

Albanesi S.A. and Central Térmica Roca S.A.

Combined Financial Statements
At December 31, 2015 and 2014

Albanesi S.A. and Central Térmica Roca SA.

**COMBINED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND 2014**

TABLE OF CONTENTS

Glossary of technical terms

Combined Financial Statements

- Combined Statement of Financial Position
- Combined Statement of Comprehensive Income
- Combined Statement of Changes in Equity
- Combined Statement of Cash Flows
- Notes to the Combined Financial Statements

Independent Auditors' Report

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 combined financial statements.

Terms	Definitions
/day	Per day
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fuegoína S.A.
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
AR GAAP	Argentine GAAP
ASA	Albanesi S.A.
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
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
CGU	Cash-Generating Unit
CNV	National Securities Commission
CTR	Central Térmica Roca S.A.
CVP	Variable Production Cost
Dam ³	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters.
DH	Historical availability
DMC	Minimum Availability Committed
DO	Target availability
DR	Registered availability
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under SE 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
GFSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
GR	General Resolution
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
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
IAS	International Auditing Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
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
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAT	Futures market
MAPRO	Major Scheduled Maintenance
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 10 ⁶
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ON	Negotiable obligations
PWPS	Pratt & Whitney Power System Inc
RGA	Rafael G. Albanesi S.A.
SADI	Argentine Interconnected System
SE	The Secretariat of Energy
SE Resolution 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Secretariat Energy Resolution No. 220/07
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
WEM	Wholesale Electric Market administered by CAMMESA

Albanesi S.A. and Central Térmica Roca S.A.

Combined Statement of Financial Position

At December 31, 2015 and 2014

Expressed in Argentine pesos

	Note	12.31.15	12.31.14
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	6	3,790,067,049	2,491,196,781
Intangible assets, net	7	-	4,751
Investments in associates	9	243,127,929	183,358,371
Others investments		129,861	282
Deferred income tax assets	23	-	5,875,490
Inventories	10	-	3,403,787
Other receivables	11	47,514,108	147,295,750
Trade receivables, net	12	3,886,527	3,886,303
Total non-current assets		4,084,725,474	2,835,021,515
CURRENT ASSETS			
Inventories	10	15,897,222	21,155,080
Income tax credit balance, net		2,020,791	-
Other receivables	11	223,769,581	96,933,538
Trade receivables, net	12	471,193,393	510,347,282
Other financial assets at fair value through profit and loss	13	194,997,831	-
Cash and cash equivalents	14	55,974,564	42,483,760
Total current assets		963,853,382	670,919,660
Total Assets		5,048,578,856	3,505,941,175

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A. and Central Térmica Roca S.A.

Combined Statement of Financial Position (Cont'd)

At December 31, 2015 and 2014

Expressed in Argentine pesos

	Note	12.31.15	12.31.14
SHAREHOLDERS' EQUITY			
Share Capital	15	77,525,630	77,525,630
Legal reserve		62,505	62,505
Voluntary reserve		526,539	526,539
Revaluation reserve		1,492,035,429	809,634,217
Translation reserve		(2,857,973)	(873,907)
Other comprehensive loss		(1,594,964)	(1,660,196)
Accumulated deficit		(29,846,948)	(70,619,386)
Equity attributable to the owners		1,535,850,218	814,595,402
Non-controlling interest		69,175,833	49,976,782
Total Shareholders' Equity		1,605,026,051	864,572,184
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	20	9,949,496	10,581,411
Deferred income tax liabilities	23	650,963,827	340,071,931
Other liabilities	18	100,000,000	367,387,482
Defined benefit plans	24	4,819,097	3,681,060
Tax payables	22	-	3,233,185
Financial debts	19	1,254,250,757	899,390,343
Trade payables	17	157,068,465	2,992,613
Total non-current liabilities		2,177,051,642	1,627,338,025
CURRENT LIABILITIES			
Other liabilities	18	126,186,152	119,339,389
Social security debts	21	9,830,159	7,505,447
Defined benefit plan	24	857,422	342,328
Financial debts	19	784,621,813	388,156,002
Derivative financial instruments		-	12,164,116
Current income tax, net		729,121	5,994,414
Tax payables	22	16,717,980	22,369,820
Trade payables	17	327,558,516	458,159,450
Total current liabilities		1,266,501,163	1,014,030,966
Total Liabilities		3,443,552,805	2,641,368,991
Total Liabilities and Equity		5,048,578,856	3,505,941,175

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A. and Central Térmica Roca S.A.

Combined Statement of Comprehensive Income

For the years ended December 31, 2015 and 2014

Expressed in Argentine peso

	Note	12.31.15	12.31.14
Sales revenue	26	1,804,115,679	1,371,872,385
Cost of sales	27	(1,275,929,428)	(956,311,198)
Gross income		528,186,251	415,561,187
Selling expenses	28	(19,133,933)	(18,788,481)
Administrative expenses	29	(56,785,582)	(36,922,942)
(Loss) Income from interests in associates	9	(1,474,760)	4,693,235
Other operating income	30	77,627,248	6,041,647
Other operating expenses	30	(46,427,142)	(92,330)
Operating income		481,992,082	370,492,316
Financial income	31	7,806,814	7,513,510
Financial expenses	31	(262,597,514)	(207,660,950)
Other financial results	31	(231,103,704)	(259,886,735)
Financial results		(485,894,404)	(460,034,175)
Loss before tax		(3,902,322)	(89,541,859)
Income tax	23	25,998,415	27,618,461
Income (Loss) from continuing operations		22,096,093	(61,923,398)
Discontinued operations	36	(17,007,082)	(7,575,466)
Net Income (loss) for the year		5,089,011	(69,498,864)
Other Comprehensive Income			
<i>Items to be reclassified into income/loss</i>			
Translation difference		(1,984,145)	(873,942)
<i>Items not to be reclassified into income/loss</i>			
Revaluation of property, plant and equipment		1,039,341,836	545,397,950
Other comprehensive income from interests in associates, net of tax		67,124,318	42,396,708
Income related to defined benefit plans		105,639	(1,016,776)
Impact on deferred income tax		(363,806,617)	(190,533,410)
Other Comprehensive Income for the year		740,781,031	395,370,530
Comprehensive income for the year		745,870,042	325,871,666
Income (loss) for the year attributable to:			
Owners Equity		7,490,717	(67,311,651)
Non-controlling interest		(2,401,706)	(2,187,213)

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A. and Central Térmica Roca S.A.

Combined Statement of Comprehensive Income (Cont'd)

	<u>Note</u>	<u>12.31.15</u>	<u>12.31.14</u>
Income (Loss) for the year attributable to the owners of the Group:			
Continuing operations		23,308,091	(60,094,591)
Discontinued operations		<u>(15,817,374)</u>	<u>(7,217,060)</u>
		7,490,717	(67,311,651)
Comprehensive income for the year attributable to:			
Owners Equity		721,254,816	317,376,782
Non-controlling interest		24,615,226	8,494,884
Earnings (Loss) per share attributable to the owners of the Group			
Basic and diluted earnings (loss) per share from continuing operations	32	0.30	(0.56)
Basic and diluted (loss) per share from discontinued operations	32	(0.20)	(0.07)

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A. and Central Térmica Roca S.A.

Combined Statements of Changes in Equity For the years ended December 31, 2015 and 2014 Expressed in Argentine pesos

	Attributable to the owners											
	Share Capital		Income reserves			Revaluation reserve	Translation reserve	Other comprehensive loss	Accumulated deficit	Subtotal	Non-controlling interest	Total Shareholders' equity
	Legal reserve		Legal reserve	Voluntary reserve	Total							
Balance at January 01, 2014	133,294,371	107,285	23,009,206	23,116,491	23,116,491	448,455,492	77,568	(1,032,337)	(106,692,965)	497,218,620	33,105,580	530,324,200
Absorption of accumulated losses as per Minutes of Shareholders' Meeting dated July 16, 2014	(123,901)	(44,780)	(22,482,667)	(22,527,447)	(22,527,447)	-	(77,568)	-	22,728,916	-	-	-
Capital reduction as per Minutes of Shareholders' Meeting dated July 16, 2014	(55,644,840)	-	-	-	-	-	-	-	55,644,840	-	-	-
Other comprehensive income/loss for the year	-	-	-	-	-	386,190,199	(873,907)	(627,859)	-	384,688,433	10,682,097	395,370,530
Reversal of technical revaluation reserve	-	-	-	-	-	(25,011,474)	-	-	25,011,474	-	-	-
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	8,425,597	8,425,597
Dividends attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(49,279)	(49,279)
Net loss for the year	-	-	-	-	-	-	-	-	(67,311,651)	(67,311,651)	(2,187,215)	(69,498,864)
Balance at December 31, 2014	77,525,630	62,505	526,539	589,044	589,044	809,634,217	(873,907)	(1,660,190)	(70,619,386)	814,595,402	49,976,782	864,572,184
Reversal of technical revaluation reserve	-	-	-	-	-	(33,281,721)	-	-	33,281,721	-	-	-
Dividends attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(3,308,817)	(3,308,817)
Liquidation of the subsidiary	-	-	-	-	-	-	-	-	-	-	(150)	(150)
Sale of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,107,208)	(2,107,208)
Other comprehensive income for the year	-	-	-	-	-	715,682,933	(1,984,066)	65,232	-	713,764,099	27,016,932	740,781,031
Net income for the year	-	-	-	-	-	-	-	-	7,490,717	7,490,717	(2,401,706)	5,089,011
Balance at December 31, 2015	77,525,630	62,505	526,539	589,044	589,044	1,492,035,429	(2,857,973)	(1,594,964)	(29,846,948)	1,535,850,218	69,175,833	1,605,026,051

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A and Central Térmica Roca S.A.

Combined Statement of Cash Flows

For the years ended December 31, 2015 and 2014

Expressed in Argentine pesos

	Notes	12.31.15	12.31.14
Cash flow provided by operating activities:			
Net Income (loss) for the year		5,089,011	(69,498,864)
Adjustments to arrive at net cash flows from operating activities:			
Net Income tax on continuing operations and discontinued operations	23	(20,136,419)	(28,535,730)
Loss (Income) from investments in associates	9	1,474,760	(4,693,235)
Depreciation of property, plant and equipment	6	136,912,263	124,311,889
Depreciation of assets held for sale		-	1,221,562
Amortization of Intangible assets	7	2,376	4,750
Setting up of provisions	20	(631,915)	2,392,824
Disposals of property, plant and equipment		1,214,783	877,646
Benefit plans accrual	24	1,846,717	956,865
Interest, exchange differences and other financial results		427,252,567	384,034,877
Income for sale of interests in subsidiaries	30	(76,641,670)	-
Changes in the fair value of investments in other companies	30	(129,579)	-
Income/Loss from the sale of property, plant and equipment		-	(23,899,225)
Income/Loss from changes in the fair value of financial instruments	31	(10,172,397)	27,969,278
Changes in operating assets and liabilities:			
Decrease (Increase) in trade receivables		43,657,893	(121,804,393)
(Increase) in other receivables		(89,598,040)	(66,665,346)
(Increase) in inventories		(7,726,145)	(12,939,047)
(Decrease) Increase in trade payables		(77,236,601)	141,079,700
(Decrease) Increase in other liabilities		(105,945,506)	95,238,489
(Decrease) in defined benefit plans	24	(87,947)	(479,476)
(Decrease) in social security charges and taxes		(49,791,549)	(32,444,442)
Cash flow generated from operating activities		179,352,602	417,128,122
Cash flow from investment activities			
Dividends received	9	5,880,000	10,099,173
Cash and Cash equivalents of subsidiaries sold	36	(779,482)	-
Payments for the acquisition of property, plant and equipment	6	(317,864,368)	(230,437,204)
Proceeds from the sale of financial instruments		12,143,017	-
Purchase of financial instruments		(18,990,772)	(4,816,934)
Subscription / redemption of mutual funds		(191,059,749)	-
Collection from the sale of property, plant and equipment		-	37,115,474
Cash flow used in investment activities		(510,671,354)	(188,039,491)
Cash flow from financing activities:			
Contributions from non-controlling interest		-	8,425,597
Paid to non-controlling interest on liquidation of the company		(150)	-
Dividends paid to non-controlling interest by the subsidiaries		(3,308,817)	(49,279)
Repayment of Financial debt and interest	19	(613,702,492)	(655,127,503)
Proceeds of Financial debt		893,816,795	404,044,959
Cash flow generated from/(used in) financing activities		276,805,336	(242,706,226)
DECREASE IN CASH AND CASH EQUIVALENTS		(54,513,416)	(13,617,595)
Cash and cash equivalents at the beginning of year	14	13,318,988	41,631,193
Financial results of cash and cash equivalents		23,398,096	(14,694,610)
Cash and cash equivalents at the end of year	14	(17,796,332)	13,318,988
		(54,513,416)	(13,617,595)

Albanesi S.A and Central Térmica Roca S.A.

Combined Statement of Cash Flows (Cont'd)

Material transactions not showing changes in cash	Notes	12.31.15	12.31.14
Acquisition of property, plant and equipment financed by financial institutions	6	(4,266,744)	(11,164,541)
Acquisition of property, plant and equipment not paid to suppliers	6	(154,206,501)	-
Purchase of components and spare parts not yet paid		16,854,134	-
Financial costs capitalized in property, plant and equipment	6	(12,795,878)	(10,065,948)
Other comprehensive income for the year		740,781,031	395,370,530
Balances offset on the sale of subsidiary		108,750,000	-
Withdrawal of property, plant and equipment not yet paid		4,593,872	-
Spare parts used		-	801,030

The accompanying notes are an integral part of these combined financial statements.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements
For the years ended December 31, 2015 and 2014
Expressed in Argentine pesos

NOTE 1: GENERAL INFORMATION

The present combined financial statements comprises the combination of the consolidated financial statements of Albanesi S.A. and subsidiaries and Central Térmica Roca S.A. (together, the "Group"). The scope of combination is presented in Note 3.1. This combined financial statements are prepared under the responsibility of the Group management in the context of a contemplated debt issuance transaction.

The Group is one of the leading electricity generation groups in Argentina, based on MWs of installed. It operates eight thermoelectric power plants located in various provinces of Argentina, seven of which it owns (including the power plant owned by Solalban, in which holds a 42% ownership interest) and one which it operates pursuant to a long-term lease. These power plants have an aggregate installed generation capacity of 892 MW. All of the Group power plants are dual-fuel and can use either natural gas or diesel oil (or in the case of one plant, fuel oil).

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION

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

a) Regulations on Energía Plus, SE Resolution 1281/06

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

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

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

The resolution also establishes that:

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

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

As to the Energía Plus program, at December 31, 2015 a great percentage of the power available was under contract. The average term of the different Energy Plus contracts entered into between GMSA and GISA and their customers was 1 year. Customers pay sales under this modality directly to GMSA and GISA.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

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

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

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

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of energy generation shall be established in each contract based on the costs accepted by the Secretariat Energy. 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 Energía base Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

GMSA and CAMMESA entered into a Wholesale Electric Market supply contract for 45 MW, for a term of 10 years counted as from the commercial commissioning. In turn, GISA agreed with CAMMESA a WEM supply contract for 100 MW, for a term of 10 years counted as from November 2011. GFSA agreed with CAMMESA a WEM supply contract for 55.5 MW, for a term of 10 years counted as from December 2015. CTR agreed with CAMMESA a WEM supply contract for 116.7 MW, for a term of 10 years counted as from June 2012.

The agreement sets forth a remuneration made up of five components:

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

Thermal Power	Fixed charge for power hired	
	USD/MW-month	
GMSA	USD 16,133	
GISA	USD 17,155	
GFSA	USD 19,272	
CTR	USD 12,540	

- 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

Thermal Power	Variable charge in USD/MWh	
	Gas	Gasoil
GMSA	USD 7.83	USD 8.32
GISA	USD 7.52	USD 7.97
GFSA	USD 10.83	USD 11.63
CTR	USD 10.28	USD 14.18

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

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

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

- iv) a variable charge for repayment of fuel costs, all of them at reference price; and
- v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales to Energía Base - SE Resolution 95/13 and amendments thereto

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

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

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

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

The new resolution allowed increasing the operating results of the Group, generating an additional cash flow that improved their working capital position. This resolution provided for its application retroactively to February 2015.

The remuneration schedule updated under Resolution 482/15 basically consists of the following items:

1. Cost Remuneration Price: 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:

Thermal Power	Classification	Fixed Cost as per Res. 482	Fixed Cost as per Res. 529
		\$/MWhrp	\$/MWhrp
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	89.60	70.00
GROSA	TV Units with Power (P) > 100 MW (large)	76.00	59.40
GMSA	CC Units with Power (P) < 150 MW (small)	59.50	46.50

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

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

c) Sales to Energía Base - SE Resolution 95/13 and amendments thereto (Cont'd)

These prices may be increased by a percentage established in Res. No. 482. It is established that this percentage will be determined on the basis of the monthly availability or the historical availability, according to the time of year and the technology for generation. The Resolution states that this seasonal percentage can reach up to 110% of the fixed cost determined according to the same Resolution.

2. **Variable cost:** this is paid based on the electricity generated and the fuel used, and the value is the same for the technologies used by all the subsidiaries. The prices recognized by new Res. No. 482 are 33.10 \$/MWh for generation with natural gas, 57.90 \$/MWh with gas oil and fuel oil; while the former resolution recognized 26.80 \$/MWh for generation with natural gas and 46.90 \$/MWh with gas oil.
3. **Additional remuneration:** this is determined based on total generation and includes two elements: a portion that is collected directly by the generating companies, and another that is allocated to a trust for new investments.

Thermal Power	Classification	Additional remuneration \$/MWh as per Res. 482		Additional remuneration \$/MWh as per Res. 529	
		Directly	Trust Fund	Directly	Trust Fund
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	13.70	5.90	10.90	4.70
GROSA	TV Units with Power (P) > 100 MW (large)	11.70	7.80	9.40	6.20
GMSA	CC Units with Power (P) < 150 MW (small)	13.70	5.90	10.90	4.70

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.

Thermal Power	Classification	Res. 482	Res. 529
		\$/MWh	\$/MWh
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	28.20	24.00
GROSA	TV Units with Power (P) > 100 MW (large)	28.20	24.00
GMSA	CC Units with Power (P) < 150 MW (small)	24.70	21.00

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

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

c) Sales to Energía Base - SE Resolution 95/13 and amendments thereto (Cont'd)

Thermal Power	Classification	Res. 482 (new) \$/MWh
GLB/GRISA	TG Units with Power (P) < 50 MW (small)	15.80
GROSA	TV Units with Power (P) > 100 MW (large)	15.80
GMSA	CC Units with Power (P) < 150 MW (small)	15.80

The balance not recognized for this item amounts to \$ 15,747,307.

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

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

SE Resolution No. 529/14 establishes that from February 2014, commercial management and fuel dispatch will be centralized in the Dispatch Management Agency (CAMMESA). Costs related to operation will cease to be recognized as the contractual relationships between WEM agents and their suppliers of fuel and inputs are terminated. SE Resolution 1281/2006 (Energía Plus) is excluded from these regulations.

c) Gas supplied by RGA

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES

3.1) Purpose and Basis of preparation

The combined financial statements have been prepared following International Financial Reporting Standards ("IFRS") and the interpretations of the IFRS Interpretations Committee (IFRIC), as adopted by the International Accounting Standards Board (IASB) incorporating financial information previously included in the financial statements of ASA and CTR.

a. Combination criteria

The combined financial statements have been prepared by aggregating the financial statements of ASA and CTR. Intercompany balances and transactions have been eliminated in preparing the combination.

b. List of the companies included in the combined financial statements:

The combined financial statements include the following companies:

Company	Relationship	Country of incorporation	Main business activity	% participation in decision-making	
				12.31.15	12.31.14
CTR	-	Argentina	Generation of electric energy	100.00%	100.00%
ASA	-	Argentina	Investment and financial activities	100.00%	100.00%
GMSA	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
GISA	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
GESA	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
GROSA	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
GRISA	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
GLB	ASA subsidiary	Argentina	Generation of electric energy	95.00%	95.00%
AVSA	ASA subsidiary	Venezuela	Oil company	99.99%	99.99%
AFSA	ASA subsidiary	Argentina	Hydrocarbon generation	-	95.00%
AJSA	ASA subsidiary	Argentina	Airline company	-	95.00%
BDD	ASA subsidiary	Argentina	Wine company	-	90.00%

The presentation in the balance sheets 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 Group 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.

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

The preparation of these combined financial statements requires making estimates and valuations that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these combined financial statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in Note 5.

These combined financial statements for the year ended December 31, 2015 and 2014 were approved for issuance by the combined companies' Board of Directors on May 20, 2016.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.2) New accounting standards, modifications and interpretations

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

3.2.1) New standards, modifications and interpretations not yet effective, but early adopted by the Group

IFRS 9 - Financial instruments: the modification was issued in July 2014. This modification includes in only one place all the stages of the project of IASB to replace IAS 39 Financial instruments: recognition and measurement. These phases comprise classification and measurement, impairment and hedge accounting. This version adds a new model for expected loss impairment and some minor changes to the classification and measurement of financial assets. The new standard replaces all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Group has adopted the first phase of IFRS 9 at the date of these combined financial statements.

Measurement is made in the initial recognition. The classification depends on the business model of the entity to manage its financial instruments and the characteristics of the instrument's contractual cash flows. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in the income statement, unless this creates an accounting mismatch.

3.2.2) New standards, modifications and interpretations not yet effective and not early adopted by the Group

- IFRS 15 "Revenue from Contracts with Customers": it was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018. IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Group is analyzing the impact; however, it estimates that the application of this interpretation will not have a significant impact on the results of operations or the financial position of the Group.
- IFRS 16 "Leases" was issued on January 13, 2016 by the IASB and supersedes the current guidelines of the IAS 17. This standard defines a lease as a contract, or part of a contract, that conveys the right to use an asset (underlying assets) for a period of time in exchange for consideration. Under this standard, a liability must be recognized for lease arrangements to show future lease payments and a right-of-use asset in almost all cases. This is a significant change compared with IAS 17, which required that lessee make a distinction between a financial lease (disclosed in the statement of financial position) and an operating lease (without impact on the statement of financial position). IFRS 16 contains an optional exception for some short-term leases and leases of low-value assets; however, this exception can only be applied by lessees. It is effective for fiscal years beginning on or after January 1, 2019.

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.3) Revenue recognition

a) Sale of electricity

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

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

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

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

b) Sale of services

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

c) Sale of air transportation services - Discontinued operation (Note 36)

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

d) Sale of wines - Discontinued operation (Note 36)

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

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

e) Interest income

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

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

f) Dividends earned

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.4) Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

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

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

If the requirements set in IAS 29 to consider Argentina as a hyperinflationary economy are met, the financial statements should be restated from the latest restatement date (March 1, 2003) or the latest revaluation of assets that would have been revalued in the transition to IFRS.

b) Transactions and balances

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

The exchange rates used are: bid exchange rate for monetary assets, offer exchange rate for monetary liabilities, both prevailing at year end, as released by Banco Nación, and one-off rates for transactions in foreign currency.

c) Subsidiaries in a hyperinflationary economy

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

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

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

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

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

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

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

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

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

3.5) Property, plant and equipment

Facilities, machinery and buildings are measured at their fair value less accumulated depreciation and impairment losses recognized at the date of revaluation, if any. Land is measured at fair value and is not depreciated.

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value. In addition, at each reporting date, the Group compares the carrying amount of lands, buildings and machinery with their recoverable values, calculated in the manner described below. The remaining assets included under property, plant and equipment are recorded at cost, net of accumulated depreciation.

Depreciation of property, plant and equipment begins when it is available for use. Repair and maintenance expenses of property, plant and equipment are recognized in the income statement during the financial year in which they are incurred.

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

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

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

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

According to IAS 23 "Borrowing costs", financial costs must be capitalized in the cost of an asset when it is in the process of production, construction, assembly or finishing, and those processes are not interrupted due to their long-term nature; the term for production, construction, assembly or finishing does not exceed the period technically required; the activities needed for the asset to be ready for its intended use or sale are not substantially complete; and the asset is not in condition to be used in the production of other assets or placed into service, according to the purpose of its production, construction, assembly or finishing. Borrowing costs capitalized in the book value of property, plant and equipment during the year ended December 31, 2015 and 2014 amounted to \$ 12,795,878 and \$ 10,065,948 respectively. The average interest rate used for each year was 27% for 2015 and 28% for 2014.

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

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

	<u>12.31.15</u>	<u>12.31.14</u>
Cost	2,015,388,267	1,631,197,706
Accumulated depreciation	(355,996,660)	(281,764,427)
Residual value	1,659,391,607	1,349,433,279

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.6) Investments in subsidiaries, associates and other companies

Investments in associates

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

Investments in other companies

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

Investments in subsidiaries

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

3.7) Impairment of non-financial assets

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

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

The Group has not recorded impairment losses in any of the reporting years.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.8) Financial assets

3.8.1) Classification

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

a) Financial assets at amortized cost

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

- The objective of the Group's business model is to maintain the assets to obtain contractual cash flows;
- contractual conditions of the financial asset give rise on specified dates to cash flows that are only payments of the principal and interest on the outstanding principal amount.

b) Financial assets at fair value

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

3.8.2) Recognition and measurement

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

Financial assets are initially recognized at fair value plus transaction costs directly attributable to their acquisition, for all financial assets not carried at fair value through profit or loss.

3.8.3) Impairment of financial assets

Financial assets at amortized cost

Based on IAS 39, the Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets may have suffered impairment losses.

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.8) Financial assets (Cont'd)

3.8.3) Impairment of financial assets (Cont'd)

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

- Significant financial difficulties of the debtor;
- Noncompliance with contractual covenants, such as arrears in the payment of principal or interest;
- Likelihood that the debtor might file for insolvency proceedings or other type of reorganization proceeding.

The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses expected and that have not yet occurred), discounted at the original effective interest rate of financial assets. The carrying amount of the asset is written down and the amount of the impairment loss is recognized in the statement of comprehensive income.

If in future fiscal years the amount of the impairment loss declines and that decline may be objectively associated with an event subsequent to the recognition of impairment (such as the improvement in a debtor's credit rating), the reversal of the impairment loss previously recorded is recognized in the statement of comprehensive income.

3.8.4) Offsetting of financial instruments

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

3.9) Trade and other receivables

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

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

The Group sets up doubtful accounts allowances when there is objective evidence that it will not be able to collect all amounts due according to the original terms of the receivables. (see Note 5.e).

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.10) Inventories

Electricity generation business

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

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

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

Wine business

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

3.11) Cash and cash equivalents

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

3.12) Trade and other payables

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.13) Financial Debts

Financial Debts are initially recognized at fair value, less direct transaction costs incurred. Subsequently, they are measured at amortized cost and any difference between the funds obtained (net of direct transaction costs) and the amount payable at maturity is recognized under profit or loss during the term of the borrowing using the effective interest method. The group analyzes the renegotiation of loans to determine if given the qualitative and quantitative changes to their conditions, they must be considered as a modification or extinguishment.

3.14) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, if any, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

3.15) Derivative financial instruments

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

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

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

3.16) Provisions

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.17) Income tax and minimum notional income tax

a) Current and deferred income taxes

The income tax charge for the year comprises deferred tax. Income tax is recognized in income.

Deferred tax is recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. However, deferred tax liabilities are not recognized if they come from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax assets are recognized only to the extent that taxable profits are likely to be obtained in the future to be able to offset the temporary differences.

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

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

b) Minimum notional income tax

The Group determines the minimum notional income tax by applying the current 1% rate on computable assets at year end. This tax is supplementary to income tax; the tax liability of each company is to agree in each fiscal year with the higher of the two taxes. If in a given fiscal year, however, minimum notional income tax exceeds income tax, the surplus will be computable as a payment on account of income tax accrued during the next ten fiscal years.

The Group has recognized the tax on minimum notional income accrued in the year and paid in prior years as a credit, considering that it will be offset against future years' taxable profits.

Minimum notional income tax assets and liabilities have not been discounted and are stated at nominal value.

3.18) Balances with related parties

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

3.19) Leases

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

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

Lease liabilities, net of financial costs, are disclosed under current and non-current borrowings based on their maturity dates. The interest element of the finance cost is charged to income over the lease period so as to produce a constant periodic rate of interest on the outstanding debt in each period. The asset acquired through a finance lease is depreciated over the useful life of the asset and the lease period, whichever is shorter.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.20) Non-current assets held for sale

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

3.21) Defined benefit plan

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

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

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

3.22) Equity accounts

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

a) Share Capital

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

b) Legal reserve

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

c) Voluntary reserve

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

d) Revaluation reserve

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.22) Equity accounts (Cont'd)

e) Other comprehensive income (loss)

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

f) Translation reserve

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

g) Unappropriated retained earnings / Accumulated deficit

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

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

- (i) Reserved profits
 - Optional reserves
 - Reserves provided by By-laws
 - Legal reserve
- (ii) Capital contributions
- (iii) Additional paid-in capital
- (iv) Other equity instruments (where possible from a legal and corporate viewpoint)
- (v) Capital Adjustment

h) Distribution of dividends

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 4: FINANCIAL RISK MANAGEMENT

4.1) Financial risk factors

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

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

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

a) Market risk

Foreign exchange risk

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

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

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

At December 31, 2015 the foreign currency financial debt amounts to USD 39,545,799, which financed the purchase of turbines, assembly and construction of ancillary equipment and other works necessary for the operation of the plants.

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

Net Asset/ (Liability) position	Argentine peso	
	12.31.15	12.31.14
US dollars	(485,348,519)	(425,294,216)
	(485,348,519)	(425,294,216)

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

Increase in loss for the year	Argentine peso	
	12.31.15	12.31.14
US dollars	(48,534,852)	(42,529,422)
	(48,534,852)	(42,529,422)

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 4: FINANCIAL RISK MANAGEMENT (Cont'd)

4.1) Financial risk factors (Cont'd)

a) Market risk (Cont'd)

Price risk

The Group's investments in listed equity instruments are susceptible to market price risk arising from the uncertainties concerning the future value of these instruments. Due to the low significance of the investments in equity instruments in relation to the net Asset/Liability position, the Group is not significantly exposed to the referred to instruments price risk.

Furthermore, the Group is not exposed to the commodities price risk.

Interest rate risk

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

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

The following table shows the Group's borrowings broken down by interest rate:

	<u>12.31.15</u>	<u>12.31.14</u>
Fixed rate	342,495,447	300,147,544
	<u>342,495,447</u>	<u>300,147,544</u>
Floating rate:	1,696,377,123	987,398,801
Changes in income/loss	<u>1,696,377,123</u>	<u>987,398,801</u>
	<u>2,038,872,570</u>	<u>1,287,546,345</u>

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 4: FINANCIAL RISK MANAGEMENT (Cont'd)

4.1) Financial risk factors (Cont'd)

a) Market risk (Cont'd)

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

	12.31.15	12.31.14
Floating rate:	16,963,771	9,873,988
Increase of loss for the year	16,963,771	9,873,988

b) Credit risk

Credit risk results from cash and cash equivalents, deposits in banks and financial institutions, and derivative financial instruments, as well as the customers and CAMMESA' credit exposure, which includes outstanding balances of accounts receivable and the committed transactions. Regarding banks and financial institutions, only high credit quality institutions are accepted. If there are no independent risk ratings, the risk control area evaluates the customer's creditworthiness, past experiences and other factors.

Individual credit limits are set according to the limits defined by the Board of Directors based on internal or external ratings approved by the Finance Division.

Electric power generators collect through CAMMESA payments corresponding to the new remuneration scheme implemented through SE Resolution No. 95/13 at the beginning of 2013 and updated by Res. SE No. 529/14 and Res. SE No. 482/15. On the other hand, there is a deficit between payments collected by CAMMESA and receivables from the generating companies in respect to this entity. This is due to the fact that the price collected by CAMMESA regarding the electric power marketed in the Energia Base Market is regulated by the National Government, and is lower than the generation cost that CAMMESA has to reimburse to generators. The National Government has been filling this gap through contributions by the Treasury. However, in January 2016, certain resolutions issued by MEyM transferred more of the price of electricity to end users, which could help to alleviate the deficit mentioned. Anyway, it cannot be guaranteed that CAMMESA will continue making payments to generators, both regarding the energy and the power sold.

Besides, the default in the payment of WEM's electricity power purchases by electric power distribution service providers has considerably increased in the last years. This has increased the WEM's deficit and affected (both regarding payment terms and payable volume) -and may possibly affect even more- CAMMESA's payment capacity to WEM's creditors (basically generation and transportation companies) and their income. Furthermore, in January 2016, the MEyM passed several resolutions adjusting income received by electricity distribution companies which may help relieve such deficit.

The impossibility by CAMMESA to pay the generators' receivables may have a substantially adverse effect on their cash income and, consequently, on the result of their operations and financial situation which, in turn, may adversely affect the Company's repayment capacity.

Furthermore, with the implementation of the new regulatory framework, the SE has suspended the renewal and execution of new agreements in the WEM's MAT (with the exception of Energy Plus contracts), also providing that the demand unmet by generators would be supplied directly by CAMMESA. Generators will provide their power and energy to the Energia Base at the prices set by the SE Resolution No. 482/15.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 4: FINANCIAL RISK MANAGEMENT (Cont'd)

4.1) Financial risk factors (Cont'd)

c) Liquidity risk

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

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

The Group now has short-term financial debt and credit facilities available to meet its commitments.

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

At December 31, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	113,222,208	340,522,460	257,068,465	-	710,813,133
Financial debt	353,802,472	791,219,829	1,025,710,932	486,253,844	2,656,987,077
Total	467,024,680	1,131,742,289	1,282,779,397	486,253,844	3,367,800,210

At December 31, 2014	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	134,680,674	442,818,165	2,992,613	367,387,482	947,878,934
Financial debt	171,053,119	469,324,573	955,163,495	258,653,102	1,854,194,289
Total	305,733,793	912,142,738	958,156,108	626,040,584	2,802,073,223

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 4: FINANCIAL RISK MANAGEMENT (Cont'd)

4.2) Management of capital risk

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

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

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

	<u>12.31.15</u>	<u>12.31.14</u>
Total financial debt (*)	1,824,769,953	1,056,637,533
Less: Cash and cash equivalents	(55,974,564)	(42,483,760)
Less : Calistey debt	-	(16,243,207)
Net debt	<u>1,768,795,389</u>	<u>997,910,566</u>
EBITDA	<u>585,399,237</u>	<u>479,549,455</u>
Net debt/ EBITDA	<u>3.02</u>	<u>2.08</u>

(*) Not including the balance with CAMMESA

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the combined financial statements requires to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. The Company's management evaluate these estimates and assumptions based on the most recently available information, the historical experience and various other assumptions that believes to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

The following is a description of the critical accounting estimated and judgments that could affect the Group's financial statement

a) Fair value of property, plant and equipment

The Group accounted for its facilities, machinery and buildings following the revaluation model. Under such model these assets are carried at their revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided fair value can be measured reliably. If a revaluation results in an increase in value, we credited to other comprehensive income and accumulated in equity under the heading "Revaluation reserve". A decrease arising as a result of revaluation should be recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. The Company's management is required to make judgments in determining the fair value of these assets.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

b) Impairment of non-financial assets

Long-lived assets are tested for impairment at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs), basically each power generation plant. Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed. Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand.

An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use of each CGU is estimated on the basis of the present value of the future net cash flows that these units will generate. The Company's management is required to make judgments at the moment of the future cash flow estimation. The actual cash flows and the values may differ significantly from the expected future cash flows and the related values obtained through discount techniques.

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

A great level of judgment is required to determine the income tax provision since the Company's management has to regularly assess the positions stated in the tax returns as regards those situations where the applicable tax regulations are subject to interpretation and, if necessary, establish provisions according to the estimated amount that the Company will have to pay to the tax authorities. When the final tax result of these items differs from the amounts initially acknowledged, those differences will have an effect on the income tax and on the deferred tax provisions in the fiscal year when such determination is made.

A significant degree of judgment is required to determine the income tax provision. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group

recognizes liabilities for eventual tax claims based on estimates of whether additional taxes will be due in the future.

Deferred tax assets are reviewed at each reporting date and reduced in accordance with the probability that the sufficient taxable base will be available to allow for the total or partial recovery of these assets. Deferred tax assets and liabilities are not discounted. In assessing the realization of deferred tax assets, management considers that it is likely that a portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income in the periods in which these temporary differences become deductible. To make this assessment, management takes into consideration the scheduled reversal of deferred tax liabilities, the projections of future taxable income and tax planning strategies.

d) Provisions and contingent liabilities

Management exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation and other outstanding claims arising in the ordinary course of business. Judgement is necessary in assessing the likelihood that a pending claim will succeed or a liability will arise and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in the evaluation process, actual losses may be different from the originally estimated provision.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

e) Allowance for doubtful accounts

The Group is exposed to losses for uncollectible receivables. An allowance for the impairment of accounts receivable is assessed based on the historical level of both the balances written off as an expense and the default balances. This analysis requires management to make estimates and assumptions with respect to our receivables collection due to uncollectible accounts, which is susceptible to change from period to period, and as such the impact on our financial position and results of operations could be material.

f) Defined benefit plans

The liability recorded by GROSA as a result of its defined benefit plan represents the best estimate of the present value of the obligation the company has at each reporting date. Management estimates the future cash flow obligations using actuarial assumptions based on the demographic and financial variable that have an influence in determining the amount of those benefits.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE						DEPRECIATION						Net Value
	Value at beginning of year	Increase/Reclassifications (1)	Transfers and/or deletions	Decrease due to deconsolidation	Revaluation Original value (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/Transfers	Decrease due to deconsolidation	Revaluation Accum. depreciation (5)	Accumulated at end of year	
	\$												
-Assets held in trust													
Land	25,076,314	265,750	-	-	46,850,446	72,192,510	-	-	-	-	-	-	72,192,510
Real property	24,393,453	1,565,006	-	-	6,121,240	30,514,693	126,322	631,308	-	-	(757,630)	135,227	30,514,693
Furniture and fixtures	446,441	39,118	-	-	-	602,947	67,321	67,906	-	-	-	135,227	467,720
Tools	1,183,906	1,286,052	(4,593,872)	-	343,011,147	1,223,024	183,308	136,679	-	-	(46,109,463)	319,987	903,037
Turbines	753,130,868	16,768	-	-	-	1,092,834,195	9,455,289	36,654,174	-	-	-	-	1,092,834,195
Computer equipment	134,476	204,080	-	-	2,732,542	151,244	49,322	29,013	-	-	(224,978)	78,335	72,909
Facilities	7,267,183	430,200	-	-	20,034,655	10,203,805	128,279	193,114	-	-	(4,285,490)	96,415	10,107,390
Installations - Plant	71,007,234	27,275	-	-	2,589,263	91,492,089	-	4,285,490	-	-	(2,511,659)	-	91,492,089
Water and fire protection system - Plant	36,138,362	-	-	-	2,589,263	38,754,900	214,694	2,296,965	-	-	-	-	38,754,900
Compressor plant	10,756,721	-	-	-	4,045,579	14,802,300	-	688,474	-	-	(688,474)	-	14,802,300
Gas plant	5,998,917	530,632	-	-	2,777,383	9,306,932	112,903	526,521	-	-	(639,424)	-	9,306,932
Fuel dispatch plant	145,286,105	-	-	-	39,545,097	184,831,202	1,752,453	8,429,128	-	-	(10,181,581)	-	184,831,202
Vehicles	410,172	-	-	-	-	410,172	172,549	82,034	-	-	-	254,583	155,589
Transformers and medium voltage cells	5,298,930	-	-	-	3,732,170	9,031,100	431,690	873,242	-	-	(1,304,932)	-	9,031,100
Aqueduct	489,630	-	-	-	160,870	650,500	12,885	25,770	-	-	(38,655)	-	650,500
Works in progress	225,797	30,299,603	101,995,028	-	-	132,520,428	-	-	-	-	-	-	132,520,428
Spare parts and materials	14,331,493	108,527,663	(101,995,028)	-	-	20,864,128	-	-	-	-	-	-	20,864,128
Total assets under trust	1,101,576,002	141,803,647	(4,593,872)	-	471,600,392	1,710,386,169	12,707,015	54,919,818	-	-	(66,742,286)	884,547	1,709,501,622
CARRIED FORWARD	1,101,576,002	141,803,647	(4,593,872)	-	471,600,392	1,710,386,169	12,707,015	54,919,818	-	-	(66,742,286)	884,547	1,709,501,622

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Captions	12.31.15												
	ORIGINAL VALUE					DEPRECIATION					Net value		
	Value at beginning of year	Increases/Transfers (1)	Reclassification and/or deletions	Decrease due to deconsolidation	Revaluation Original value (3)	Value at end of year	Accumulated at beginning of year	For the year (2) and (4)	Decreases/Transfers	Decrease due to deconsolidation		Revaluation Accum. depreciation	Accumulated at end of year
CARRIED FORWARD	1,101,576,082	141,803,647	(4,593,872)	-	471,000,392	1,710,386,169	12,707,015	54,919,818	-	-	(66,742,286)	884,547	1,709,501,632
Other assets	38,721,956	158,599	-	(38,721,956)	-	-	7,744,391	1,075,610	-	(8,820,001)	-	-	-
Aircraft	51,462,841	315,000	-	(51,621,440)	-	-	2,006,193	1,776,715	-	(3,782,908)	-	-	-
Helicopter	7,453,887	-	-	(135,860)	3,110,483	10,743,510	-	-	-	-	-	-	10,743,510
Land	34,048,160	39,569,168	772,862	(1,554,135)	7,128,364	70,964,419	281,554	1,023,263	(207,838)	(296,873)	(965,702)	42,242	70,922,177
Real property	3,220,520	1,096,327	397,837	(655,278)	-	4,659,406	1,881,576	761,118	(304,660)	(215,194)	-	807,548	2,228,828
Comp. and office equipment	2,571,923	1,198,048	(315,156)	(695,758)	8,560,180	2,579,057	839,969	487,433	-	(977,647)	(3,364,308)	120,235	1,771,509
Vehicles	65,051,325	14,619,774	34,607,196	(1,250,271)	1,619,014	121,388,204	953,235	3,308,955	-	(293,134)	(199,957)	8,290,707	24,860,200
Facilities	31,153,778	135,042	550,540	(307,467)	75,891	33,150,907	4,764,529	4,019,269	-	(15,397)	(13,787)	490,618	2,894,255
Electrical facilities	878,691	106,020	2,330,568	(15,297)	-	3,384,873	94,299	425,403	-	(1,421,182)	-	-	-
Tools	1,812,075	663,116	63,835	(2,475,191)	-	13,026,619	2,979,726	1,778,811	-	(526,783)	-	4,231,754	8,794,865
Trucks	14,560,568	-	-	(1,597,784)	-	-	18,708	-	-	(18,708)	-	-	-
Pipelines	18,708	-	-	(18,708)	-	-	18,708	-	-	-	-	-	-
Pressure reg. station	264,888	-	-	-	-	264,888	105,954	26,489	-	-	-	132,443	132,445
Boiler	90,885,430	1,742,230	5,287,259	-	-	97,914,919	17,504,227	12,814,522	-	-	(39,638)	30,318,749	67,596,170
Civil works	15,096,762	489,560	1,096,538	-	397,445	16,990,305	4,670,878	1,672,118	-	-	-	6,303,338	10,686,947
Watering systems	6,602	-	-	(6,602)	-	-	6,602	-	-	(6,602)	-	-	-
Hangar at S. Fernando	5,792,489	-	-	(5,792,489)	-	-	1,248,907	371,314	-	(1,620,221)	-	-	-
Machinery	904,343,697	14,983,636	382,400,381	(1,770,907)	429,113,509	1,729,070,316	12,479,454	51,888,285	-	(1,447,289)	(46,410,880)	16,909,570	1,712,560,746
Furniture and fixtures	962,005	12,439	-	(556,034)	-	418,410	425,557	113,719	-	(332,716)	-	206,560	211,850
Lab. instruments	4,560	-	-	(4,560)	-	-	4,560	-	-	(4,560)	-	-	-
Pledged sorting table	573,767	-	-	(573,767)	-	-	286,883	28,688	-	(315,571)	-	-	-
Staves and dominicos	327,575	295,836	-	(623,411)	-	-	176,618	47,004	-	(223,622)	-	-	-
Filtering equipment	1,691	-	-	-	-	1,691	422	212	-	-	-	634	1,057
Works in progress	171,536,710	265,691,600	(421,817,828)	-	-	15,410,482	-	-	-	-	-	-	15,410,482
Leasehold improves, in progress	4,757,742	15,253,449	(6,009,937)	-	-	14,001,254	-	-	-	-	-	-	14,001,254
Inputs and spare parts	16,831,351	-	(550,188)	-	-	16,281,163	-	-	-	-	-	-	16,281,163
Total Other assets	1,462,049,701	347,329,844	(1,177,093)	(107,756,915)	450,004,886	2,150,450,423	59,721,907	81,992,445	(512,498)	(20,322,886)	(50,994,272)	69,884,496	2,080,565,427
Total at 12.31.15	2,563,625,703	489,133,491	(5,770,965)	(107,756,915)	921,016,278	3,860,836,592	72,423,922	136,912,263	(512,498)	(20,322,886)	(117,736,558)	70,769,543	3,790,067,049
Total at 12.31.14	1,855,341,344	251,667,693	(1,691,715)	-	458,308,381	2,563,625,703	35,299,045	124,311,889	(92,443)	-	(87,089,569)	72,428,922	2,491,196,781

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

(2) Depreciation was allocated to cost of sales, administrative and selling expenses, except for the depreciation corresponding to discontinued operations for \$ 3,779,762 in 2015 and \$ 4,612,198 in 2014.

(3) At December 31, 2015, the Group decided to revalue the items related to electricity generation, classified as Property, plant and equipment, generating an increase of \$ 1,039,341,856.

(4) Depreciation charges for the 2015 and 2014 years were allocated to cost of sales, including \$ 45,438,132 and \$ 21,307,367, for a higher value from technical revaluation.

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 7: INTANGIBLE ASSETS

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON COMBINED COMPANIES

1) Information on combined companies

The Group conducts its business through various operating subsidiaries. Composition of the economic group, percentages of interest, criteria for being considered significant and other relevant information on the Group subsidiaries is shown in Note 3.1.

Restrictions, Restricted Assets, Commitments and Other matters related to subsidiaries

A. GMSA

A.1 Borrowings from CAMMESA

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

A.2 Syndicated borrowing

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

At December 31, 2015, the balance of the syndicated borrowing principal amounted to \$ 56,700,000.

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

At the date of these combined financial statements, GMSA released the contracts assigned as collateral relating to Vidriería Argentina S.A., Pilkington S.A., Arcor SAIC, Vicentin S.A., Holcim S.A., Chevron S.R.L., Axion Energy S.A., Coca Cola Femsa de Buenos Aires S.A. (Planta Ciudad de Buenos Aires), Coca Cola Femsa de Buenos Aires S.A. (Planta Monte Grande) and Rayen Cura SAIC.

A.3 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at December 31, 2015 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between GMSA and large customers of the Forward Market under the SE regulations according to Resolution No. 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON COMBINED COMPANIES (Cont'd)

1) Information on combined companies (Cont'd)

A. GMSA (Cont'd)

A.3 Other commitments (Cont'd)

<i>Sale commitments⁽¹⁾</i>	<u>Total</u>	<u>Up to 1 year</u>	<u>From 1 to 3 years</u>
Electric energy and power - Plus	967,045,516	947,413,701	19,631,815

⁽¹⁾ Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at December 31, 2015, under SE Resolution 1281/06.

B. GISA

B.1) Borrowing with UBS AG.

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

The rights assigned under the contract are detailed below:

- All rights GISA is entitled to by virtue of the Project Documents.
- All rights of GISA to collect sums of money or to receive payments in kind due to GISA by Debtors under Electricity Sale Transactions, as of this date or in the future, in the Energy Plus market.
- All rights of GISA to collect sums of money or to receive payments in kind due to GISA by any insurance company, as of this date or in the future.
- The beneficial ownership of the Real Estate existing as of this date and any real estate property incorporated thereafter.
- The beneficial ownership of the Plant's 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.
- Each and every right available or that may become available to ALBANESI in relation to GISA arising from an Irrevocable Capital Contribution.
- All the Funds existing in GISA Account that have been received by GISA in relation to the assigned rights.

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON COMBINED COMPANIES (Cont'd)

1) Information on combined companies (Cont'd)

B. GISA (Cont'd)

B.1) Borrowing with UBS AG. (Cont'd)

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

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

B.2 Other commitments

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

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

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

C. GRISA

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

On September 7, 2015, GRISA executed a contract with Siemens Industrial Turbomachinery AB, whereby it agreed to purchase a turbine Siemens SGT800 of 50 MW, for an amount of SEK 161,032,000 (Swedish crowns). For this purpose, the studies and engineering works necessary for its installation were started, so as to be able to place the turbine into service in October 2016.

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

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

	2016
<i>Commitments⁽¹⁾</i>	
Siemens Industrial Turbomachinery AB	SEK 120,774,000

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON CONSOLIDATED AND COMBINED COMPANIES

1) Information on combined companies (Cont'd)

D. GFSA

D.1 Syndicated borrowing

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

D.2 Other commitments - Contract with PWPS

On April 4, 2014 GFSA entered into a contract with PWPS for the purchase of a turbine FT4000™ SwiftPac® 60, including all the elements necessary for its installation and placement into service. The unit is composed of two gas turbines which transmit their mechanical power to only one generator of 60 MW. This machine functions by converting the chemical energy of the fuel, which is injected (in both liquid and gaseous state) into the combustion chambers, into mechanical energy that is transmitted to the generator, which then performs a final conversion to electric power.

The purchase contract for the turbine amounts to a total of USD 26.97 million. At the date of issue of these financial statements, the advances amounting to USD 14.87 million agreed upon with the vendor have been fully paid and are disclosed as works in progress under Property, plant and equipment.

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON CONSOLIDATED AND COMBINED COMPANIES

1) Information on combined companies (Cont'd)

E. CTR

E.1 Syndicated borrowing

As a result of the commitments taken on under the International Syndicated Borrowing, CTR may not distribute or pay dividends, except in the cases expressly mentioned in clause 6.10 of that Syndicated Borrowing, which is transcribed below: "(i) provided that no EVENT OF DEFAULT shall have occurred and be continuing, as set forth herein; (ii) that the consolidated indebtedness ratio at the date the Restricted Payment is proposed is less than 1.50;1.00; (iii) that on the date on which the Restricted Payment is proposed, the aggregate of the total principal amount due under the Borrowing Tranche A and the total principal amount under the Borrowing Tranche B is less than USD 18,000,000".

E.2 Restricted assets of CTR

As provided for in the offers of the Syndicated Borrowing - International Tranche with Credit Suisse A.G. Londron Branch, on January 13, 2012 a trust agreement was entered into between CTR, AISA, Tefu S.A., Credit Suisse A.G. London Branch and Banco de Servicios y Transacciones S.A., and the latter bank was designated as Trustee.

Under the trust agreement, CTR assigned the ownership rights over its assets and the assets that will be added to the power plant in the future. The parties leave evidence that the assigned assets exclusively and specifically include all the assets that in view of their nature qualify as property, plant and equipment. Additionally, the ownership rights over the real property and all its appurtenances at the contract date have been assigned, including those that will be replaced or added to the real property in the future.

Further, to secure compliance with all of the obligations assumed under the borrowing agreements, CTR has assigned to the Trustee, and to the benefit of the Creditors-Beneficiaries, all the rights to collect and receive the sums of money or payments in kind for any guarantee, indemnification, insurance, licn, bond insurance, suretyship, repair fund; security interest or any fine, interest, compensation, or right to collect for the sale of energy.

The purpose of the trust agreement is to secure proper compliance with the obligations, it being understood as such the obligations assumed by CTR with the Creditors-Beneficiaries under the borrowing agreements, the Trustee under the trust agreement, the sureties under the suretyships released in favor of CTR and with AISA and Tefu S.A. under the Share Pledge Offer.

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

	12.31.15	12.31.14
Assets held in trust		
Property, plant and equipment	785,565,264	461,701,521
Total	785,565,264	461,701,521

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 8: INFORMATION ON CONSOLIDATED AND COMBINED COMPANIES (Cont'd)

1) Information on combined companies (Cont'd)

F. 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.

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

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

NOTE 9: EQUITY INTEREST IN ASSOCIATE

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

Changes in the investments in the Group's associates for the years ended December 31, 2015 and 2014 are as follows:

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 9: EQUITY INTEREST IN ASSOCIATE (Cont'd)

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

Summarized statement of financial position:

	12.31.15	12.31.14
Total non-current assets	742,892,951	539,361,694
Total current assets	206,801,187	159,747,086
Total Assets	949,694,138	699,108,780
Total Equity	578,876,022	436,567,550
Total non-current liabilities	215,318,213	136,091,322
Total current liabilities	155,499,903	126,449,908
Total Liabilities	370,818,116	262,541,230
Total Liabilities and Equity	949,694,138	699,108,780

Summarized statement of income and statement of comprehensive income:

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

Statement of cash flows:

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

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

NOTE 10: INVENTORIES

	Note	12.31.15	12.31.14
<u>Non-Current</u>			
Wines		-	3,403,787
		-	3,403,787
<u>Current</u>			
Spare parts		15,897,222	12,001,735
Inputs for wine and vinegrowing industry		-	731,343
Wines		-	8,479,468
Inventory obsolescence allowance	20	-	(57,466)
		15,897,222	21,155,080

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 11: OTHER RECEIVABLES

<u>Non-Current</u>	<u>Note</u>	<u>12.31.15</u>	<u>12.31.14</u>
Value added tax		29,391,592	28,149,166
Minimum notional income tax		17,257,681	11,952,593
Turnover tax credit balance		-	1,264,526
Provision for tax credits	20	-	(1,133,755)
Subtotal tax credits		46,649,273	40,232,530
Receivables from shareholders	33	-	27,355,823
Related companies	33	739	-
Receivable with GASNOR		864,096	1,034,087
Advance to suppliers equipment		-	77,086,372
Sundry		-	1,586,938
		47,514,108	147,295,750
<u>Current</u>			
Value added tax		50,740,570	29,872,938
Income tax credit balance		3,622,327	10,032,603
Minimum notional income tax credit balance		1,810,444	4,139,375
Other tax credits		13,747,149	10,174,617
Subtotal tax credits		69,920,490	54,219,533
Receivables from agreement with Sorrento Thermal Plant		930,833	931,556
Advances to suppliers		51,367,883	926,901
Prepayments to Customs		847,216	11,947
Other receivables with Sorrento Thermal Plant		9,582,556	11,944,720
Prepaid insurance		11,119,469	12,616,479
Security deposits and derivative financial instruments		11,329,157	1,069,789
Loans to Directors		-	31,104
Related companies	33	4,593,872	7,985
Receivables from shareholders	33	62,142,446	12,751,045
Contributions pending paying-in	33	525,000	-
Sundry		1,410,659	2,422,479
		223,769,581	96,933,538

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 12: TRADE RECEIVABLES

	<u>Note</u>	<u>12.31.15</u>	<u>12.31.14</u>
<u>Non-Current</u>			
SE Resolution No. 712/04 - FONINMEM		1,364,164	1,363,940
Generators Agreement 2008-2011		2,522,363	2,522,363
		<u>3,886,527</u>	<u>3,886,303</u>
<u>Current</u>			
Trade receivables		302,345,160	330,781,287
Unbilled sales		169,669,270	137,978,834
Related companies	33	18,215	42,646,047
Allowance for doubtful accounts	20	(839,252)	(1,058,886)
		<u>471,193,393</u>	<u>510,347,282</u>

NOTE 13: OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	<u>12.31.15</u>	<u>12.31.14</u>
Mutual funds	148,163,443	-
Lebac and bills of exchange	46,834,388	-
	<u>194,997,831</u>	<u>-</u>

NOTE 14: CASH AND CASH EQUIVALENTS

	<u>12.31.15</u>	<u>12.31.14</u>
Cash	317,376	382,238
Checks to be deposited	2,675,095	4,619,494
Banks	31,848,107	35,737,987
Mutual funds	21,133,986	1,744,041
Cash and cash equivalents (bank overdrafts excluded)	<u>55,974,564</u>	<u>42,483,760</u>

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

	<u>12.31.15</u>	<u>12.31.14</u>
Cash and cash equivalents	55,974,564	42,483,760
Bank overdrafts (Note 19)	(73,770,896)	(29,164,772)
Cash and cash equivalents (bank overdrafts included)	<u>(17,796,332)</u>	<u>13,318,988</u>

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 15: CHANGES IN CAPITAL

Capital stock represents the addition of the subscribed capitals of the combined companies, as follows:

	12.31.15	12.31.14
Albanesi S.A.	4,455,160	4,455,160
Central Térmica Roca S.A.	73,070,470	73,070,470
	77,525,630	77,525,630

NOTE 16: RESTRICTIONS ON PROFITS DISTRIBUTIONS

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

As established by Law No. 25063 enacted in December 1998, dividends that are distributed or that the companies of the Group receives from its subsidiaries, in cash or in kind, in excess of the taxable profits accumulated at the end of the fiscal year immediately preceding the payment or distribution date, shall be subject to a 35% income tax withholding, as a sole and final payment. For the purposes of this tax, accumulated taxable profits are the balances of taxable profits accumulated at December 31, 1997, less the dividends paid plus the taxable profits determined as from January 1, 1998.

NOTE 17: TRADE PAYABLES

	Note	12.31.15	12.31.14
<u>Non-Current</u>			
Suppliers		157,068,465	2,992,613
		157,068,465	2,992,613
<u>Current</u>			
Suppliers		188,459,833	248,938,282
Provision for invoices to be received		25,968,918	39,013,741
Related companies	33	113,129,765	170,207,427
		327,558,516	458,159,450

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 18: OTHER LIABILITIES

	<u>Note</u>	<u>12.31.15</u>	<u>12.31.14</u>
Non-Current			
Dividends payable	33	-	145,000
With related parties	33	100,000,000	364,934,244
Advances from customers		-	2,308,238
		<u>100,000,000</u>	<u>367,387,482</u>
Current			
Advances from customers		-	3,126,459
Dividends payable	33	145,000	-
With related parties	33	126,041,152	116,188,764
Sundry		-	24,166
		<u>126,186,152</u>	<u>119,339,389</u>

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

Other long-term payables are measured in accordance with Note 3.14. The amount thus obtained does not differ significantly from its fair value.

NOTE 19: FINANCIAL DEBTS

	<u>Note</u>	<u>12.31.15</u>	<u>12.31.14</u>
Non-Current			
CAMMESA	19.D.2	207,353,297	210,727,956
Finance lease	19.F	2,218,344	26,354,233
Ministry of Production – Province of La Pampa		-	140,625
Syndicated Borrowing	19.A.1 and 19.C.3	308,373,719	194,848,451
Negotiable obligations	19.A.2; 19.B.2; 19.C.2	550,703,146	263,147,788
UBS Borrowing - principal	19.B.1	90,857,513	171,622,788
Other bank debts		94,744,738	32,548,502
		<u>1,254,250,757</u>	<u>899,390,343</u>
Current			
Bank overdrafts		73,770,896	29,164,772
Finance lease	19.F	3,255,698	11,141,223
Ministry of Production – Province of La Pampa		-	93,750
Other bank debts		138,119,206	29,851,285
Related company – Calistey Borrowing	33	-	16,243,207
UBS Borrowing	19.B.1	170,172,470	84,255,385
Syndicated Borrowing	19.A.1 and 19.C.3	147,427,110	98,823,531
Negotiable obligations	19.A.2 19.B.2 19.C.2	245,127,113	98,401,993
CAMMESA	19.D.2;19E	6,749,320	20,180,856
		<u>784,621,813</u>	<u>388,156,002</u>

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBTS (Cont'd)

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

	<u>12.31.15</u>	<u>12.31.14</u>
Fixed rate		
Less than 1 year	251,637,934	161,690,881
Between 1 and 2 years	90,857,513	138,456,663
	<u>342,495,447</u>	<u>300,147,544</u>
Floating rate		
Less than 1 year	532,983,879	226,465,121
Between 1 and 2 years	747,907,590	666,274,157
Between 2 and 3 years	167,232,433	85,022,122
More than 3 years	248,253,221	9,637,401
	<u>1,696,377,123</u>	<u>987,398,801</u>
	<u>2,038,872,570</u>	<u>1,287,546,345</u>

Group financial debt are denominated in the following currencies:

	<u>12.31.15</u>	<u>12.31.14</u>
Argentine pesos	1,523,617,360	775,962,156
US dollars	515,255,210	511,584,189
	<u>2,038,872,570</u>	<u>1,287,546,345</u>

The evolution of the Group's financial debt during the year was the following:

	<u>12.31.15</u>	<u>12.31.14</u>
Financial debts at beginning of year	1,287,546,345	1,123,080,685
Financial debts received	898,083,539	415,209,500
Financial debts paid	(378,816,530)	(460,465,934)
Accrued interest	273,341,943	198,950,670
Interest paid	(234,885,962)	(194,661,569)
Exchange difference	190,098,469	196,732,851
Bank overdrafts	45,025,282	21,871,153
Reduction due to sale of subsidiaries	(27,508,193)	-
Capitalized financial expenses	(14,012,323)	(13,171,011)
Financial debts at year end	2,038,872,570	1,287,546,345

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

A) FINANCIAL DEBT AGREEMENT - GENERACION MEDITERRANEA S.A.

A.1) Syndicated borrowing

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

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

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

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

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

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

The most relevant provisions are the following:

Principal: The total principal amount due was \$ 90,000,000, after the pre-settlement mentioned above.

Interest: adjusted BADLAR rate plus margin of 6.25%.

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

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

The amendment also establishes the assignment of collection rights under energy sales contracts and the posting of a bond by ASA.

The balance of the borrowing at December 31, 2015 amounts to \$ 57,600,371.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

A.2) Negotiable obligations

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA, through CNV Resolution 16942, was granted authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

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

Class III Negotiable Obligations:

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

Interest: Private Banks BADLAR rate plus 4.46%

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

Repayment:

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

A.2) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations:

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

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

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

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

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

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

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

On October 19, 2015, GMSA took out a new borrowing from Banco Hipotecario S.A. for a total of \$ 8,200,000, to be repaid in 24 monthly installments; the first one must be paid on November 19, 2015 and accrues interest at BADCOR rate plus a 5.75% annual nominal margin.

The purpose of the borrowing is to allocate the funds received to working capital.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

A.4) Borrowing from Banco de Córdoba

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

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

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

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

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

On June 19, 2015, GMSA took out a borrowing from Banco Chubut S.A. for a total of \$ 15,000,000, to be repaid in a term of 180 days counted as from the date of disbursement. This borrowing was fully repaid on December 31, 2015.

On October 20, 2015 GMSA took out a borrowing from Banco Chubut S.A. with the aim of applying the funds received to finance working capital. The borrowing amount was \$ 5,000,000.

Principal shall be amortized in 1 installment payable on January 20, 2016, and shall accrue interest at a fixed rate of 31.87%.

On December 16, 2015, GMSA took out a new borrowing from Banco Chubut S.A., with the same purpose of allocating the funds to working capital. The borrowing amount was \$15,000,000. Principal shall be amortized in 1 installment payable on May 16, 2016, and shall accrue interest at a fixed rate of 29.98%.

A.7) Borrowing from Banco Ciudad

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

B) FINANCIAL DEBT AGREEMENT - GENERACION INDEPENDENCIA S.A.

B.1) Borrowing with UBS AG.

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

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

Below is a detail of the repayment schedule in effect, after the agreement to the borrowing amendment mentioned in the preceding paragraph, compared to the original schedule under the borrowing agreed on May 04, 2011.

Maturity date	Agreed in amendment of 03/06/2015	Original schedule
2/27/2015	USD 3,600,000	USD 3,600,000
5/27/2015	USD 2,089,102	USD 3,600,000
8/27/2015	USD 2,089,102	USD 3,600,000
11/27/2015	USD 2,089,102	USD 3,600,000
2/29/2016	USD 2,089,102	USD 3,600,000
5/9/2016	USD 6,963,672	USD 12,000,000
8/28/2016	USD 2,014,531	-
11/28/2016	USD 2,014,531	-
2/28/2017	USD 2,014,531	-
5/28/2017	USD 5,036,328	-
Total	USD 30,000,000	USD 30,000,000

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

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

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

At the date of issuance of these combined financial statements, GISA has settled 100% of this borrowing, with the funds that GMSA obtained from the borrowing agreement with BAF Latam Trade Finance Funds B.V. (See Note 42)

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

B.2) Negotiable obligations

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

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

Class II Negotiable Obligations:

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

Interest: Private Banks BADLAR rate plus 4.1%

Repayment:

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

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

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

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

Class III Negotiable Obligations:

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

Interest: Private banks BADLAR rate plus a 6.5% margin

Repayment:

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

B.2) Negotiable obligations (Cont'd)

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

B.3) GISA – BORROWING FROM ICBC

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

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

The remaining balance corresponding to the borrowing at December 31, 2015 amounted to \$ 70,002,192.

At the date of these financial statements at December 31, 2015, GISA is complying with all its covenants.

C) BORROWING AGREEMENT – GENERACIÓN FRÍAS S.A.

C.1) Borrowing from Banco Ciudad:

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

The outstanding balance at December 31, 2015 amounted to \$ 25,726,375, including interest of \$ 689,134, net of transaction costs pending amortization.

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

C.2) Negotiable obligations

For the purpose of undertaking investment projects, on July 10, 2014 GFSA obtained the authorization to enter the public offering system and create a program of Negotiable Obligations (not convertible into shares) of up to USD 50,000,000 or its equivalent in other currencies.

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

Class I Negotiable Obligations:

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

C.2) Negotiable obligations (Cont'd)

Interest: Private Banks BADLAR rate plus 5.4 %

Repayment:

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

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

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

The net remaining balance of transaction costs pending amortization at December 31, 2015 amounted to \$ 121,112,320 including interest of \$ 390,555.

C.3) Syndicated borrowing

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

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

C.3) Syndicated borrowing (Cont'd)

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

The net remaining balance of transaction costs at December 31, 2015 amounted to \$ 107,122,147 including interest of \$ 8,043,785.

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

GFSA obtained a borrowing from Puente Hermanos S.A. for an amount of \$ 50,000,000, which will be settled with the next issue of Negotiable Obligations. This borrowing accrues interest at LEBAC rate, payable on a quarterly basis as from the date of disbursement, the first payment being due on January 22, 2016. The net remaining balance at December 31, 2015 amounted to \$ 53,158,369 including interest of \$ 3,158,369.

At the date of these combined financial statements, this loan was fully repaid after the issuance of the Class II ON mentioned in Note 42.i of Subsequent Events.

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

In 2015, GFSA entered into borrowing agreements with Banco Provincia de Buenos Aires S.A. for an amount of \$11,300,000, with interest paid monthly. These borrowing are settled on a monthly basis, as from the date of the disbursement of each borrowing. The net remaining balance at December 31, 2015 amounted to \$ 9,872,293 including interest of \$ 105,626.

D) BORROWING AGREEMENT – GENERACIÓN RIOJANA S.A.

D.1) Borrowing from Nuevo Banco de La Rioja

On August 14, 2013 Nuevo Banco de la Rioja S.A. granted a borrowing to GRISA, within the Credit Line for Productive Investment, Communication "A" 5380 BCRA, for \$ 6,000,000.

This borrowing has a payment period of 36 monthly and consecutive installments, calculated applying the French system and accruing interest at a fixed rate of 15.25%.

At December 31, 2015, the principal due amounted to \$ 1,574,077.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

D.2) Borrowing from CAMMESA

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

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

This borrowing has a repayment period set in 48 monthly and consecutive installments, to which interest must be added applying the rate equivalent to the average return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the WEM.

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

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

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

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

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

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT(Cont'd)

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

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

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

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

From September 2011 through August 2015, the installments corresponding to principal were settled as established in the borrowing agreement described above, which was fully paid at December 31, 2015.

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

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

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

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

F) PROGRAM TO ISSUE NEGOTIABLE OBLIGATION OF ALBANESI S.A.

Class I Negotiable Obligations

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

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

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

Interest: Private Banks BADLAR rate plus 5.5%

Term and repayment: interest on ON Class I will be paid on a quarterly basis, past due, in the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017, and December 29, 2017.

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

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

G) BORROWING AGREEMENT - CENTRAL TERMICA ROCA S.A.

G.1) *Calistey S.A. loan*

During August 2011, CTR obtained a borrowing for USD 1,999,000 from its related company Calistey S.A. The funds disbursed under this borrowing were applied to the partial payment of the purchase price of CTR assets, as shown by the bidding terms and conditions.

At the date of these combined financial statements, the debt has been repaid in full.

G.2) *Syndicated borrowing - International tranche*

CTR sent on January 13, 2012 a borrowing offer to Credit Suisse A.G. London Branch, as Administrative Agent, in order to obtain the necessary funds for the repair of the turbine and the resumption of the power plant activity, together with the conversion of the plant so that it may operate both on natural gas and gas oil.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT – CENTRAL TERMICA ROCA S.A. (Cont'd)

G.2) Syndicated borrowing - International tranche (Cont'd)

On January 20, 2012, Credit Suisse A.G. London Branch accepted the borrowing offer for an amount of USD 30,000,000 by disbursing USD 25,000,000 to CTR. An additional amount of USD 2,000,000 was disbursed during February and March 2012. The outstanding balance of USD 3,000,000 was disbursed in October 2012.

Principal was repaid in 17 quarterly installments from January 20, 2013 until January 20, 2017 and interest would accrue at 3-month Libor rate + 12% margin.

On July 15, 2015, CTR successfully agreed to an amendment to the borrowing from Credit Suisse AG, London Branch, whereby the maturity dates of the financial tranche under that borrowing were rescheduled. This involves a considerable improvement of the Company's financial profile, reducing the concentration of debt maturities.

Below is a detail of the repayment schedule in effect, after the agreement to the borrowing amendment mentioned in the preceding paragraph, compared to the original schedule under the borrowing agreed on January 20, 2012.

Maturity date	Agreed - amendment 7.15.15	Original schedule
7/20/2015	USD 738,123	USD 2,109,714
10/20/2015	USD 738,123	USD 2,109,714
1/20/2016	USD 738,123	USD 2,109,714
4/20/2016	USD 738,123	USD 2,109,714
7/20/2016	USD 738,123	USD 2,109,714
10/20/2016	USD 1,230,205	USD 3,309,714
1/20/2017	USD 2,870,479	USD 7,000,000
4/20/2017	USD 1,500,000	-
7/20/2017	USD 1,500,000	-
10/20/2017	USD 1,500,000	-
1/20/2018	USD 1,500,000	-
4/20/2018	USD 1,500,000	-
7/20/2018	USD 1,500,000	-
10/20/2018	USD 1,500,000	-
1/20/2019	USD 2,566,985	-
Total	USD 20,858,284	USD 20,858,284

The offer mentioned has contractual provisions relating to compliance with the covenants involving financial ratios (Leverage, EBITDA on interest expenses and Debt service hedging ratio). In addition, limits are set in relation to indebtedness, equity, sale of property and investments.

CTR also has a reserve account with a foreign bank for USD 1,000,000.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT – CENTRAL TERMICA ROCA S.A. (Cont'd)

G.2) Syndicated borrowing - International tranche (Cont'd)

CTR sent to Credit Suisse A.G. London Branch, in its capacity as Administrative Agent, a proposal for suspension until June 30, 2016 of compliance with ratios commitments relating to the leverage and indebtedness ratio. At the date of these financial statements, a note from Credit Suisse A.G. London Branch was received giving its consent to the petition for suspension. The purpose of this change was to adjust the covenants of the borrowing to the new macroeconomic context after the devaluation of the peso in December 2015 and the issuance of class II ON for \$ 270,000,000.

At December 31, 2015 the debt amounted to \$ 254,225,226, including interest of \$ 5,907,180, net of the transaction costs pending amortization of \$ 4,585,206.

G.3) Borrowing from Banco Ciudad de Buenos Aires

On September 17, 2013, CTR borrowed \$ 10,000,000 from Banco Ciudad de Buenos Aires for a term of 36 months under Communication A 5449 of the BCRA.

Principal: \$ 10,000,000.

Interest: Principal accrues interest at a nominal annual rate of 15.25%, payable monthly.

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 25 (twenty five) monthly installments as from September 22, 2014, maturing on September 22, 2016.

At December 31, 2015 the debt amounted to \$ 3,983,265.

G.4) Borrowing from Banco de Servicios y Transacciones

On August 8, 2014, CTR borrowed \$ 5,000,000 from Banco de Servicios y Transacciones for a term of 12 months.

Principal: \$ 5,000,000.

Interest: Principal accrues interest at a nominal annual rate of 33.05%, payable monthly.

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 12 (twelve) monthly installments as from September 8, 2014, maturing on August 8, 2015.

At December 31, 2015, the principal was repaid in full.

On August 12, 2015, CTR borrowed \$ 8,000,000 from Banco de Servicios y Transacciones for a term of 60 days.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT – CENTRAL TERMICA ROCA S.A. (Cont'd)

G.4) Borrowing from Banco de Servicios y Transacciones (Cont'd)

Principal: \$ 8,000,000.

Interest: Principal accrues interest at a nominal annual rate of 33.50%, payable monthly.

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 1 (one) instalment, maturing on October 11, 2015.

On October 13, November 9 and December 9, CTR agreed with the banking institution a change in the original maturity date, which was extended to January 8, 2016.

At December 31, 2015 the debt amounted to \$ 8,176,000.

G.5) Borrowing from Banco Provincia de Buenos Aires

On October 20, 2014, CTR borrowed \$ 4,000,000 from Banco de la Provincia de Buenos Aires for a term of 24 months.

Principal: \$ 4,000,000.

Interest: Principal accrues interest at a nominal annual rate of 26.89%, payable monthly.

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 24 (twenty-four) monthly installments as from November 20, 2014, maturing on October 20, 2016.

At December 31, 2015, the debt amounted to \$ 1,679,946.

G.6) Borrowing from Banco Industrial

On June 5, 2015, CTR borrowed \$ 2,000,000 from Banco Industrial for a term of 8 months.

Principal: \$ 2,000,000.

Interest: BADCOR rate plus margin of 5.5%

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 8 (eight) monthly installments as from June 22, 2015, maturing on January 22, 2016.

At December 31, 2015, the debt amounted to \$ 305,880.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT - CENTRAL TERMICA ROCA S.A. (Cont'd)

G.7) Negotiable obligations

To improve the financial profile of the company, on August 8, 2014 CTR obtained, through Resolution 17413 of the CNV, authorization for: (i) incorporation of CTR to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 50,000,000 (fifty million US dollars) or its equivalent in other currencies, in one or more classes or series.

Class I Negotiable Obligations:

CTR issued Class I Negotiable Obligations in the amount and under the conditions described below:

Principal: nominal value: \$ 80,000,000 (eighty million pesos)

Interest: BADLAR rate plus 5.5%

Interest of Class I ON will be paid on a quarterly basis, on arrears, on the following dates: (i) February 07, 2015; (ii) May 07, 2015; (iii) August 07, 2015; (iv) November 07, 2015; (v) February 07, 2016; (vi) May 07, 2016; (vii) August 07, 2016, and; (viii) November 07, 2016.

Repayment: The principal of Class I ON will be repaid in three instalments, equivalent to 33%, 33% and 34%, respectively, of the nominal value of Class I Negotiable Obligations, on the following dates: (i) May 07, 2016; (ii) August 07, 2016, and; (iii) November 07, 2016.

Maturity date of Class I ON: November 07, 2016

Class II Negotiable Obligations:

On November 17, 2015 CTR issued Class II ON. Class II ON were considered a productive investment within the scope of subsection k) of section 35.8.1 of the General Rules of the Insurance Activity (SSN Resolution 21523/1992), pursuant to communication No. 4841 of the National Insurance Superintendency dated November 6, 2015.

Principal: nominal value: \$ 270,000,000 (two hundred and seventy million)

Interest: BADLAR rate plus 2%

Repayment: Repayment: The principal of ON will be amortized in ten (10) consecutive instalments payable on a quarterly basis, equivalent to 10% of the nominal value of the negotiable obligations on August 17, 2018, November 17, 2018, February 17, 2019, May 17, 2019, August 17, 2019, November 17, 2019, February 17, 2020, May 17, 2020, August 17, 2020 and November 17, 2020. At the date of issue of these financial statements, principal amount due under this class was \$ 270,000,000.

At December 31, 2015 the total debt for both ON amounted to \$ 358,787,755.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT – CENTRAL TERMICA ROCA S.A. (Cont'd)

G.8) Borrowing from Banco Provincia de Buenos Aires II

On August 5, 2015, the Company borrowed \$ 1,300,000 from Banco de la Provincia de Buenos Aires for a term of 12 months.

Principal: \$ 1,300,000.

Interest: BADLAR rate plus 7%

Repayment: Interest will be paid monthly as from the borrowing agreement execution date. Principal will be repaid in 1 (one) instalment, maturing on July 14, 2016.

At December 31, 2015, the principal due amounted to \$ 1,316,614.

G.9) Syndicated borrowing from Banco Hipotecario and Banco de Inversión y Comercio Exterior

On September 29, 2015 CTR took out a syndicated borrowing with Banco Hipotecario (lead arranger and lender) and Banco de Inversión y Comercio Exterior S.A. (lender) for a total of \$ 40,000,000 and a term of 48 months.

Principal: \$ 40,000,000

Interest: there are two tranches: Tranche A (\$ 20 million from Banco Hipotecario) = BADCOR + 6.25%, and Tranche B (\$ 20 million from Banco de Inversión y Comercio Exterior) = BADLAR + 6.25%

Repayment: Interest will be paid monthly as from the loan agreement execution date. Principal will be repaid in 48 (forty-eight) monthly installments as from October 29, 2015, maturing on October 29, 2019.

At December 31, 2015, the debt amounted to \$ 36,853,085, net of transaction costs pending amortization of \$ 717,188.

CTR requested to Banco Hipotecario, as lead arranger, lender and administrative agent, and the Banco de Inversión y Comercio Exterior S.A. the granting of a waiver of compliance with certain commitments assumed by CTR. Specifically, a waiver was requested of the leverage ratio set in clause 8.19 of the borrowing agreement and the limitations assumed when incurring the new financial debt that CTR assumed under clause 8.22.

At December 31, 2015, CTR had not received a formal acceptance of the waiver, the total debt under the syndicated borrowing was disclosed under current liabilities.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 19: FINANCIAL DEBT (Cont'd)

G) BORROWING AGREEMENT – CENTRAL TERMICA ROCA S.A. (Cont'd)

G.9) Syndicated borrowing from Banco Hipotecario and Banco de Inversión y Comercio Exterior (Cont'd)

At the date of these combined financial statements at December 31, 2015, CTR obtained from Banco Hipotecario S.A. (BH), as lead arranger, lender and administrative agent, and Banco de Inversión y Comercio Exterior S.A. (BICE) the waiver mentioned in the preceding paragraph.

G.10) borrowing from Banco Chubut

On October 21, 2015, CTR borrowed \$ 5,000,000 from Banco Chubut for a term of 7 months.

Principal: \$ 5,000,000.

Interest: Principal accrues interest at a nominal annual rate of 31.87%, payable monthly.

Repayment: Interest will be paid monthly as from the loan agreement execution date. Principal will be repaid in 7 (seven) instalments, maturing on May 21, 2016.

At December 31, 2015, the principal due amounted to \$ 3,690,884.

NOTE 20: ALLOWANCES, PROVISIONS AND CONTINGENCIES

	For trade receivables	For tax credits	For impairment of inventories	For contingencies
Balance at January 1, 2014	876,992	1,133,755	57,466	8,188,587
Increases	507,894	-	-	2,392,824
Decreases	(326,000)	-	-	-
Balances at December 31, 2014	1,058,886	1,133,755	57,466	10,581,411
Increases	-	-	-	718,037
Decreases	-	-	-	(1,349,952)
Deconsolidation due to sale of subsidiary	(219,634)	(1,133,755)	(57,466)	-
Balances at December 31, 2015	839,252	-	-	9,949,496

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 21: SALARIES AND SOCIAL SECURITY PAYABLES

<u>Current</u>	<u>12.31.15</u>	<u>12.31.14</u>
Salaries payable	18,136	1,430,721
Social security charges payable	4,376,796	2,870,656
Provision for vacation pay	4,615,451	3,017,967
Income tax withholdings to be deposited	819,776	186,103
	<u>9,830,159</u>	<u>7,505,447</u>

NOTE 22: TAXES

	<u>12.31.15</u>	<u>12.31.14</u>
<u>Non-Current</u>		
Payment plan	-	243,102
Value added tax - payment plan	-	2,990,083
	<u>-</u>	<u>3,233,185</u>
<u>Current</u>		
Withholdings to be deposited	2,368,665	6,433,823
Payment plan	3,469,694	8,273,382
National Fund of Electric Energy	682,936	933,274
Value added tax payable	4,143,748	74,956
Turnover tax payable	2,208,190	2,378,957
Minimum notional income tax provision, net of prepayments	2,359,100	3,918,348
Others	1,485,647	357,080
	<u>16,717,980</u>	<u>22,369,820</u>

NOTE 23: INCOME TAX

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

	<u>12.31.15</u>	<u>12.31.14</u>
Deferred tax assets:		
Deferred tax assets to be recovered in more than 12 months	<u>38,130,246</u>	<u>33,266,608</u>
	<u>38,130,246</u>	<u>33,266,608</u>
Deferred tax liabilities:		
Deferred tax liabilities payable in more than 12 months	<u>(689,094,073)</u>	<u>(367,463,049)</u>
	<u>(689,094,073)</u>	<u>(367,463,049)</u>
Deferred tax assets (liabilities), net	<u>(650,963,827)</u>	<u>(334,196,441)</u>

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 23: INCOME TAX (Cont'd)

The gross movements of the deferred tax account has been as follows:

	12.31.15	12.31.14
Balances at beginning of year	(334,196,441)	(187,034,112)
Charge to income statement	46,000,723	43,371,081
Expense charged to other comprehensive income	(363,806,617)	(190,533,410)
Deconsolidation of subsidiaries	1,038,508	-
Balance at year end	(650,963,827)	(334,196,441)

The movements of deferred tax assets and liabilities, without considering the offsetting of balances referred to the same tax jurisdiction, were as follows:

Items	Balances at 12.31.14	Charge to income statement	Expense charged to other comprehensive income	Deconsolidation	Balances at 12.31.15
\$					
Deferred tax - Asset (Liability)					
Property, plant and equipment	(460,613,416)	(16,492,372)	(363,769,643)	1,065,839	(839,809,592)
Investments	(2,382)	(260,888)	-	-	(263,270)
Trade receivables	(87,055)	(6,037,222)	-	(78,892)	(6,203,169)
Other receivables	1,703,372	2,796,716	-	-	4,500,088
Inventories	5,419,197	(5,489,136)	-	51,561	(18,378)
Trade payables	78,120	-	-	-	78,120
Taxes	189,519	(30,124)	-	-	159,395
Borrowings	3,776,788	(7,336,829)	-	-	(3,560,041)
Provisions	13,115,708	(2,060,934)	(36,974)	-	11,017,800
Sub-total	(436,420,149)	(34,910,789)	(363,806,617)	1,038,508	(834,099,047)
Deferred tax losses	102,223,708	80,911,512	-	-	183,135,220
Sub-total	102,223,708	80,911,512	-	-	183,135,220
Total	(334,196,441)	46,000,723	(363,806,617)	1,038,508	(650,963,827)

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 23: INCOME TAX (Cont'd)

Items	Balances at 01.01.14	Charge to income statement	Expense charged to other comprehensive income	Balances at 12.31.14
			\$	
Deferred tax - Asset (Liability)				
Property, plant and equipment	(268,432,536)	(1,291,598)	(190,889,282)	(460,613,416)
Investments	1,232	(3,614)	-	(2,382)
Trade receivables	273,927	(360,982)	-	(87,055)
Other receivables	2,460,964	(757,592)	-	1,703,372
Inventories	3,820,827	1,598,370	-	5,419,197
Trade payables	78,120	-	-	78,120
Taxes	-	189,519	-	189,519
Borrowing	7,819,367	(4,042,579)	-	3,776,788
Provisions	4,295,543	8,464,293	355,872	13,115,708
Sub-total	(249,682,556)	3,795,817	(190,533,410)	(436,420,149)
Deferred tax losses	62,648,444	39,575,264	-	102,223,708
Sub-total	62,648,444	39,575,264	-	102,223,708
Total	(187,034,112)	43,371,081	(190,533,410)	(334,196,441)

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable.

The income tax charge is broken down as follows:

	12.31.15	12.31.14
Current taxes	(25,998,639)	(14,938,332)
Deferred tax	46,000,723	43,371,081
Variation between income tax provision and tax return	134,335	102,981
Income tax	20,136,419	28,535,730

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 23: INCOME TAX (Cont'd)

Below is a reconciliation between income tax charged to earnings and tax resulting from applying the current income tax rate to the accounting profit before taxes:

	<u>12.31.15</u>	<u>12.31.14</u>
Loss before income tax on continuing operations and discontinued operations	(15,047,408)	(98,034,594)
Current tax rate	35%	35%
Income tax benefit at the tax rate	5,266,592	34,312,107
Non-deductible expenses	(7,697,419))	(6,842,744)
(Loss) Income from interests in associates	(516,166)	1,642,633
Non – taxable gain from sale of subsidiaries	31,424,494	-
Minimum notional income tax credits	(761,299)	(482,612)
Tax losses, expired or non-recognized	(7,579,783)	(2,227,395)
Tax losses not recognized previously	-	2,133,741
	<u>20,136,419</u>	<u>28,535,730</u>
Income tax for the year, on:		
Continuing operations	25,998,415	27,618,461
Discontinued operations	(5,861,996)	917,269
	<u>20,136,419</u>	<u>28,535,730</u>

Accumulated tax losses at December 31, 2015 amount to \$ 536.1 million and, according to tax regulations in force, can be offset against future taxable income, as detailed below:

Year	Amount in \$	Year of expiration
Tax losses for the year (2011)	36,581,499	2016
Tax losses for the year (2012)	62,772,480	2017
Tax losses for the year (2013)	63,489,248	2018
Tax losses for the year (2014)	128,615,947	2019
Tax losses for the year (2015)	244,926,909	2020
Total accumulated tax losses at December 31, 2015	<u>536,386,083</u>	
Non-recognized tax losses	<u>(13,142,598)</u>	
Recognized tax losses	<u>523,243,485</u>	

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 24: DEFINED PLAN BENEFIT - LABOR COMMITMENTS WITH PERSONNEL

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

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

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

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

	12.31.15	12.31.14
Defined benefit plan		
Non-current	4,819,097	3,681,060
Current	857,422	342,328
Total	5,676,519	4,023,388

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 24: DEFINED PLAN BENEFIT - LABOR COMMITMENTS WITH PERSONNEL (Cont'd)

Changes in the Group's obligations for benefits at December 31, 2015 and 2014 are as follows:

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

The actuarial assumptions used were:

	12.31.15	12.31.14
Interest rate	6%	6%
Salary growth rate	1%	1%
Inflation	30%	30%

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

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

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

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

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

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

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

At December 31, 2015	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade and other receivables	562,648,679	-	183,714,930	746,363,609
Other financial assets at fair value through profit and loss	-	194,997,831	-	194,997,831
Cash and cash equivalents	34,840,578	21,133,986	-	55,974,564
Non-financial assets	-	129,861	4,051,112,991	4,051,242,852
Total	597,489,257	216,261,678	4,234,827,921	5,048,578,856
Liabilities				
Trade and other payables	743,037,791	-	-	743,037,791
Borrowings (finance leases excluded)	2,033,398,528	-	-	2,033,398,528
Financial leases	-	-	5,474,042	5,474,042
Non-financial liabilities	-	-	661,642,444	661,642,444
Total	2,776,436,319	-	667,116,486	3,443,552,805
At December 31, 2014	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade and other receivables	662,650,032	-	95,813,123	758,463,155
Cash and cash equivalents	40,739,719	1,744,041	-	42,483,760
Non-financial assets	-	-	2,704,994,260	2,704,994,260
Total	703,389,751	1,744,041	2,800,807,383	3,505,941,175
Liabilities				
Trade and other payables	985,010,774	-	-	985,010,774
Borrowings (finance leases excluded)	1,250,050,889	-	-	1,250,050,889
Financial leases	-	-	37,495,456	37,495,456
Derivative financial instruments	-	12,164,116	-	12,164,116
Non-financial liabilities	-	-	356,647,756	356,647,756
Total	2,235,061,663	12,164,116	394,143,212	2,641,368,991

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

The categories of financial instruments were determined based on IFRS 9.

Below are presented the revenues, expenses, profits and losses arising from each financial instrument category.

At December 31, 2015	Financial assets at amortized cost	Liabilities at fair value	Assets/Liabilities at fair value	Non- financial instruments	Total
Interest earned	7,806,814	-	-	-	7,806,814
Interest paid	-	(189,680,365)	(62,245,860)	(176,241)	(252,102,466)
Changes in the fair value of financial instruments	-	6,846,822	3,325,575	-	10,172,397
Exchange difference, net	-	(104,064,366)	(89,945,512)	-	(194,009,878)
Other financial costs	(6,575,250)	(44,300,500)	(6,885,521)	-	(57,761,271)
Total	1,231,564	(331,198,409)	(155,751,318)	(176,241)	(485,894,404)

At December 31, 2014	Financial assets at amortized cost	Liabilities at fair value	Assets/Liabilities at fair value	Non- financial instruments	Total
Interest earned	6,234,331	-	1,279,179	-	7,513,510
Interest paid	-	(147,983,801)	(53,501,007)	(84,170)	(201,568,978)
Changes in the fair value of financial instruments	-	(8,798,421)	(19,170,857)	-	(27,969,278)
Exchange difference, net	-	(99,476,883)	(69,849,427)	-	(169,326,310)
Other financial costs	(5,217,190)	(58,004,427)	(5,461,502)	-	(68,683,119)
Total	1,017,141	(314,263,532)	(146,703,614)	(84,170)	(460,034,175)

Determination of fair value

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

- Level 1: inputs such as (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. deriving from prices).
- Level 3: inputs on the assets and liabilities not based on observable market data (i.e. non-observable data).

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

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

<u>At December 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash equivalents	21,133,986	-	-	21,133,986
Other financial assets at fair value through profit and loss	194,997,831	-	-	194,997,831
Investment in shares	-	-	129,861	129,861
Property, plant and equipment	-	-	3,508,653,615	3,508,653,615
Total	<u>216,131,817</u>	<u>-</u>	<u>3,508,783,476</u>	<u>3,724,915,293</u>
<u>At December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash equivalents	1,744,041	-	-	1,744,041
Property, plant and equipment	-	-	2,107,301,553	2,107,301,553
Total	<u>1,744,041</u>	<u>-</u>	<u>2,107,301,553</u>	<u>2,109,045,594</u>
Liabilities				
Derivative financial instruments	3,981,487	8,182,629	-	12,164,116
Total	<u>3,981,487</u>	<u>8,182,629</u>	<u>-</u>	<u>12,164,116</u>

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

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

Specific valuation techniques used to determine the fair value of certain categories under property, plant and equipment include:

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

- a) Market quotations requested to external appraisers have been used to determine the fair value of property and land. The values obtained, in the case of property, comprise the current condition of assets.
- b) To determine the fair value of facilities and machinery, an external appraiser has been hired, who has established based on quotations from suppliers the replacement value of each asset and their accumulated depreciation at the date of calculation.

The determination of the fair value of certain categories under property, plant and equipment is significantly affected by the US dollar exchange rate. This situation as well as discussion of valuation processes and results are discussed and approved by the Board of Directors of the Companies at least once a year

NOTE 26: SALES REVENUE

	12.31.15	12.31.14
Sale of Energía Base	348,939,638	260,728,756
Sale of Energía Plus	586,569,208	450,514,883
Sale of electricity Res. 220	860,521,663	621,546,588
Sale of Gumes	3,600,000	36,972,233
Services provided	4,485,170	2,109,925
	1,804,115,679	1,371,872,385

NOTE 27: COST OF SALES

	12.31.15	12.31.14
Cost of purchase of electric energy	(301,048,439)	(317,433,761)
Cost of gas and gas oil consumption	(583,567,824)	(341,876,056)
Salaries and social security charges	(92,167,651)	(63,379,678)
Defined benefit plan	(1,758,770)	(956,865)
Other employee benefits	(1,566,415)	(1,407,458)
Professional fees	(86,714)	(1,028,160)
Leases	(2,872,980)	(3,292,889)
Depreciation of property, plant and equipment	(133,131,916)	(119,694,721)
Insurance	(22,113,730)	(17,718,686)
Maintenance	(105,111,225)	(71,256,672)
Electricity, gas, telephone and postage	(1,329,951)	(787,321)
Duties and taxes	(12,203,329)	(4,742,615)
Travel and per diem	(7,131,219)	(4,729,366)
Security guard and cleaning	(6,543,617)	(4,259,366)
Miscellaneous expenses	(5,295,648)	(3,747,584)
	(1,275,929,428)	(956,311,198)

NOTE 28: SELLING EXPENSES

	12.31.15	12.31.14
Salaries and social security charges	(1,103,322)	(803,141)
Duties and taxes	(17,974,047)	(17,623,663)
Advertising	(56,564)	(55,000)
Doubtful accounts	-	(306,677)
	(19,133,933)	(18,788,481)

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 29: ADMINISTRATIVE EXPENSES

	12.31.15	12.31.14
Salaries and social security charges	(13,523,049)	(9,986,528)
Other employee benefits	(834,852)	(716,893)
Leases	(126,029)	(120,863)
Professional fees	(34,240,469)	(16,066,735)
Depreciation of property, plant and equipment	(585)	(4,970)
Insurance	(192,556)	(216,830)
Maintenance	-	(85,181)
Electricity, gas, telephone and postage	(639,759)	(361,393)
Duties and taxes	(2,675,719)	(4,496,694)
Travel and per diem	(1,344,415)	(1,803,151)
Miscellaneous expenses	(3,208,149)	(3,063,704)
	(56,785,582)	(36,922,942)

NOTE 30: OTHER OPERATING INCOME AND EXPENSES, NET

	12.31.15	12.31.14
<u>Other operating income</u>		
Sale of property, plant and equipment	282,295	56,612
Changes in the fair value of investments in other companies	129,579	-
Gain from the sale of interest in subsidiaries (Note 36)	76,641,670	-
Sundry income	573,704	5,985,035
Total Other operating income	77,627,248	6,041,647
<u>Other operating expenses</u>		
Other expenses (Note 37)	(46,427,142)	(92,330)
Total Other operating expenses	(46,427,142)	(92,330)

NOTE 31: FINANCIAL RESULTS

	12.31.15	12.31.14
<u>Financial income</u>		
Changes in the fair value of financial instruments	-	1,279,179
Financial interest	-	520,385
Commercial interest	7,806,814	5,713,946
Total financial income	7,806,814	7,513,510
<u>Financial expenses</u>		
Financial debt interest	(248,542,513)	(198,950,670)
Tax interest	(3,559,953)	(2,618,308)
Bank expenses and commissions	(10,495,048)	(6,091,972)
Total financial expenses	(262,597,514)	(207,660,950)
<u>Other financial results</u>		
Exchange difference, net	(194,009,878)	(169,326,310)
Changes in the fair value of financial instruments	10,172,397	(27,969,278)
Other financial results	(47,266,223)	(62,591,147)
Total other financial results	(231,103,704)	(259,886,735)
Total financial results, net	(485,894,404)	(460,034,175)

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 32: EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the income attributable to the holders of the Group's equity instruments by the weighted average number of ordinary shares outstanding during the year. There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

<u>Continuing operations</u>	<u>12.31.15</u>	<u>12.31.14</u>
Income (Loss) for the year attributable to the owners:	23,308,091	(60,094,591)
Weighted average of outstanding ordinary shares	77,525,630	107,406,147
Basic and diluted earnings (loss) per share	0.30	(0.56)

<u>Discontinued operations</u>	<u>12.31.15</u>	<u>12.31.14</u>
Loss for the year attributable to the owners:	(15,817,374)	(7,217,060)
Weighted average of outstanding ordinary shares	77,525,630	107,406,147
Basic and diluted loss per share	(0.20)	(0.07)

NOTE 33: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES

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

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

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

Compensations to Directors

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

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 33: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

Natural gas supplied by RGA

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

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

Power Availability Agreements

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

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

RGA posted a surety bond on GFSA's obligation of payment to its creditors under the Class I Negotiable Obligations and GFSA Syndicated Borrowing, until the date of commencement of the commercial operation at the plant.

Lease contracts with RGA for offices

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

Agreements with RGA for the provision of administrative and financial services

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

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

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

Purchase of grapes

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 33: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

a) *Transactions with related companies and affiliates*

		12.31.15	12.31.14
		\$	
		Profit / (Loss)	
Purchase of grape			
AVRC	Related company	(2,131,034)	(2,398,330)
Purchase of gas			
RGA ⁽¹⁾	Related company	(330,883,144)	(353,684,329)
Purchase of energy			
Solalban Energía S.A.	Affiliate company	(552,956)	(667,676)
Purchase of wine			
BDD	Related company	(13,150)	-
Purchase of flights			
AJSA	Related company	(1,040,808)	-
Sale of wine⁽²⁾			
RGA	Related company	-	434,719
Centennial S.A.	Related company	-	4,959
AVRC	Related company	-	17,355
Sale of energy			
RGA	Related company	17,178,470	1,693,259
Solalban Energía S.A.	Affiliate company	22,984,636	3,380,376
Sale of interests in subsidiaries			
RGA	Related company	108,750,000	-
Financial interest earned			
RGA	Related company	-	513,481
Financial interest paid			
Centennial S.A.	Related company	-	(33,702)
RGA	Related company	(11,792,427)	(860,976)
Sale of flights			
RGA	Related company	2,900,800	1,293,550
Leases and services agreements			
RGA	Related company	(6,909,331)	(6,058,173)
Reimbursement of expenses			
RGA	Related company	(22,342)	(553,500)
Collection of dividends			
Solalban Energía S.A.	Affiliate company	5,880,000	10,099,176

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

⁽²⁾ The operations of BDD and AJSA are disclosed within discontinued operations.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 33: TRANSACTIONS AND BALANCES BETWEEN RELATED PARTIES (Cont'd)

b) Remuneration of key managerial staff.

The senior management includes directors (executive and non-executive). Their remuneration at December 31, 2015 and 2014 amounted to \$ 12,358,878 and \$ 8,919,983, respectively.

	12.31.15	12.31.14
Salaries	12,358,878	8,919,983
	12,358,878	8,919,983

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

Captions	Type	12.31.15	12.31.14
			\$
NON-CURRENT ASSETS			
Other receivables			
RGA	Related company	739	-
Shareholders' private accounts	Minority interest	-	27,355,823
		739	27,355,823
CURRENT ASSETS			
Trade receivables			
Solalban Energía S.A.	Affiliate company	18,215	113,634
RGA	Related company	-	42,532,413
		18,215	42,646,047
Other receivables			
Contributions pending paying-in	Minority interest	525,000	-
Shareholders' private accounts	Minority interest	62,142,446	12,751,045
AISA	Shareholder	4,593,872	-
RGA	Related company	-	7,985
		67,261,318	12,759,030
NON-CURRENT LIABILITIES			
Other liabilities			
RGA	Related company	100,000,000	364,934,244
Dividends payable	Minority interest	-	145,000
		100,000,000	365,079,244
CURRENT LIABILITIES			
Trade payables			
BDD	Related company	10,620	-
Solalban Energía S.A.	Affiliate company	215,538	-
AJSA	Related company	3,628,753	-
RGA	Related company	109,274,854	170,207,427
		113,129,765	170,207,427
Other liabilities			
AVRC	Related company	-	5,592,822
RGA	Related company	126,041,152	110,595,942
Shareholders' private accounts	Minority interest	145,000	-
		126,186,152	116,188,764
Borrowings			
Calistey S.A.	Related company	-	16,243,207
		-	16,243,207

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 34: WORKING CAPITAL

At December 31, 2015 the Group records a negative working capital of \$ 302,647,781 (calculated as current assets less current liabilities), while at December 31, 2014 the deficit in working capital amounted to \$ 343,111,306.

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

1. To continue paying the debt held with RGA, according to the following detail:
 - i) \$ 100 million resulting from the cash flows obtained from entering the public offering system and the creation of a global program for the issue of Class II Negotiable Obligations.
 - ii) \$ 16 million approximately, corresponding to dividends expected to be received from subsidiaries such as GMSA, GROSA and Solalban Energía S.A. for the year 2015.
 - iii) \$ 9 million that the Company will obtain from the release of GMSA's optional reserve.
2. On February 11, 2016 GMSA received a bullet borrowing from BAF Latam Trade Finance Funds B.V, for an amount of USD 40 million, falling due three years as from the issuance date.
3. The start-up of the GFSA electricity generation plant, from which, based on the Group's projections, an annual income is estimated for an amount of USD 10.5 million (EBITDA), which will enable to decrease the deficit in working capital.
4. Additional income from GRISA power plant, with the start-up of the new turbine Siemens Industrial Turbomachinery AB of 50MW, which is estimated to be operating by the fourth quarter of 2016.
5. Obtaining additional cash flows due to the implementation of SE Resolution No. 22/2016, which allows increasing the operating results of the Albanesi Group companies, thus substantially increasing the working capital position.

As a result, the Group considers that the measures adopted will contribute to substantially improving liquidity and the indebtedness profile of the company.

NOTE 35: SEGMENT REPORTING

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 35: SEGMENT REPORTING (Cont'd)

The Group performs activities in three business segments, mainly organized based on the line of products:

During 2015, ASA sold to RGA its equity interests in BDD and AJSA, companies engaged in the wine and air transport segments. In this way, ASA focuses on its main business, i.e. the generation and sale of electric power, which includes the generation and sale of electricity and the development of energy projects, execution of projects, advisory, provision of services, construction management and building of any nature.

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

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

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

	Electricity	Wines	Air transportation service	Eliminations	12.31.15
Operating income	1,805,801,793	-	-	(1,686,114)	1,804,115,679
Cost of sales and services	(1,277,615,542)	-	-	1,686,114	(1,275,929,428)
Gross income	528,186,251	-	-	-	528,186,251
Selling expenses	(19,133,933)	-	-	-	(19,133,933)
Administrative expenses	(57,802,746)	-	-	1,017,164	(56,785,582)
Income from interests in associates	(1,474,760)	-	-	-	(1,474,760)
Other operating income	77,627,248	-	-	-	77,627,248
Other operating expenses	(46,427,142)	-	-	-	(46,427,142)
Operating income	480,974,918	-	-	1,017,164	481,992,082
Financial results	(485,894,404)	-	-	-	(485,894,404)
Income before tax	(4,919,486)	-	-	1,017,164	(3,902,322)
Income tax and minimum notional income tax	25,998,415	-	-	-	25,998,415
Income/Loss from continuing operations	21,078,929	-	-	1,017,164	22,096,093
Income/Loss from discontinued operations (Note 36)	-	(6,787,065)	(9,202,853)	(1,017,164)	(17,007,082)
Net income/loss for the year	21,078,929	(6,787,065)	(9,202,853)	-	5,089,011

Combined information on financial position at December 31, 2015

Assets	5,048,578,856	-	-	-	5,048,578,856
Liabilities	3,443,552,805	-	-	-	3,443,552,805
Investments in associates	243,127,929	-	-	-	243,127,929
Additions and transfers of property, plant and equipment	487,876,131	1,098,761	158,599	-	489,133,491
Depreciation of property, plant and equipment	133,467,171	459,494	2,985,598	-	136,912,263

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 35: SEGMENT REPORTING (Cont'd)

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

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

	Electricity	Wines	Air transportation service	Eliminations	12.31.14
Operating income	1,371,872,385	-	-	-	1,371,872,385
Cost of sales and services	(956,311,198)	-	-	-	(956,311,198)
Gross income	415,561,187	-	-	-	415,561,187
Selling expenses	(18,788,481)	-	-	-	(18,788,481)
Administrative expenses	(37,953,978)	-	-	1,031,036	(36,922,942)
Income from interests in associates	4,693,235	-	-	-	4,693,235
Other operating income	6,041,647	-	-	-	6,041,647
Other operating expenses	(92,330)	-	-	-	(92,330)
Operating income	369,461,280	-	-	1,031,036	370,492,316
Financial results	(460,034,175)	-	-	-	(460,034,175)
Income before tax	(90,572,895)	-	-	1,031,036	(89,541,859)
Income tax and minimum notional income tax	27,618,461	-	-	-	27,618,461
Total continuing operations	(62,954,434)	-	-	1,031,036	(61,923,398)
Discontinued operations (Note 36)	-	407,357	(6,951,787)	(1,031,036)	(7,575,466)
Total income for the year	(62,954,434)	407,357	(6,951,787)	-	(69,498,864)

Combined information on financial position at December 31, 2014

Assets	3,376,286,414	28,234,425	101,420,336	-	3,505,941,175
Liabilities	2,561,919,685	9,540,738	69,908,568	-	2,641,368,991
Investments in associates	183,358,371	-	-	-	183,358,371
Additions and transfers of property, plant and equipment	198,513,881	1,171,881	51,981,931	-	251,667,693
Depreciation of property, plant and equipment	119,699,691	759,082	3,853,116	-	124,311,889

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 36: DISCONTINUED OPERATIONS

In 2015, ASA sold its interest in BDD and AJSA to RGA. At December 31, 2014, these segments were not discontinued operations nor were they classified as held for sale; accordingly, the statement of comprehensive income in comparative format was modified, so as to disclose discontinued operations separate from continuing operations. Management has sold these segments as a result of the strategic decision of focusing especially on the generation and sale of electric power.

Sale of shares in Bodega del Desierto S.A.

On June 29, 2015, RGA accepted the Offer for the Sale of Shares made by ASA on June 26, 2015. Through this offer, the Company sold to RGA for \$ 28,000,000, 29,205,494 shares in BDD of face value \$ 1 each and entitled to one vote per share, accounting for 90% of the share capital of Bodega del Desierto S.A. The proceeds of the sale amount to \$ 17,085,140. On June 30, 2015, RGA settled its debt for the purchase of 90% of the share capital of Bodega del Desierto S.A. to ASA.

Sale of shares in Alba Jet S.A.

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

The table below summarizes the statement of comprehensive income of BDD and AJSA reflected under discontinued operations:

	12.31.15	12.31.14
Sales revenue	17,965,071	18,823,621
Cost of sales	(18,856,940)	(23,196,861)
Gross loss	(891,869)	(4,373,240)
Selling expenses	(2,835,218)	(1,297,342)
Administrative expenses	(1,673,822)	(6,136,331)
Other operating income and expenses	98,645	24,072,964
Operating (loss) income	(5,302,264)	12,266,051
Financial results, net	(5,842,822)	(20,758,786)
Loss before tax	(11,145,086)	(8,492,735)
Income tax	(5,861,996)	917,269
Loss from discontinued operations	(17,007,082)	(7,575,466)

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 36: DISCONTINUED OPERATIONS (Cont'd)

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

Statement of cash flows:

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

The cash flow generated by this transaction is detailed below:

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

NOTE 37: CONTRACT WITH GENERAL ELECTRIC COMPANY – GENERACION RIOJANA S.A.

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

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

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 38: GMSA – PRESENTATION TO CAMMESA

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

On August 26, 2015 GMSA made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution 529/14; the accumulated amount for this item by the end of December 2016 would be approximately \$ 25,000,000.

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

GMSA reports an accumulated balance for Non-Recurring Maintenance of \$ 18,781,019 at December 31, 2015.

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

NOTE 39: PENALTY IMPOSED BY CAMMESA

In January 2014, CTR received a penalty from CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) for approximately \$ 10 million, for not having available power, under the commitment assumed by the Company.

On February 27, 2014, CTR submitted to CAMMESA a note making reference to the application of penalties as stipulated in the Offer for the Commitment to Power Availability and Supply in the WEM, pursuant to Secretariat Energy Resolution 220/2007, as a result of the malfunction on January 13, 2014 of a transformer in one of the phases of the ROCATG1 machine generation system.

CTR has requested a forgiveness of those penalties, inasmuch as the incident that caused the malfunction was clearly due to a totally unexpected act of God (Section 514 of the Civil Code), the effects of which could not be avoided in spite of the efforts made to solve it.

The general norm (Section 513 of the Civil Code) is applicable in these circumstances, which releases from liability for noncompliance with obligations, when such noncompliance is caused by an act of God or force majeure event, the malfunction of the transformer in this case.

In relation to the presentation made by the Company, CAMMESA sent on May 26, 2014 to the Undersecretariat of Energy a note requesting that the service outage associated with the event described above be considered as a force majeure event or an act of God, so as not to impose the penalties stipulated in the respective Offer for the Commitment to Power Availability and Supply in the WEM, accepted by Secretariat Energy Note No. 316/2012.

The legal counsel for CTR have reported that there are sufficient legal arguments to consider that the request for a forgiveness of the penalties filed by CTR to CAMMESA will be sustained. At the date of issue of these combined financial statements at December 31, 2015, CTR has not set up any provisions for this item.

Albanesi S.A. and Central Térmica Roca S.A.

Notes to the Combined Financial Statements (Cont'd)

NOTE 40: LONG-TERM MAINTENANCE CONTRACT – GENERACIÓN MEDITERRANEA AND GENERACIÓN INDEPENDENCIA S.A.

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

As established in the contract, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In turn, GMSA and GISA entered into an equipment lease agreement whereby PWPS must make available to GMSA and GISA under EXW conditions replacement equipment (Gas Generator/Power Turbine) within 72 hours, in case of unplanned placing of equipment out of service. PWPS guarantees availability not lower than ninety-five percent (95%) to the power plants of GMSA and GISA for a contractual year. In addition, the GMSA and GISA power plants have their own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the shop in the USA.

The gas turbine equipment can be sent by plane, thus reducing the transportation time. Compliance with the energy sale agreements is thus guaranteed.

NOTE 41: MERGER THROUGH ABSORPTION

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

The purpose of the merger is to enhance and optimize, through a corporate reorganization, the performance of the economic activities and the operating, administrative and technical structures of the Participating Companies to achieve synergies and operating efficiency through only one operating unit.

Considering that the Participating Companies are electric power generating agents in the WEM and that their main line of business is the generation and sale of electric power, the Merger will be beneficial for the following reasons: a) the type of business activity of the Participating Companies, which enables integration and complementation for greater operating efficiencies; b) a simplification of the Participating Companies' corporate structure by consolidating the companies' activities in only one entity; c) the synergy of the union of the different Group companies will make the exercise of control, management and administration of the energy business more effective; d) the obtainment of a larger scale, permitting to increase the financial ability to develop new projects; e) a better allocation of existing resources; f) benefiting from a centralized administration, unifying the political and strategic decision-making processes in relation to the business, thus eliminating multiple costs (legal, accounting, administrative, financial and other costs); and g) the creation of more career opportunities for the employees of the Participating Companies. Furthermore, the above-mentioned benefits will be obtained without incurring tax costs, as they are included in Section 77 and following provisions of the Income Tax Law.

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

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

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

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 41: MERGER THROUGH ABSORPTION (Cont'd)

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

On March 18, 2016, the CNV through Resolution No. 18003 approved the merger through absorption mentioned above within the scope of Section 82 of General Companies Law No. 19550 and ordered that the case file be sent to the IGJ for registration purposes, which is pending at the date of issuance of these combined financial statements.

NOTE 42: SUBSEQUENT EVENTS

a) Banco Macro borrowing – GMSA

A borrowing agreement was entered into between GMSA and Banco Macro on January 20, 2016. The purpose of the borrowing is to apply the funds received to finance working capital. The borrowing amount was \$10,000,000.

Principal shall be amortized in 6 monthly installments and the first installment was paid on February 10, 2016, accruing interest at an annual nominal BADCOR rate, plus a margin of 2%.

b) Banco Supervielle borrowing - GMSA

A borrowing agreement was entered into between GMSA and Banco Supervielle on February 3, 2016. The purpose of the borrowing is to apply the funds received to finance working capital. The borrowing amount was \$15,000,000.

Principal shall be amortized in 12 monthly installments and the first installment was paid on March 4, 2016, accruing interest at a fixed rate of 35%.

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

On February 11, 2016, GMSA on its own and as merging company of GISA and GRISA, as a result of the merger through absorption duly reported on November 10, 2015, entered into a borrowing agreement with BAF Latam Trade Finance Funds B.V., which disbursed a line of credit for an aggregate amount of USD 40,000,000 (forty million US dollars) to be used for (i) funding the installation of a new turbine of 50MW in its Plant in the province of La Rioja, including the repayment of the balance due to Siemens Industrial Turbomachinery AB for the importation of gas turbine SGT800; (ii) partial payment of the balance of USD 20,132,695 (twenty million one hundred and thirty-two thousand six hundred and ninety five US dollars) under the borrowing agreement entered into on May 4, 2011 between GISA (debtor), UBS Securities LLC (lender) and UBS AG Stamford Branch (administrative agent).

Interest will be paid on a quarterly basis since May 15, 2016. Principal will be fully repaid upon maturity on February 15, 2019. It accrues interest at an annual fixed rate of 10%.

In addition, the borrowing agreement establishes certain guidelines relating to compliance with covenants involving financial ratios (leverage, minimum equity and EBITDA on interest expenses) to be submitted on a quarterly basis.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 42: SUBSEQUENT EVENTS (Cont'd)

d) Banco Chubut borrowing – GMSA

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

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

e) Banco CMF S.A. borrowing - GMSA

On May 3, 2016, GMSA took out a new borrowing from Banco CMF S.A. for a total of \$ 30,000,000, to be repaid in 1 installment. It will be paid on May 23, 2016 and accrue interest at a fixed rate of 45% on the daily debit balance.

f) Borrowing from Nuevo Banco de La Rioja - GMSA

On April 11, 2016, GMSA borrowed \$ 10,000,000 from Banco de La Rioja S.A. Principal will be repaid in 36 monthly instalments, with BADLAR rate plus 6 with a minimum of 35%.

g) Syndicated borrowing - Waiver - GMSA

As mentioned in Note 19 A.1, the syndicated borrowing includes certain guidelines relating to the fulfillment of covenants connected with financial ratios. At the date of these combined financial statements at December 31, 2015, GMSA, due to the merger through absorption mentioned in Note 41, was not been able to comply with the commitments assumed. As a result, GMSA obtained from Industrial and Commercial Bank of China (ICBC), as lead arranger, lender and administrative agent, a waiver of compliance with certain commitments assumed by GMSA. Specifically, it requested a waiver of compliance of the Leverage ratio under clause 8.21 of the borrowing agreement until June 30, 2016.

h) Banco Chubut borrowing – CTR

A borrowing agreement was entered into between CTR and Banco Chubut on March 9, 2016. The borrowing amount was \$15,000,000.

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

i) Issuance of Class II Negotiable Obligations - GFSA

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

On March 8, 2016 GFSA issued Class II Negotiable Obligations for a nominal value of \$ 130 million, with a Private Banks BADLAR floating rate plus a margin of 6.5%. The due date of these ON is March 8, 2018.

Albanesi S.A. and Central Térmica Roca S.A.
Notes to the Combined Financial Statements (Cont'd)

NOTE 42: SUBSEQUENT EVENTS (Cont'd)

j) Capital increase in ASA

On March 22, 2016 the extraordinary shareholders' meeting of ASA decided to approve the capitalization of credits in favor of the shareholders for \$ 58,000,000; as a result, the share capital of ASA is now \$ 62,455,160.

k) Shareholders' Meeting of ASA

The general shareholders' meeting held on April 20, 2016 approved, among other items, the following:

- Allocation of \$ 1,942,908 to the Legal Reserve
- Distribution of dividends to shareholders in proportion to their shares in the amount of \$ 41,194,827.

l) General Ordinary Meeting of GMSA

The general shareholders' meeting held on April 20, 2016 approved, among other items, the following:

- Allocation of \$ 2,072,397 to the Legal Reserve.
- Allocation of \$ 31,414,777 to the Optional Reserve
- Distribution of dividends to shareholders in proportion to their shares in the amount of \$ 21,000,000, which had already been approved by Minutes of Directors' Meeting dated September 7, 2015

m) Agreement with Siemens Industrial Turbomachinery

On March 28, 2016 GMSA entered into an agreement with Siemens Industrial Turbomachinery AB to increase by 100 MW the current capacity of 250 MW of the Plant by installing two Siemens SGT-800 turbines of nominal power 50 MW each. This agreement falls within the scope of SE Resolution 220/07. The work requires an investment higher than USD 73 million and operations are expected to begin in the first quarter of 2017. At the date of these combined financial statements, GMSA made an advance payment to Siemens Industrial Turbomachinery AB of USD 2.2 million for the purchase of the turbine and is making progress with the investment process.

n) SE Resolution No. 22/16

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

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

o) Borrowing from Credit Suisse AG London Branch - GMSA

On June 1, 2016, GMSA entered into a Credit Agreement with Credit Suisse AG London Branch for up to sixty million US dollars (USD 60,000,000). On June 2, 2016 the first disbursement under the credit agreement was received for twenty million US dollars (USD 20,000,000).

Albanesi Group
Notes to the Combined Financial Statements (Cont'd)

NOTE 42: SUBSEQUENT EVENTS (Cont'd)

p) Shareholders' Meeting of GMSA, GFSA and CTR – Co-issuance of Negotiable Obligations

On May 23, 2016, the extraordinary shareholders' Meetings of GMSA and GFSA, and on May 30, 2016, the extraordinary shareholders' meeting of CTR approved the co-issuance of Negotiable Obligations (non-convertible into shares) secured by third parties, under the framework of the Negotiable Obligations Law and in accordance with CNV regulations for a total nominal value outstanding of up to USD 300,000,000.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders, President and Directors of
Albanesi S.A and Central Térmica Roca S.A.
Legal address: Leandro N. Alem 855, 14th floor
City of Buenos Aires

Report on the combined financial statements

We have audited the combined financial statements of Albanesi S.A and Central Térmica Roca S.A. (together, the "Group") (comprised by the companies described in Note 3.1), which consist of the combined statement of financial position as of December 31, 2015 and 2014, the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flow for the years then ended, as well as a summary of the most significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

A large, stylized handwritten signature in blue ink, consisting of a large loop followed by a sharp downward stroke.

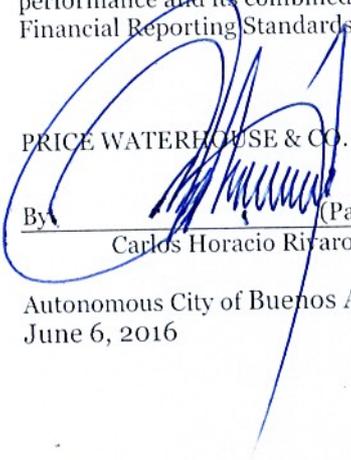
Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar



Opinion

In our opinion the combined financial statements present fairly, in all material respects, the combined financial position of the Group as of December 31, 2015 and 2014 and its combined financial performance and its combined cash flows for the year then ended in accordance with International Financial Reporting Standards.

PRICE WATERHOUSE & CO. S.R.L.

By  (Partner)
Carlos Horacio Rivarola

Autonomous City of Buenos Aires, Argentina
June 6, 2016