos)

	06.30.17	30.06.16	30.06.15
Ordinary operating result	328.1	307.2	139.1
Financial results	(185.1)	(267.9)	(95.6)
<b>Ordinary net result</b>	<b>143.0</b>	<b>39.3</b>	<b>43.5</b>
Income tax	(62.5)	(22.0)	(8.1)
<b>Income from continuing operations</b>	<b>80.5</b>	<b>17.3</b>	<b>35.4</b>
Discontinued operations	-	-	(13.6)
<b>Income for the period</b>	<b>80.5</b>	<b>17.3</b>	<b>21.8</b>
<b>Other comprehensive income</b>	-	(0.1)	(2.5)
<b>Total comprehensive income</b>	<b>80.5</b>	<b>17.2</b>	<b>19.3</b>

4. Cash flow structure presented comparatively with the previous fiscal year:  
(in million pesos)

	06.30.17	06.30.16	06.30.15
Funds generated by (applied to) operating activities	638.0	(421.5)	178.1
Funds applied to investment activities	(1,841.8)	(360.8)	(156.8)
Funds provided by (applied to) financing activities	912.9	1,064.0	(14.3)
<b>(Decrease) / Increase in cash and cash equivalents</b>	<b>(290.9)</b>	<b>281.7</b>	<b>7.0</b>

5. Ratios presented comparatively with the previous fiscal year:

	06.30.17	06.30.16	06.30.15
Liquidity (1)	0.85	1.65	0.55
Solvency (2)	0.22	0.33	0.30
Tied-up capital (3)	0.81	0.71	0.81
Indebtedness ratio (4)	6.88	3.77	2.58
Accrued and capitalized interest coverage ratio (5)	2.39	2.15	2.78

(1) Current assets / Current Liabilities

(2) Equity / Total Liabilities

(3) Non-current assets / Total Assets

(4) Financial debt / Annualized EBITDA

(5) Annualized EBITDA / Accrued annualized financial interest

In accordance with the guidelines of the International Bond prospectus for the calculation of the indebtedness ratio, which is 6.34 at June 30, 2017.

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

6. Brief comment on the outlook for the next fiscal year.

### Outlook of the Company for fiscal year 2017

#### **Commercial and operating sector**

We expect the power generation units to continue operating under normal conditions according to the dispatch defined by CAMMESA. The main objective is to maintain a high level of availability of the Power Plants, which ensures the profitability level of the Company. For this purpose, a thorough preventive maintenance plan of the generation units is conducted, ensuring the high availability of the Power Plants' turbogroups.

In accordance with contracts Resolution No. 220/07 ES, we are making progress with two projects for a total of 150 MW of additional generation capacity detailed below.

A Siemens SGT-800 turbine of 50 MW nominal capacity has been installed in CTRI. On May 20, 2017, CAMMESA authorized its commercial operation.

Furthermore, two Siemens SGT-800 turbines of 50 MW nominal capacity have been installed in CTMM. On July 6, 2017, CAMMESA authorized their commercial operation in accordance with a contract Resolution No. 220/07 ES.

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 encompassed within agreements entered into with CAMMESA under Resolution No. 21/16 ES.

We will proceed to enlarge by 100 MW the power generation capacity in CTI through the installation of two Siemens SGT-800 turbines of 50 MW each. We estimate that the commercial operation of the first stage (50MW) will start in the third quarter of 2017, and the second stage in the first quarter of 2018 (50MW).

In addition, the construction of a new plant commenced in the Province of Buenos Aires (CTE) with a generating capacity of 150 MW, through the installation of three Siemens SGT-800 turbines of 50 MW each. We estimate that the commercial operation of the first stage (100 MW) will start in the third quarter of 2017, and the second stage in the first quarter of 2018 (50 MW).

#### **Financial situation**

In the current fiscal year, companies controlled by the Company have the objective of improving the financing structure and ensuring the progress of investment works according to the schedules agreed upon.

On July 27, 2016, GMSA, CTR and GFSA co-issued an international bond for USD 250 million, maturing in 7 years. The international bond is guaranteed by ASA. From the total amount issued, USD 173 million correspond to GMSA and USD 7 million correspond to GFSA, which will be allocated to the pre-payment of financial debts and the financing of investment projects.

The issuance of an international bond allowed for the prepayment of financial debts as well as allocation of funds to investment projects related to the enlargement of the power generation capacity that the Group promotes.



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## **REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

### **Introduction**

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

The balances and other information corresponding to the fiscal year 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 consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

### **Scope of our review**

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

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T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar



## **Conclusion**

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

## **Report on compliance with regulations in force**

In accordance with current regulations, we report that:

- a) the interim condensed consolidated financial statements of Albanesi S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the interim condensed separate financial statements of Albanesi S.A. stem from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the summary of activity, on which we have no observation to make insofar as concerns matters within our field of competence;
- d) as of June 30, 2017, there is no debt accrued in favor of the Argentine Integrated Social Security System;

Autonomous City of Buenos Aires, August 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

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Dr. Raúl Leonardo Viglione  
(Partner)

## Report of the Syndics' Committee

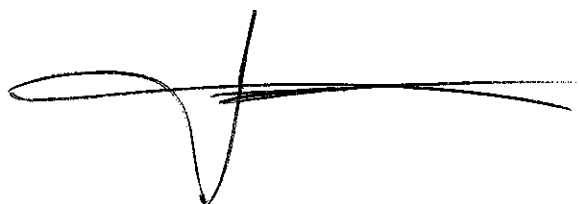
To the Shareholders of  
Albanesi S.A.

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

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

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

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

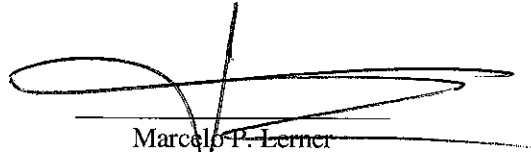
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5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed consolidated financial statements mentioned in paragraph 1, for their presentation in accordance with the pertinent regulations of Law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

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

Autonomous City of Buenos Aires, August 11, 2017



Marcelo P. Lerner  
Full Syndic  
For the Syndics' Committee

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## **Albanesi S.A.**

### **Interim condensed separate financial statements**

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

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## **Albanesi S.A.**

### **INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS AT JUNE 30, 2017**

#### **CONTENTS**

Glossary of technical terms

Interim condensed separate financial statements

Statement of financial position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Interim Condensed Separate Financial Statements

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

Review Report on the Interim Condensed Separate Financial Statements

Report of the Syndics' Committee

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## GLOSSARY OF TECHNICAL TERMS

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

<b>Terms</b>	<b>Definitions</b>
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fuegoína S.A.
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Interest rate paid by financial institutions on average on time deposits for over one million pesos.
BCRA	Argentine Central Bank
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Power Plant)
CTI	Central Térmica Independencia (Independencia Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana (MM Power Plant) located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Power Plant) located in La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam <sup>3</sup>	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters.
DH	Historical availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target availability
DR	Registered availability
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric

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**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

<b>Terms</b>	<b>Definitions</b>
GF	Central Térmica Frías situated in Frías, Santiago del Estero (merged with GMSA)
GFSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supplies of over 300kW.
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Particular Large Users
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt hour Unit of energy equivalent to 1,000 watts hour
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
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.
TP	Technical pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
CGU	Cash-Generating Unit

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## **Albanesi S.A.**

### **Composition of the Board of Directors and Syndics' Committee At June 30, 2017**

#### **President**

Armando R. Losón

#### **Vice-president 1**

Guillermo G. Brun

#### **Vice-president 2**

Julián P. Sarti

#### **Full Directors**

Carlos A. Bauzas

Sebastián A. Sánchez Ramos

Oscar C. De Luise

#### **Alternate Directors**

Armando Losón (h)

José L. Sarti

Juan G. Daly

María de los Milagros D. Grande

Ricardo M. Lopez

Romina S. Kelleyian

#### **Full Syndics**

Enrique O. Rucq

Francisco A. Landó

Marcelo P. Lerner

#### **Alternate Syndics**

Carlos I. Vela

Juan Cruz Nocciolino

Johanna M. Cárdenas

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## **Albanesi S.A.**

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

### **DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE**

Of by-laws or incorporation agreement: June 28, 1994  
Latest amendment: November 8, 2016

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

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

<b>CAPITAL STATUS (See Note 13)</b>			
<b>Shares</b>			
<b>Quantity</b>	<b>Type</b>	<b>Number of votes per share</b>	<b>Subscribed, paid-in and registered</b>
62,455,160	Ordinary, registered, non-endorsable FV \$1	1	\$ 62,455,160

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**Albanesi S.A.**

**Interim Condensed Separate Statement of Financial Position**

At June 30, 2017 and December 31, 2016

Stated in pesos

	<u>Notes</u>	<u>06.30.17</u>	<u>12.31.16</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries and associates	6	2,309,365,008	2,210,552,404
Deferred tax assets		5,852,790	1,487,052
Other receivables		2,816,289	2,098,573
<b>Total non-current assets</b>		<b><u>2,318,034,087</u></b>	<b><u>2,214,138,029</u></b>
<b>CURRENT ASSETS</b>			
Other receivables		153,037,106	153,351,103
Cash and cash equivalents	7	319,082	151,644
<b>Total current assets</b>		<b><u>153,356,188</u></b>	<b><u>153,502,747</u></b>
<b>Total Assets</b>		<b><u>2,471,390,275</u></b>	<b><u>2,367,640,776</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	13	62,455,160	62,455,160
Legal reserve		4,381,440	1,942,908
Optional reserve		101,010,691	-
Technical revaluation reserve		1,709,364,919	1,760,090,123
Other comprehensive income		(3,397,653)	(3,397,653)
Retained earnings		125,664,691	103,449,223
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>1,999,479,248</u></b>	<b><u>1,924,539,761</u></b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans	9	267,729,215	218,266,709
Other liabilities	8	16,252,143	356,250
<b>Total non-current liabilities</b>		<b><u>283,981,358</u></b>	<b><u>218,622,959</u></b>
<b>CURRENT LIABILITIES</b>			
Loans	9	9,283,860	56,657,120
Other liabilities	8	160,105,859	149,916,999
Tax payables		202,819	1,230,560
Trade payables		18,337,131	16,673,377
<b>Total current liabilities</b>		<b><u>187,929,669</u></b>	<b><u>224,478,056</u></b>
<b>Total Liabilities</b>		<b><u>471,911,027</u></b>	<b><u>443,101,015</u></b>
<b>Total Liabilities and Equity</b>		<b><u>2,471,390,275</u></b>	<b><u>2,367,640,776</u></b>

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



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

**Albanesi S.A.**

**Interim Condensed Separate Statement of Comprehensive Income**

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

Stated in pesos

	Notes	Six-month period at		Three-month period at	
		06.30.17	06.30.16	06.30.17	06.30.16
Gain/Loss on investment in subsidiaries and associates	6	104,692,604	29,279,428	(3,971,838)	19,951,974
Selling expenses	10	(161,189)	-	(43,960)	-
Administrative expenses	11	(1,029,211)	(558,400)	(601,974)	(70,346)
Other operating income	15	1,598,571	-	799,285	-
<b>Operating income / (loss)</b>		<b>105,100,775</b>	<b>28,721,028</b>	<b>(3,818,487)</b>	<b>19,881,628</b>
Financial expenses	12	(34,540,198)	(12,996,627)	(17,359,956)	(6,824,046)
Other financial results	12	13,172	189,247	13,624	121,926
<b>Financial results, net</b>		<b>(34,527,026)</b>	<b>(12,807,380)</b>	<b>(17,346,332)</b>	<b>(6,702,120)</b>
<b>Income / (loss) before tax</b>		<b>70,573,749</b>	<b>15,913,648</b>	<b>(21,164,819)</b>	<b>13,179,508</b>
Income tax		4,365,738	190,098	2,232,212	86,523
<b>Net income / (loss) for the period</b>		<b>74,939,487</b>	<b>16,103,746</b>	<b>(18,932,607)</b>	<b>13,266,031</b>
<b>Other Comprehensive Income</b>					
<i>Items not reclassified into income/loss</i>					
Other comprehensive loss on investment in subsidiaries and associates		-	(92,642)	-	(114,795)
<b>Other comprehensive loss for the period</b>		<b>-</b>	<b>(92,642)</b>	<b>-</b>	<b>(114,795)</b>
<b>Comprehensive income / (loss) for the period</b>		<b>74,939,487</b>	<b>16,011,104</b>	<b>(18,932,607)</b>	<b>13,151,236</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share	14	1.20	0.44		

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

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**Albanesi S.A.**

**Interim Condensed Separate Statement of Changes in Equity**  
 For the six-month periods ended June 30, 2017 and 2016  
 Stated in pesos

	Attributable to Shareholders							Total shareholders' equity
	Shareholders' contributions	Share capital (Note 13)	Legal reserve	Optional reserve	Technical revaluation reserve	Translation reserve	Other comprehensive income	
<b>Balances at December 31, 2015</b>	4,455,160	-	-	1,226,610,421	(2,857,973)	(1,594,964)	43,137,735	1,269,750,379
Capital increase as per Minute of Shareholders' Meeting dated March 22, 2016	58,000,000	-	-	-	-	-	-	58,000,000
As resolved by the General Ordinary Shareholders' Meeting held on April 20, 2016:								
- Legal reserve	-	1,942,908	-	-	-	-	(1,942,908)	-
- Distribution of cash dividends	-	-	-	-	-	-	(41,194,827)	(41,194,827)
Reversal of technical revaluation reserve	-	-	-	(26,354,561)	-	-	26,354,561	-
Other comprehensive loss for the period	-	-	-	-	(84,327)	(8,315)	-	(92,642)
Comprehensive income for the six-month period	-	-	-	-	-	-	16,103,746	16,103,746
<b>Balances at June 30, 2016</b>	62,455,160	1,942,908	-	1,200,255,860	(2,942,300)	(1,603,279)	42,458,307	1,302,566,656
Reversal of technical revaluation reserve	-	-	-	(28,324,019)	-	-	28,324,019	-
Other comprehensive income for the period	-	-	-	588,158,282	2,942,300	(1,794,374)	-	589,306,208
Comprehensive income for the complementary six-month period	-	-	-	-	-	-	32,666,897	32,666,897
<b>Balances at December 31, 2016</b>	62,455,160	1,942,908	-	1,760,090,123	-	(3,397,653)	103,449,223	1,924,539,761
As resolved by the General Ordinary Shareholders' Meeting held on April 18, 2017:								
- Legal reserve	-	2,438,532	-	-	-	-	(2,438,532)	-
- Optional reserve	-	-	101,010,691	-	-	-	(101,010,691)	-
Reversal of technical revaluation reserve	-	-	-	(50,725,204)	-	-	50,725,204	-
Comprehensive income for the six-month period	-	-	-	-	-	-	74,939,487	74,939,487
<b>Balances at June 30, 2017</b>	62,455,160	4,381,440	101,010,691	1,709,364,919	-	(3,397,653)	125,664,691	1,999,479,248

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

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**Albanesi S.A.**

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

	Notes	<u>06.30.17</u>	<u>06.30.16</u>
<b>Cash flow provided by operating activities:</b>			
Income for the period		74,939,487	16,103,746
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Income tax		(4,365,738)	(190,098)
Interest, exchange differences and other financial results		34,527,026	12,814,090
Gain on investment in subsidiaries and associates	6	(104,692,604)	(29,279,428)
<b>Changes in operating assets and liabilities</b>			
Increase in other receivables		(2,339,117)	(9,405,916)
Increase / (Decrease) in trade payables		1,663,754	(522,541)
(Decrease) / Increase in tax payables		(1,430,213)	2,671,166
Increase in other liabilities		19,449,286	-
<b>Net cash flow provided by (used in) operating activities</b>		<u><b>17,751,881</b></u>	<u><b>(7,808,981)</b></u>
<b>Cash flow provided by investment activities:</b>			
Collection of dividends		5,880,000	9,215,000
Increase in other liabilities with subsidiaries		11,779,467	2,825,350
Capital Contributions to subsidiaries		-	(118,750)
<b>Net cash flow provided by investment activities</b>		<u><b>17,659,467</b></u>	<u><b>11,921,600</b></u>
<b>Cash flow provided by financing activities:</b>			
Repayment of interest	9	(29,765,110)	(12,108,704)
Repayment of loans	9	(334,800)	-
Increase / (decrease) in other liabilities with related companies		(5,144,000)	7,867,015
<b>Net cash flow (used in) financing activities</b>		<u><b>(35,243,910)</b></u>	<u><b>(4,241,689)</b></u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u><b>167,438</b></u>	<u><b>(129,070)</b></u>
Cash and cash equivalents at the beginning of year		151,644	163,233
Exchange difference of cash and cash equivalents		-	6,710
Cash and cash equivalents at the end of the period	7	<u>319,082</u>	<u>27,453</u>
		<u><b>167,438</b></u>	<u><b>(129,070)</b></u>

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

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**Interim Condensed Separate Statement of Cash Flows (Cont'd)**

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

Stated in pesos

<b>Significant transactions not representing changes in cash:</b>	<b>06.30.17</b>	<b>06.30.16</b>
Capital contribution not yet paid in investments in subsidiaries and associates	-	475,000
Issuance of Negotiable Obligations paid in kind	255,826,342	-
Distributed dividends offset against other receivables	-	(41,194,827)
Capitalization of other debts	-	(58,000,000)
Other comprehensive income on investment in subsidiaries and associates	-	(92,642)

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

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**Albanesi S.A.**

**Notes to the Interim Condensed Separate Financial Statements**  
 For the six- and three-month periods ended June 30, 2017 and 2016  
 and for the fiscal year ended December 31, 2016  
 Stated in pesos

**NOTE 1: GENERAL INFORMATION**

The Company was established in 1994 and its corporate purpose consists of investment and financial activities. Through its controlled and related companies, ASA has invested in the energy market in the segment dedicated to the generation and sale of electricity.

Grupo Albanesi has been active in the generation and sale of electricity through ASA, AISA and AESA, and has focused on the gas transportation and sale business through RGA.

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

The following table presents the interest held by ASA in each company.

Companies	Country of incorporation	Main line of business	% of participation held	
			06.30.17	12.31.16
GMSA	Argentina	Electric power generation	95.00%	95.00%
GFSA <sup>(1)</sup>	Argentina	Electric power generation	-	95.00%
GROSA	Argentina	Electric power generation	95.00%	95.00%
Solalban Energía S.A.	Argentina	Electric power generation	42.00%	42.00%
GLSA	Argentina	Electric power generation	95.00%	95.00%

(1) Company absorbed by GMSA under the merger through absorption as described in Note 19.2.

The power generation segment of Grupo Albanesi through ASA and AISA (an affiliate of ASA) has an installed capacity of approximately 1,042 MW, equivalent to 4% of Argentina's installed capacity. Once the various projects currently underway have been completed, Grupo Albanesi, through ASA, AISA and Albanesi Energía S.A. (an affiliate of ASA) will have an installed capacity of approximately 1,522 MW.

GMSA (the merging and continuing company) has been part of a merger process with the following companies, which were merged into GMSA: GISA, GLBSA and GRISA. The final merger agreement was signed on November 10, 2015, with the effective merger date being January 1, 2016. The merger was approved by the CNV on March 22, 2016 and registered with the Superintendency of Commercial Companies on May 18, 2016. (See Note 19.1.)

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

Furthermore, in 2016 GMSA (the merging and continuing company) absorbed GFSA as part of a merger process. The final merger agreement was signed on November 15, 2016, whereby the effective merger date was January 1, 2017. The merger was approved by the CNV on March 2, 2017 and registered with the Superintendency of Commercial Companies on March 17, 2017 (see Note 19.2).

On December 5, 2015 GFSA obtained commercial authorization to operate on the WEM. GFSA and CAMMESA entered into a power supply contract for 55.5 MW to the WEM. 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.

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**Albanesi S.A.**

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained authorization to enter the public offering system and create a program of Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. The Company thus issued Class I Negotiable Obligations for \$70 million on December 29, 2015; Class II Negotiable Obligations for \$220 million on October 25, 2016; and Class III Negotiable Obligations for \$256 million on June 15, 2017.

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

**New projects**

GMSA, a subsidiary of ASA, announced a plan to increase the electric power generation at its power plants established throughout Argentina. The plan envisages the execution of works that will contribute a further 400 MW (including the CTRI and CTMM power plants already in operation) to the national grid.

**Expansion of Central Térmica Riojana**

On September 7, 2015, GRISA executed a contract with Siemens Industrial Turbomachinery AB, for the purchase of a 50-MW Siemens SGT800 turbine for USD 19.3 million. The turbine came into operation on May 20, 2017.

**Expansion of Central Térmica Modesto Maranzana**

On March 28, 2016, GMSA and Siemens Industrial Turbomachinery AB entered into an agreement for the supply and assembly of two Siemens SGT-800 turbines of 50 nominal MW each. This expansion was carried out within the framework of an agreement executed under ES Resolution 220/07. CAMMESA authorized the commercial operation of the two Siemens SGT-800 turbines on July 6, 2017. Thus, the Power Plant's installed capacity has increased from 250 MW to 350 MW. At the date these interim condensed separate financial statements were signed, the power plant was already in operation.

**Resolution 21/16**

Under Resolution 21/16, GMSA presented projects for expanding the generating capacity by 250 MW, which were awarded following a public call for tenders. At June 30, 2016, GMSA signed agreements with CAMMESA under this Resolution, for the stage I and II 150 MW Central Térmica Ezeiza and stage I and II 100 MW CTI projects, with rates denominated in dollars, under a take or pay clause and for a term of 10 years, counted as from the earlier of the agreed upon date or the authorization of the commercial operation.

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**Albanesi S.A.**

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**New projects (Cont'd)**

**Expansion at Central Térmica Independencia**

Also, a 100 MW expansion of the generating capacity was commenced at CTI with the installation of two Siemens SGT-800 turbines of 50 MW each. The investment is estimated at approximately USD 82.5 million. The expansion will take place in two stages, with the installation of 50 MW in each stage. It is estimated that the first stage will come into commercial operation in the third quarter of 2017, and the second stage in the first quarter of 2018.

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

On August 9, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a second 50 MW SGT-800 turbine. 5% was paid in that month, 5% in January 2017, and the remaining 40% in March 2017. A financing agreement was signed in September 2016, whereby the deferred payment of the remaining 50% will be made in 24 installments as from April 2018. The spare parts of the second turbine and the chimneys are already at the plant. The value of the turbine is USD 20 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 supply of spare parts for USD 1.02 million.

The latter will be paid as follows: 35% in July 2017, 35% in September 2017 and 30% in February 2018. 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 39 million. At the date of presentation of the interim condensed separate financial statements, the progress of work of the CTI project is 97.5%.

**Central Térmica Ezeiza**

Also, the construction of a new plant commenced in the Province of Buenos Aires (Central Térmica Ezeiza) with a generating capacity of 150 MW, with the installation of three Siemens SGT-800 turbines of 50 MW each. The investment is estimated at USD 151.8 million.

The project will be completed in two stages, with the installation of 100 MW in the first stage, and of an additional 50 MW in the second stage. The first stage is estimated to come into commercial operation in the third quarter of 2017, and the second stage in the first quarter of 2018.

On April 30, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of two 50 MW SGT-800 turbines. Payment was made in September 2016 of 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 is USD 21 million each.

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**Albanesi S.A.**

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

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**New projects (Cont'd)**

On August 9, 2016 a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a third 50 MW SGT-800 turbine. 5% was paid in that month; 5% in January 2017, and the remaining 40%, in March 2017. A financing agreement was signed in September 2016, whereby the deferred payment of the remaining 50% will be made in 24 installments as from April 2018. The value of the turbine is USD 20.3 million. The spare parts of the third turbine and the chimneys are already at the plant. Additionally, contracts have been executed for the purchase of three 75 MVA transformers, the Alfa Laval equipment and chillers, the construction of 132 kV fields, the purchase of the land in Ezeiza, and civil works under the project. In October 2016, two water tanks and one diesel tank were purchased.

In November 2016 an assembly contract was executed with Siemens for USD 9.3 million, and a contract for maintenance and supply of spare parts was executed for USD 1.6 million. The latter will be paid as follows: 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.

During the first quarter of 2017, engineering and management services of the external natural gas work were hired for an amount of USD 5.2 million. In addition, the installation of the gasoil and compressed air systems and drainages was awarded for USD 2.8 million. Services for the electric and civil works and the communication system were hired. USD 83.7 million were invested at June 2017. At the date of presentation of the interim condensed separate financial statements, the progress of work of the CTE project is 97 %.

**NOTE 2: BASIS OF PRESENTATION**

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

This interim condensed financial reporting must be read jointly with the Company's financial statements at December 31, 2016.

The interim condensed separate financial statements of the Company for the six- and three-month periods ended June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting".



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

**NOTE 2: BASES OF PRESENTATION (Cont'd)**

The presentation in the interim condensed statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within twelve months after the end of the reporting period. In addition, the Company reports on the cash flows 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 separate financial statements are stated in pesos. They have been prepared under the historical cost convention, modified by the measurement of financial assets and liabilities at fair value through profit or loss.

The preparation of these financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements, as well as the income and expenses recorded in the fiscal year.

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

The results for the six- and three-month periods ended June 30, 2017 and 2016 do not necessarily reflect a proportionate percentage of the Company's results for the full fiscal years.

These interim condensed separate financial statements for the six- and three-month periods ended June 30, 2017 and 2016 were approved for issuance by the Company's Board of Directors on August 11, 2017.

**Comparative information**

Balances at December 31, 2016 and for the six and three-month periods ended June 30, 2016, disclosed in these interim condensed separate 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.

**NOTE 3: ACCOUNTING POLICIES**

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

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

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

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

**NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

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

**NOTE 5: FINANCIAL RISK MANAGEMENT**

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

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

**NOTE 6: INFORMATION OF SUBSIDIARIES AND ASSOCIATES**

The Company carries its businesses through various subsidiaries and associates.

Below, the development of investments in subsidiaries and associates is disclosed for the six-month periods ended June 30, 2017 and 2016:

	<u>06.30.17</u>	<u>06.30.16</u>
<b>Beginning of the year</b>	2,210,552,404	1,561,566,568
Capital contributions	-	475,000
Other comprehensive loss	-	(92,642)
Dividends distributed	(5,880,000)	(9,215,000)
Gain on investment in subsidiaries and associates	104,692,604	29,279,428
<b>Period end</b>	<u>2,309,365,008</u>	<u>1,582,013,354</u>

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

**NOTE 6: INFORMATION OF SUBSIDIARIES AND ASSOCIATES (CONT'D)**

Below is a detail of the investments and equity interests held by the Company in subsidiaries and associates for the six-month period ended June 30, 2017 and for the fiscal year ended on December 31, 2016, as well as the Company's sharing of profits of these companies at June 30, 2017 and 2016.

Name of the entity	Principal place Business	Main line of business	Shares Ordinary, entitled to 1 vote	Value of the Group's interest in net equity		Group's sharing of profits		% of equity interest		Latest financial statement (1)		
				06.30.17	12.31.16	06.30.17	06.30.16	06.30.17	12.31.16	Share Capital (par value)	Result for the period	Shareholders' equity
<b>Subsidiaries</b>												
GMISA	Argentina	Electricity	131,263,543	1,989,918,979	1,681,616,610	107,621,257	31,305,611	95%	95%	138,172,150	113,285,530	2,094,651,548
GFSA (2)	Argentina	Electricity	-	-	200,681,112	-	(27,480,698)	-	95%	-	-	-
GROSA	Argentina	Electricity	16,473,625	32,699,987	33,990,638	(1,290,651)	19,788,577	95%	95%	17,340,638	(1,358,580)	34,421,030
GLSA	Argentina	Electricity	475,000	439,042	456,475	(17,433)	(3,088)	95%	95%	500,000	(18,350)	462,150
AVSA (3)	Venezuela	Oil company	-	-	-	-	(73,790)	99,99%	99,99%	-	-	-
<b>Associates</b>												
Solalban Energia S.A.	Argentina	Electricity	73,184,160	286,307,000	293,807,569	(1,620,569)	5,742,816	42%	42%	174,248,000	(3,858,500)	681,683,330
				<u>2,309,365,008</u>	<u>2,210,552,404</u>	<u>104,692,604</u>	<u>29,279,428</u>					

(1) Information of the financial statements at June 30, 2017 converted to IFRS.

(2) Companies merged with GMISA under the merger through absorption process as described in Note 19.2.

(3) Company liquidated on November 24, 2016.

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

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**Albanesi S.A.**

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

**NOTE 7: CASH AND CASH EQUIVALENTS**

	<u>Note</u>	<u>06.30.17</u>	<u>12.31.16</u>
Banks in local currency		162,854	128,121
Banks in foreign currency	20	156,228	23,523
<b>Cash and cash equivalents (excluding bank overdraft facilities)</b>		<b>319,082</b>	<b>151,644</b>

For the purposes of the cash flow statement, cash and cash equivalents include.

	<u>06.30.17</u>	<u>06.30.16</u>
Cash and cash equivalents	319,082	51,636
Bank overdrafts	-	(24,183)
<b>Cash and cash equivalents (including bank overdraft facilities)</b>	<b>319,082</b>	<b>27,453</b>

**NOTE 8: OTHER LIABILITIES**

	<u>Note</u>	<u>06.30.17</u>	<u>12.31.16</u>
<b>Non-Current</b>			
Other income to be accrued		16,252,143	-
Related parties	15	-	356,250
		<b>16,252,143</b>	<b>356,250</b>
<b>Current</b>			
Other income to be accrued		3,197,143	-
Related parties	15	156,908,716	149,916,999
		<b>160,105,859</b>	<b>149,916,999</b>

**NOTE 9: LOANS**

	<u>6.30.17</u>	<u>12.31.16</u>
<b>Non-current</b>		
Negotiable obligations	267,729,215	218,266,709
	<b>267,729,215</b>	<b>218,266,709</b>
<b>Current</b>		
Negotiable obligations	9,283,860	56,657,120
	<b>9,283,860</b>	<b>56,657,120</b>

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

**NOTE 9: LOANS (Cont'd)**

At June 30, 2017, total financial debt amounts to \$277 million. The following table shows our total debt at that date.

	<u>Principal</u>	<u>06.30.17</u>	<u>Interest rate</u>	<u>Currenc</u>	<u>Issue date</u>	<u>Due date</u>
		(Pesos)	(%)	y		
<u>Debt securities</u>						
Class I NO	\$781,200	757,287	BADLAR + 5.5%	ARS	December 29, 2015	December 29, 2017
Class II NO	\$25,820,000	26,266,321	BADLAR + 4%	ARS	October 25, 2016	October 25, 2018
Class III NO	\$255,826,342	249,989,467	BADLAR + 4.25%	ARS	June 15, 2017	June 15, 2021
<b>Total financial</b>		<b><u>277,013,075</u></b>				

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

Class I Negotiable Obligations:

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

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

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

**Payment term and method:** interest on Class I Negotiable Obligations will be paid quarterly in arrears, on the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017, and December 29, 2017.

Principal on Class I Negotiable Obligations will be amortized in three (3) consecutive installments on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Negotiable Obligations at the dates on which 18, 21 and 24 months, respectively, shall have elapsed as from the date of issue, that is June 29, 2017; September 29, 2017 and December 29, 2017.

The proceeds from the issue of the Class I Negotiable Obligations were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

On October 25, 2016, Class II Negotiable Obligations were issued, subscribed partly in cash and the remainder through a swap for 28% of the Class I Negotiable Obligations. The amount paid was \$19,500,000.

On June 15, 2017, Class III Negotiable Obligations were issued, with \$49,384,000 having been subscribed through a swap for Class I Negotiable Obligations, and the remainder through a swap for Class II Negotiable Obligations.

With these two issuances, the Company's indebtedness profile (term and rate) and working capital improved.

The remaining balance net of transaction costs pending amortization of that class at June 30, 2017 amounts to \$ 757,287.

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**Albanesi S.A.**

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

**NOTE 9: LOANS (Cont'd)**

**Class II Negotiable Obligations:**

On October 25, 2016 the Company issued Class II Negotiable Obligations under the conditions described below:

**Principal:** Nominal value: \$ 220,000,000

**Interest:** Private Banks BADLAR rate plus a 4% margin.

**Payment term and method:** interest on Class II Negotiable Obligations will be paid quarterly in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

Principal on Class II Negotiable Obligations will be repaid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 18, 21 and 24 months shall have elapsed as from the date of issuance; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

The proceeds from the issuance of the Class II Negotiable Obligations were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III Negotiable Obligations were issued, subscribed by paying up Class I and Class II Negotiable Obligations, improving the Company's indebtedness profile (term and rate) and working capital. The amount paid was \$194,180,000.

The remaining balance net of transaction costs pending amortization of that class amounts to \$26,266,321 at June 30, 2017.

**Class III Negotiable Obligations:**

On June 15, 2017 the Company issued Class III Negotiable Obligations under the conditions described below:

**Principal:** Nominal value: \$255,826,342

**Interest:** Private Banks BADLAR rate plus a 4.25% margin.

**Payment term and method:** interest on Class III Negotiable Obligations will be paid quarterly in arrears, on the following dates: September 15, 2017, December 15, 2017, March 15, 2018, June 15, 2018, September 15, 2018, December 15, 2018, March 15, 2019, June 15, 2019, September 15, 2019, December 15, 2019, March 15, 2020, June 15, 2020, September 15, 2020, December 15, 2020, March 15, 2021 and June 15, 2021 or, if not a business day or such a day does not exist, the interest payment date to be taken into account shall be the immediately following business day.

Principal on Class III Negotiable Obligations will be repaid in three (3) consecutive installments on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 42, 45 and 48 months shall have elapsed as from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021 or, if not a business day or if any of those days does not exist, on the following first business day.

The issuance of Class III Negotiable Obligations was fully paid up with in-kind contributions as follows: a partial payment of Class I Negotiable Obligations for \$52,519,884 and of Class II Negotiable Obligations for \$203,306,458.

The remaining balance net of transaction costs pending amortization of that class amounts to \$ 249,989,467 at June 30, 2017.

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**Albanesi S.A.**

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

**NOTE 9: LOANS (Cont'd)**

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

	<u>06.30.17</u>	<u>12.31.16</u>
<b>Floating rate:</b>		
Less than 1 year	9,283,860	56,657,120
Between 1 and 2 years	18,006,192	218,266,709
More than 3 years	249,723,023	-
	<u><b>277,013,075</b></u>	<u><b>274,923,829</b></u>

Company loans are denominated in the following currencies:

	<u>06.30.17</u>	<u>12.31.16</u>
Argentine pesos	277,013,075	274,923,829
	<u><b>277,013,075</b></u>	<u><b>274,923,829</b></u>

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

	<u>06.30.17</u>	<u>06.30.16</u>
Loans at beginning of year	274,923,829	67,578,627
Loans received	255,826,342	-
Loans paid	(256,161,142)	-
Accrued interest	34,124,554	12,691,671
Interest paid	(29,765,110)	(12,108,704)
Bank overdrafts	-	24,183
Capitalized expenses/fair values	(1,935,398)	-
<b>Loans at closing</b>	<u><b>277,013,075</b></u>	<u><b>68,185,777</b></u>

**NOTE 10: SELLING EXPENSES**

	<u>06.30.17</u>	<u>06.30.16</u>
Duties and taxes	(161,189)	-
	<u><b>(161,189)</b></u>	<u><b>-</b></u>

**NOTE 11: ADMINISTRATIVE EXPENSES**

	<u>06.30.17</u>	<u>06.30.16</u>
Fees	(958,998)	(512,534)
Sundry	(70,213)	(45,866)
	<u><b>(1,029,211)</b></u>	<u><b>(558,400)</b></u>

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

**NOTE 12: FINANCIAL RESULTS**

	<u>06.30.17</u>	<u>06.30.16</u>
<u>Financial costs</u>		
Loan interests	(34,124,554)	(12,691,671)
Tax interests and others	-	(81,677)
Taxes and bank charges	(415,644)	(223,279)
<b>Total financial expenses</b>	<b>(34,540,198)</b>	<b>(12,996,627)</b>
<u>Other financial results</u>		
Exchange difference	13,172	189,247
<b>Total other financial results</b>	<b>13,172</b>	<b>189,247</b>
<b>Total financial results, net</b>	<b>(34,527,026)</b>	<b>(12,807,380)</b>

**NOTE 13: CAPITAL STATUS**

Capital status at June 30, 2017 is as follows:

Capital	Amount \$	Date	<u>Approved by</u> Body	<u>Date of registration with the Public Registry of Commerce</u>
<b>Total as of December 31, 2011</b>	<b>30,100,000</b>			
Capitalization of debt	10,000,000	12/31/2012	Extraordinary Shareholders' Meeting	9/16/2013
Capitalization of debt	20,000,000	12/30/2013	Extraordinary Shareholders' Meeting	9/25/2014
Capital reduction	(55,644,840)	07/16/2014	Ordinary Shareholders' Meeting	9/25/2014
Capitalization of debt	58,000,000	03/22/2016	Extraordinary Shareholders' Meeting	11/8/2016
<b>Total as of 06/30/2017</b>	<b>62,455,160</b>			

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

**NOTE 14: 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.

Income for the period attributable to the owners:	74.939.487	16.103.746
Weighted average of outstanding ordinary shares	62,455,160	36,323,292
<b>Basic and diluted earnings per share</b>	<b>1.20</b>	<b>0.44</b>

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



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

**NOTE 15: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

*a) Operations for the period*

		06.30.17	06.30.16
		<u>Income / (loss)</u>	
<u>Dividends earned</u>			
GMSA	Subsidiary	-	9,215,000
Solalban Energía S.A.	Affiliate company	5,880,000	-
		<u>5,880,000</u>	<u>9,215,000</u>
<u>Income from guarantees granted</u>			
CTR	Other related parties	447,600	-
GMSA	Subsidiary	1,150,971	-
		<u>1,598,571</u>	<u>-</u>

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

		06.30.17	12.31.16
<u>Other receivables</u>			
<b>Current</b>			
Shareholders' accounts	Other related parties	147,861,358	147,861,358
CTR	Other related parties	3,619,803	373,000
GFSa <sup>(1)</sup>	Subsidiary	-	37,300
		<u>151,481,161</u>	<u>148,271,658</u>
<u>Trade payables</u>			
<b>Current</b>			
RGA	Other related party	16,245,830	16,245,830
		<u>16,245,830</u>	<u>16,245,830</u>
<u>Other liabilities</u>			
<b>Non-Current</b>			
GLSA - Capital to be paid-in	Subsidiary	-	356,250
		<u>-</u>	<u>356,250</u>
<b>Current</b>			
GMSA	Subsidiary	71,941,726	60,162,259
GLSA - Capital to be paid-in	Subsidiary	356,250	-
RGA	Other related party	84,485,740	89,629,740
GLSA	Subsidiary	125,000	125,000
		<u>156,908,716</u>	<u>149,916,999</u>

(1) Company absorbed by GMSA as from January 1, 2017

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

**NOTE 16: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES**

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

In favor of	Type of guarantee	Entity	Asset/destination	From	Until	Amount secured	Balances at 06.30.17
GMSA-GFSA <sup>(3)</sup> -CTR	Guarantor <sup>(1)</sup>	International Bond	Project financing	07/27/2016	7/27/2023	USD250,000,000	USD250,000,000
AJSA	Surety bond	SFG Equipment Leasing Corporation	Leasing aircraft Jet Lear 45XR	11/14/2008	1/21/2019	USD7,330,000	USD1,868,665
GMSA <sup>(2)</sup>	Surety bond	BAF	Project financing	2/11/2016	2/15/2019 <sup>(2)</sup>	USD40,000,000	USD40,000,000
GMSA	Guarantee	Negotiable obligations	Class IV	07/15/2015	7/15/2017	\$15,704,532	\$7,969,464
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for CTMM power plant	06/14/2016	7/14/2019	SEK177,000,000	SEK 177,000,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of three Siemens SGT 800 turbines for EZE power plant	09/13/2016	3/13/2020	SEK263,730,000	SEK 263,730,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for GI	09/13/2016	3/13/2020	SEK175,230,000	SEK 175.230.000
GFSA <sup>(3)</sup>	Guarantee	Negotiable obligations	Class II	03/8/2016	3/8/2018	\$130,000,000	\$78,745,284
GFSA <sup>(3)</sup>	Guarantor	Banco de la Ciudad de Buenos Aires S.A.	Investment	07/8/2014	8/1/2017	\$30,000,000	\$3,021,035
GFSA	Guarantor	PW Power Systems, Inc.	Turbine financing	03/30/2016	Completion of contract	SEK 12,000,000	SEK 12,000,000
GMSA	Surety bond	CAMMESA	Repair of machinery	12/31/2012	5/30/2019	\$26,997,275	\$14,061,081

(1) The Guarantee granted by ASA to the Co-Issuers of the International Bond GMSA, GFSA (absorbed by GMSA) and CTR was approved by the Board of Directors on June 6, 2016 and the fees agreed upon as consideration for the services and responsibilities assumed are \$ 22,380,000. These fees are allocated proportionally at the time of each disbursement of the International Bond

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

(3) Company absorbed by GMSA as from January 1, 2017 (See Note 19.2)

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

**NOTE 17: WORKING CAPITAL**

At June 30, 2017 ASA recorded a deficit of \$34,573,481 in its working capital (calculated as current assets less current liabilities).

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

- i) \$ 79 million approximately corresponding to dividends expected to be received from subsidiaries and associates for the year 2017.

**NOTE 18: BALANCE OF DEBT WITH RAFAEL G. ALBANESI S.A.**

At June 30, 2017 the balance of trade payables and other debt with RGA amounted to \$100,731,570.

To continue reducing the debt with the related party RGA, the Board of Directors and shareholders expect to execute the action plan detailed in Note 17 with the aim of partially settling that debt.

**NOTE 19: MERGER**

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

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

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

**Albanesi S.A.**

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

**NOTE 19: MERGER (Cont'd)**

1) GMSA - GISA - GLBSA - GRISA MERGER THROUGH ABSORPTION (Cont'd)

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

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

2) GMSA-GFSA merger through absorption

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

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

On October 18, 2016, GMSA held an Ordinary and Extraordinary Shareholders' Meeting and GFSA, an Extraordinary Shareholders' Meeting, in both cases by reason of the merger through absorption of GFSA into GMSA, at which the shareholders approved the corporate reorganization process and the respective documentation.

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

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

By reason of the merger, and as set forth in the GMSA-GFSA Final Merger Agreement, which was approved by the Extraordinary Shareholders' Meeting of GFSA and the Ordinary and Extraordinary Shareholders' Meeting of GMSA, 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, subject to the registration of the final merger agreement with the Public Registry under the Superintendency of Commercial Companies (IGJ); (b) GFSA was dissolved without having been liquidated, therefore being absorbed by GMSA; (c) GMSA capital stock was increased from \$125,654,080 to \$138,172,150, with the consequent amendments to the by-laws of the merging company.

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**Albanesi S.A.**

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

**NOTE 19: MERGER (Cont'd)**

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

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

**NOTE 20: FOREIGN CURRENCY ASSETS AND LIABILITIES**

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

	06.30.17			12.31.16
	Class and amount of foreign currency	Exchange rate (1)	Amount recorded in pesos	Amount recorded in pesos
			\$	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Banks	USD 9,451	16.53	156,228	23,523
<b>Total current assets</b>			156,228	23,523
<b>Total Assets</b>			<b>156,228</b>	<b>23,523</b>

(1) Closing exchange rate

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

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

**NOTE 21: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL**

The breakdown of receivables and debts at June 30, 2017, according to collection or payment term and restatement clauses, is detailed in the table below:

	Other receivables	Deferred tax assets	Trade payables	Tax payables	Other liabilities	Loans
	\$					
To be due						
First quarter	4,281,880	-	2,091,301	202,819	799,286	3,277,691
Second quarter	-	-	-	-	799,286	509,090
Third quarter	-	-	-	-	799,286	62,690
Fourth quarter	148,755,226	-	-	-	1,155,536	5,434,389
More than one year	2,816,289	5,852,790	-	-	16,252,143	267,729,215
Subtotal	155,853,395	5,852,790	2,091,301	202,819	19,805,536	277,013,075
Without any stated term	-	-	16,245,830	-	156,552,466	-
<b>Total</b>	<b>155,853,395</b>	<b>5,852,790</b>	<b>18,337,131</b>	<b>202,819</b>	<b>176,358,002</b>	<b>277,013,075</b>
Non-interest bearing	155,853,395	5,852,790	18,337,131	202,819	176,358,002	-
At floating rate	-	-	-	-	-	277,013,075
<b>Total at 06.30.17</b>	<b>155,853,395</b>	<b>5,852,790</b>	<b>18,337,131</b>	<b>202,819</b>	<b>176,358,002</b>	<b>277,013,075</b>

**NOTE 22: SUBSEQUENT EVENTS**

**a) Establishment of Generación Centro S.A.**

The Company, together with Armando R. Loson, Holen S.A. and Carlos A. Bauzas established Generación Centro S.A., with a corporate capital of \$ 500,000. Generación Centro S.A. was registered with the IGJ under number 13654, Book 85 of Companies by Shares, on July 12, 2017. Capital was fully issued in ordinary registered non-endorsable shares of \$1 par value each, and entitled to 1 (one) vote per share. The corporate purpose of Generación Centro S.A. is to: a) develop energy projects; b) execute projects, conduct, administer and perform works of any nature; and c) make investments and carry out financial transactions of any kind. ASA holds a 95% equity interest in Generación Centro S.A.

**NOTE 23: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE**

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

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

General matters referred to the activity of Albanesi S.A. (the Company)

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

There are none.

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

There are none.

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

See Note 21 to the interim condensed separate financial statements at June 30, 2017.

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

See Note 21 to the interim condensed separate financial statements at June 30, 2017.

5. Companies under Sect. 33, Law No. 19550:  
Percentage of participation in intercompany:

See Note 6 to the special separate financial statements at June 30, 2017.

Accounts payable and receivable with intercompany.

See Note 15 to the special separate financial statements at June 30, 2017.

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

See Note 15 to the special separate financial statements at June 30, 2017.

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

The Company has no physical inventory of materials and spare parts.

Fair values

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

Not applicable.

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 interests in other companies

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

See Note 6 to the special separate financial statements at June 30, 2017.

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.

There are none.

Insurance

13. Insured items:

Below is a detail of insured amounts by Albanesi S.A. and its subsidiaries

Kind os risk	Insured amount 06-2017	Insured amount 12-2016
Operational all risks – Material damage	USD 413,200,000	USD 383,200,000
Operational all risks – Loss of profit	USD 87,573,928	USD 68,073,928
Construction all risk – Plant enlargement- Material damage	USD 248,437,714	USD 285,706,443
Construction all risk – Plant enlargement– Alop	USD 89,400,838	USD 99,746,356
Civil Liability (primary)	USD 6,000,000	USD 6,000,000
Civil Liability (in excess)	USD 9,000,000	USD 9,000,000
Civil Liability of Directors and Executives (D&O)	USD 15,000,000	USD 15,000,000
Transportation turbines project	USD 146,113,119	USD 103,890,000
Automobile	\$ 1,830,000	\$ 1,849,000
Personal accidents	\$ 750,000	\$ 750,000
Personal accidents	USD 500,000	USD 500,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Director's bond	\$ 2,050,000	\$ 1,850,000
Customs bond	\$ 1,489,076,513	\$ 1,009,906,781
Bond business habilitation projects	\$ 506,362,500	\$ 499,810,500
Guarantee Project deals bond	\$ 13,021,315	\$ 14,017,389
Environmental bond	\$ 5,237,473	\$ 5,237,473
Technical equipment insurance	USD 256,683	USD 129,280
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 per year Death: 1/2 salary per year
Life – Additional group life insurance	24 salaries	24 salaries

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



**Operational all risk:**

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

**Construction all risk and Alop:**

Construction all risk covers all damages that either accidentally or unexpectedly occur in the civil works during its execution, including those caused by natural phenomena, except exclusions.

As for the coverage for the delay in the start-up (Alop) the expected margin of the business for the sale of energy and power is insured, discounting variable costs during the period of repair or replacement of the event occurred.

**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.

**Civil liability of Directors and Executives (D&O)**

This policy covers all actions or decision making of directors and/or executives as such, outside the professional service or company where they work; for example, dismissal of employees, hirings, financial decisions, advertising and marketing, merger or acquisitions, shareholders' statements, accounting records, which may be performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover malicious intent.

It covers the company in case of stock-exchange claims or from holders of bonds or securities.

It covers the personal equity of the present, past or future directors and/or executives, and to the company for capital market issues.

**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 \$ 33,330, as established by the National Insurance Superintendency.

**Life insurance (LCT, employment contract Law):**

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

**Group Life insurance:**

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

**Automobile insurance:**

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

**Customs Guarantees:**

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

**Directors' bond:**

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

**Environmental bond:**

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

**Financial bond:**

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

Positive and negative contingencies

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

There are no changes as to the information timely provided.

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.

There are none.



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

## **REVIEW REPORT ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

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

### **Introduction**

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

The balances and other information corresponding to the fiscal year 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 separate financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

### **Scope of our review**

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

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*Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires  
T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar*



## **Conclusion**

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

## **Report on compliance with regulations in force**

In accordance with current regulations, we report that:


- a) the interim condensed separate financial statements of the Company are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the interim condensed separate financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the additional information to the notes to the interim condensed separate financial statements required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations, on which we have no observation to make insofar as concerns matters within our field of competence;
- d) as of June 30, 2017, there is no debt accrued in favor of the Argentine Integrated Social Security System;

Autonomous City of Buenos Aires, August 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

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Dr. Raúl Leonardo Viglione  
(Partner)



## Report of the Syndics' Committee

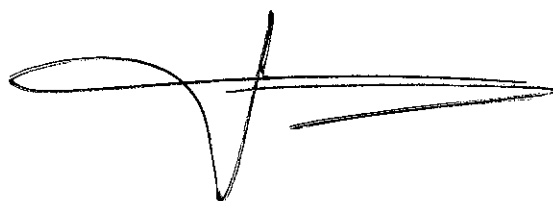
To the Shareholders of  
Albanesi S.A.

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

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

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

4. As indicated in Note 2, the interim condensed separate financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

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

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

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

Autonomous City of Buenos Aires, August 11, 2017

A handwritten signature in black ink, consisting of a large, sweeping loop on the left and a vertical stroke on the right that crosses the loop.

Marcelo P. Lerner  
Full Syndic  
For the Syndics' Committee