



# Grupo Albanesi



3Q16 Results Review - December 2, 2016



# Disclaimer

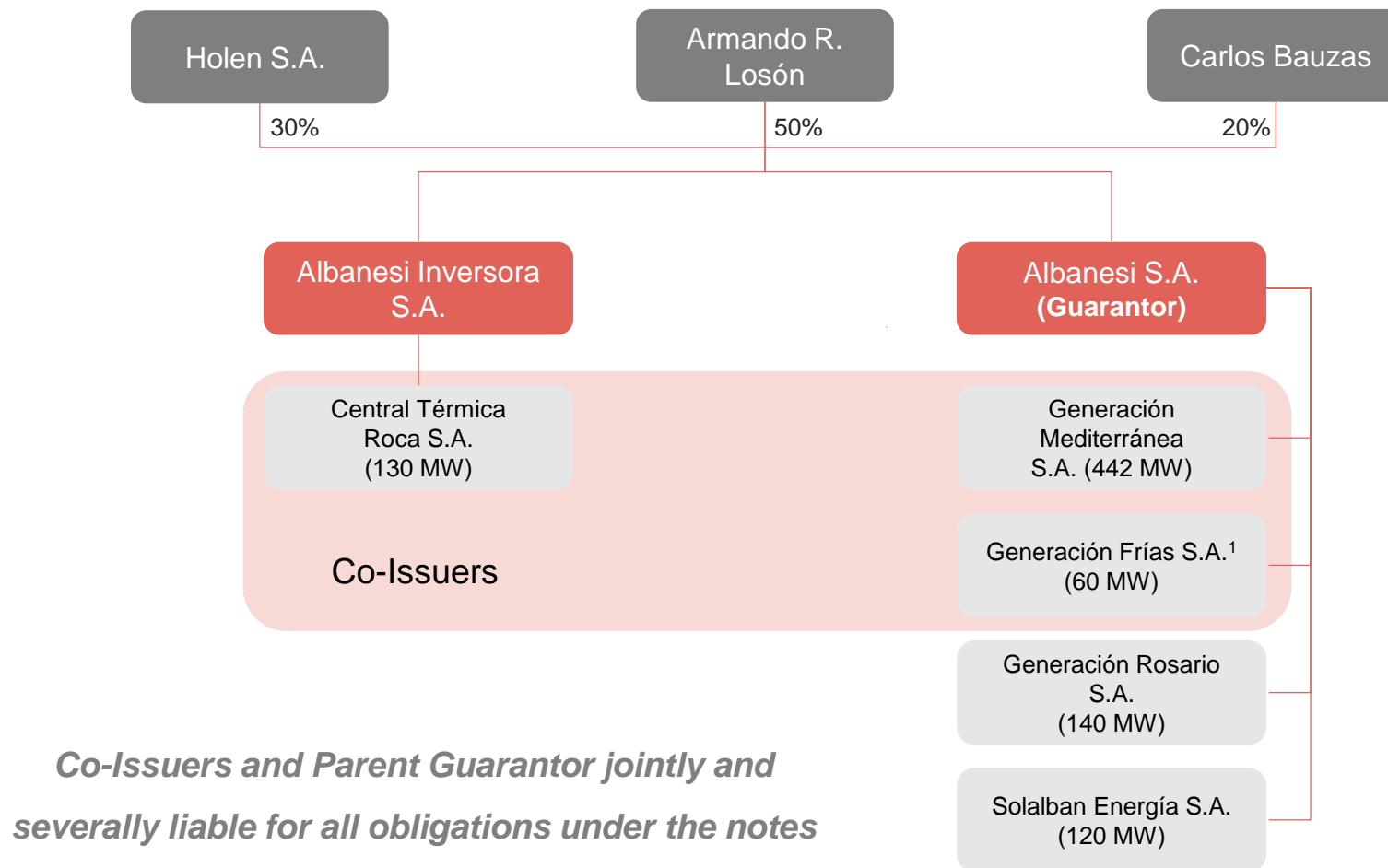
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# Co-Issuers Structure



<sup>1</sup> Generación Frías S.A. to be absorbed by Generación Mediterránea S.A. in 2017.

<sup>2</sup> Solalban Energía S.A. is not subject to credit analysis as we have a minority stake.

# 3Q16 Highlights

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- US\$ 68.7 million LTM EBITDA → Revenue base denominated mostly in long term USD contracts, continuing to maintain stability and predictability
- Merger process between Generación Mediterránea S.A. and Generación Frías S.A. progressing as expected. Generación Frías S.A. to be absorbed by Generación Mediterránea S.A. by January 1st, 2017.
- Power Plants (PPs) expansions progressing as scheduled.
  - Riojana Power Plant expected to start operations December 2016.
  - Mediterránea Turbines (2) arrived on site and Siemens personal are working on site.
- Significant improvement with CAMMESA receivable payments schedule enhancing our operational efficiency.



# Company Overview

Grupo Albanesi – An Argentinean Business Group

Photo: Generación Frías Power Plant

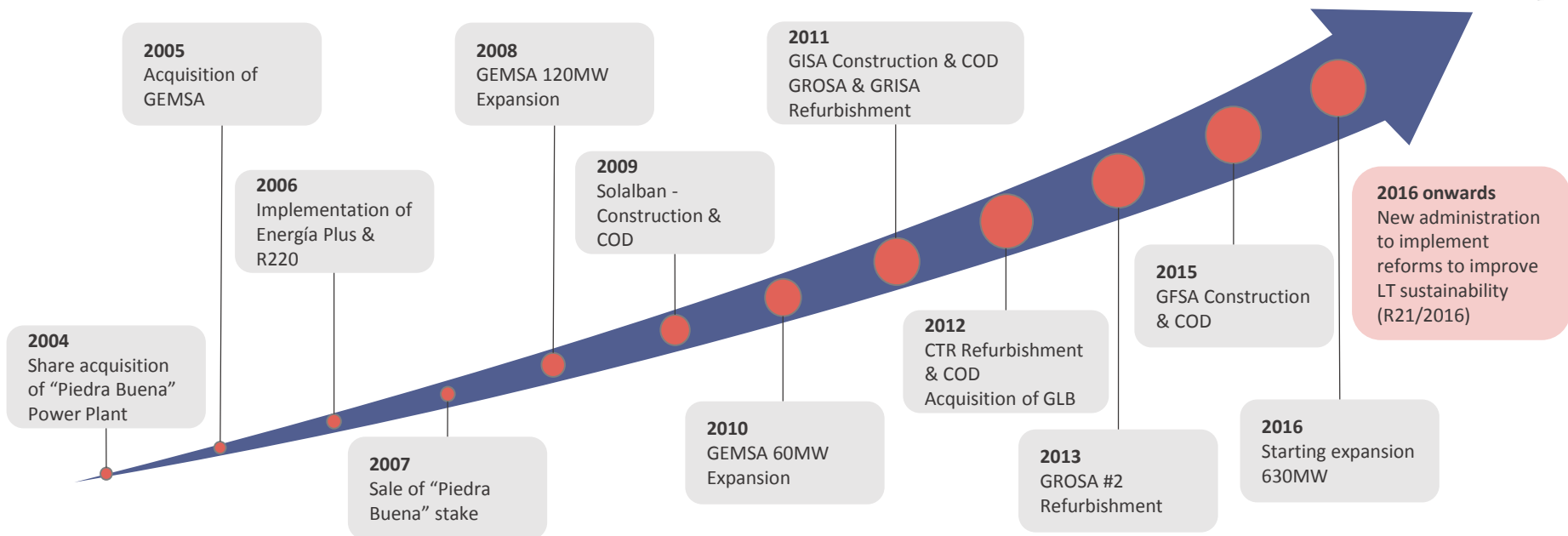
# Albanesi at a Glance



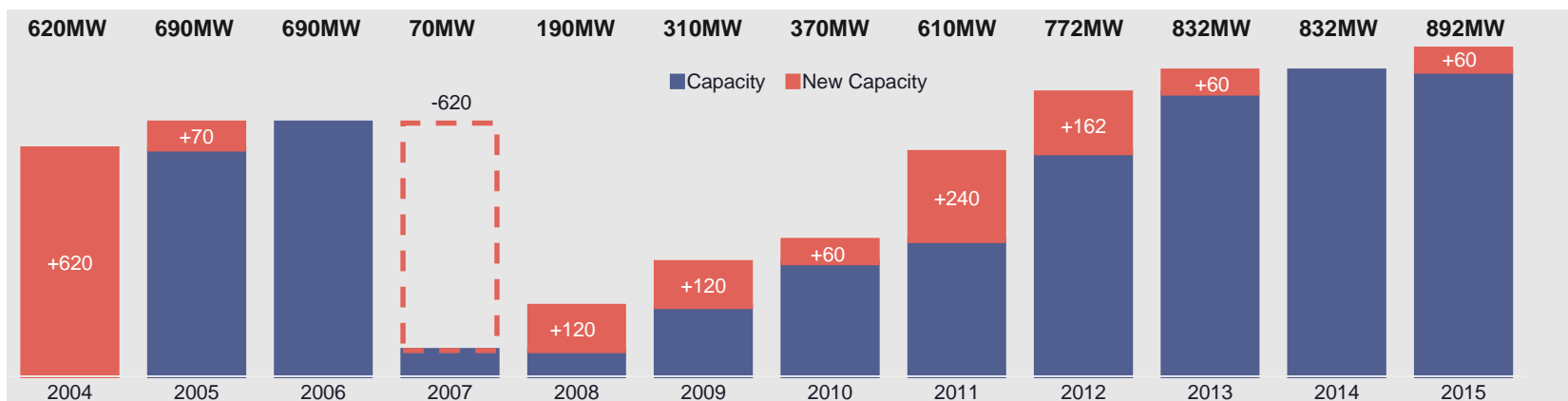
- **Leading Argentine electricity generator** → **892MW<sup>1</sup>** installed capacity
- **Natural hedge against FX devaluation** → **89%** Contracts denominated in **USD**
- **Predictable and stable USD cash flow generation** → **Long term** PPA contracts
- **Diversified and strategic generation platform** → **8 thermoelectric plants** distributed across the country
- **Proven track record in development & operation** → **+USD 500MM** investments and **610MW** of installed capacity that were **developed and constructed** by the company
- **Highly experienced management team** → **+10 years** in the power generation business
- **Attractive growth opportunities** → **460MW** of capacity expansion in the next two years

<sup>1</sup> Including Solaban power plant, which Albanesi owns 42%.

# Power Generation Capacity Over Time

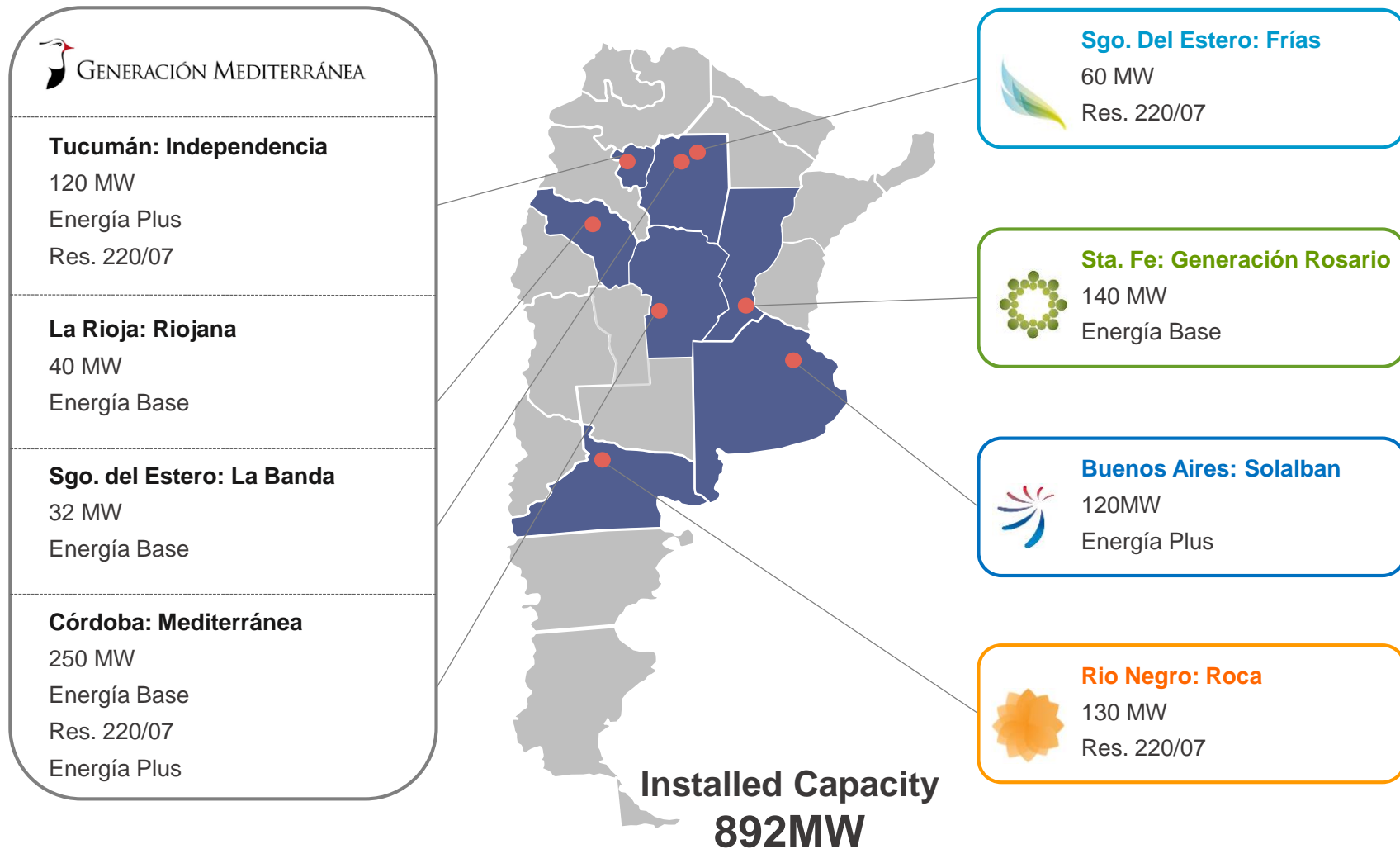


## Additions to installed capacity over time





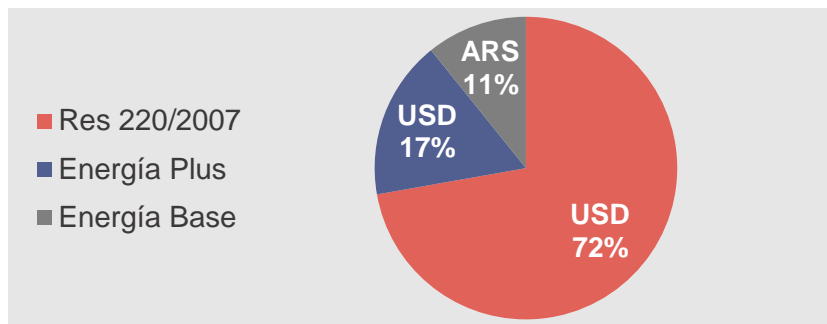
# Operating Power Plants: Capacity & PPAs





# Regulatory Frameworks

## Adjusted EBITDA by regulatory framework – 3Q16 LTM



## Albanesi's EBITDA is generated from:

- USD contracts (89%) → natural hedge for currency depreciation.
- Take-or-pay schemes (83%) → ensuring cash flow stability.
- Long-Term contracts (72%) → improving cash flow predictability.

Regulatory Framework	Sale Scheme	Currency	Weighted Average Price (USD/MWh)	Cost recognition	Life of contracts
Res 21/2016 (CAMMESA)	PPAs under take-or-pay	USD (Settled in ARS)	Capacity Price: 29.7	O&M Price + Pass-Trough provisions for cost of fuel	10 years since start of commercial operation
Res 220/2007 (CAMMESA)			Capacity Price: 21.5		
Res 1281/2006 Energía Plus (private off-takers)	PPAs	USD (settled in ARS)	Monomic price <sup>1</sup> : 71.98	N/A	1 or 2 years (renewable)
Res 22/2016 Energía Base (CAMMESA)	Take-or-pay	ARS	Capacity Price: 7.6	O&M Price + Pass-Trough fuel cost	N/A

<sup>1</sup>Price that covers both the generation capacity and the electricity supplied (fixed costs + variable costs).



# Financial and Performance Review

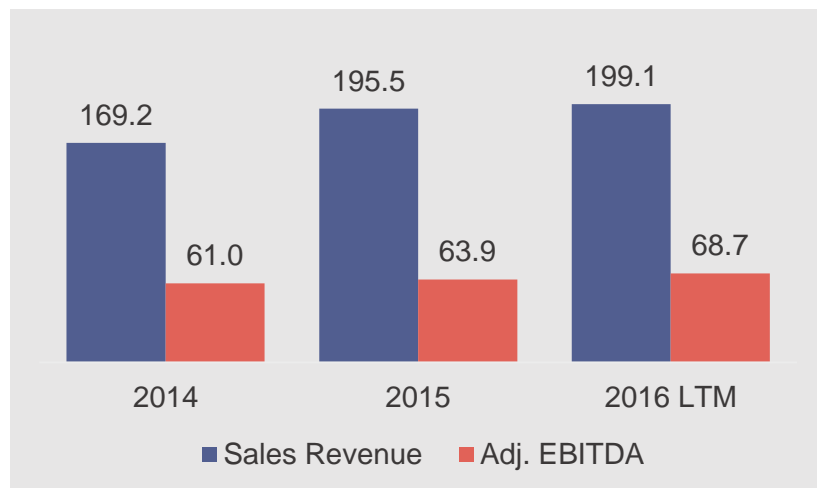
Grupo Albanesi – An Argentinean Business Group

Photo: Solalban Power Plant

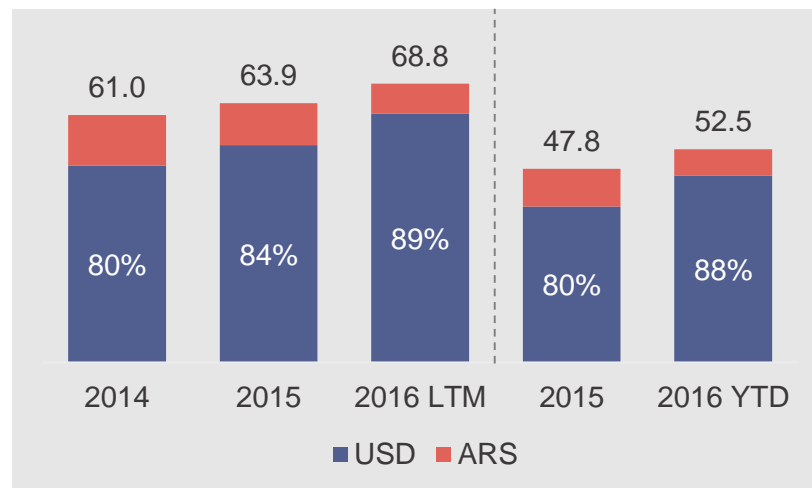
# Revenue and EBITDA



3Q16 Sales revenue and Adjusted EBITDA (USD millions)



3Q16 Adj. EBITDA with currency breakdown (USD millions)



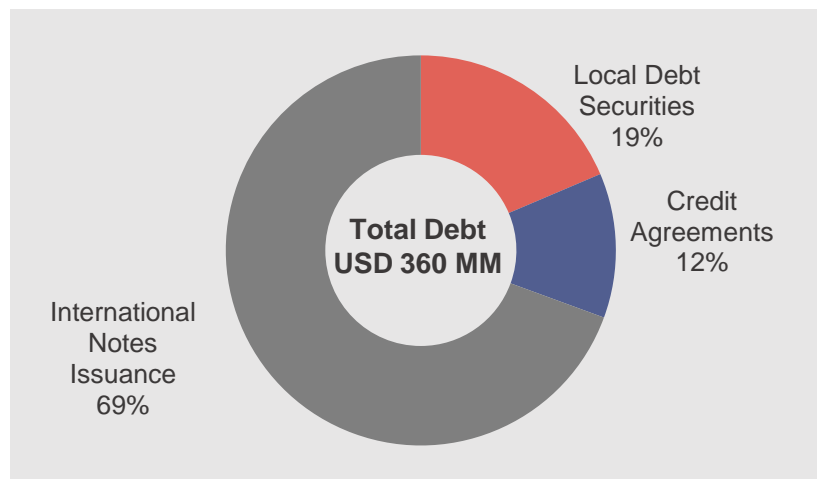
- Adj. EBITDA continues to remain stable reinforcing PPAs characteristics of capacity availability remuneration .
- +9.83% growth 2015 YTD vs 2016 YTD explained by Generación Frías
- 89% of the LTM Adj. EBITDA continues to come from USD contracts and 72% from long term contracts ensuring cash flow predictability/stability and limiting exposure to adverse short term price fluctuations.
- Projects under construction are all based on contractual schemes with long term dollar based PPAs which will have a positive impact on our USD Adj. EBITDA share and PPAs average life.



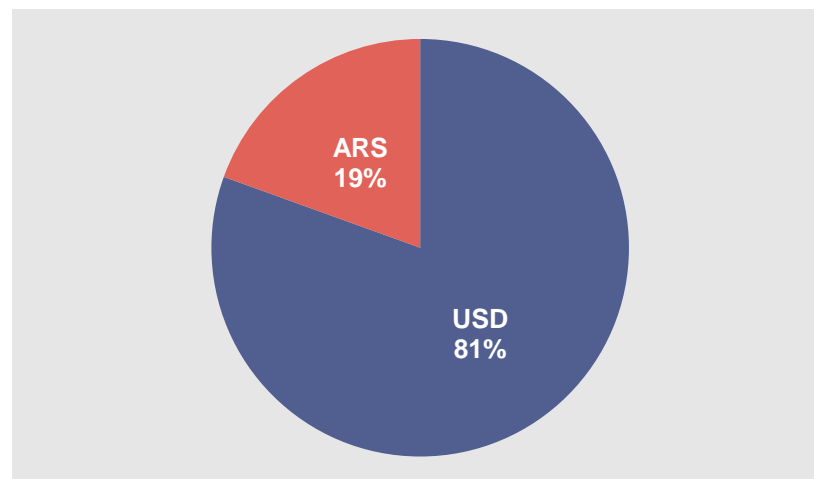
# Debt Structure



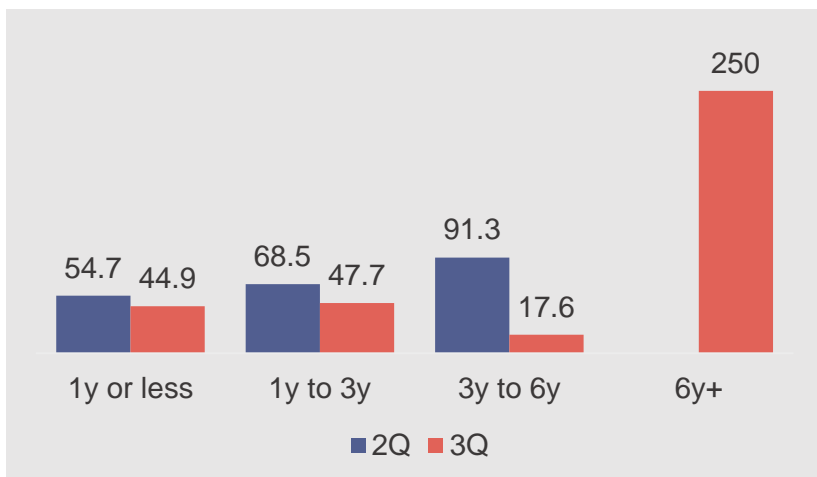
Debt Breakdown by Type – as of 30<sup>th</sup> September 2016



Debt Breakdown by Currency – as of 30<sup>th</sup> September 2016



Debt Breakdown by Tenor – as of 30<sup>th</sup> September 2016

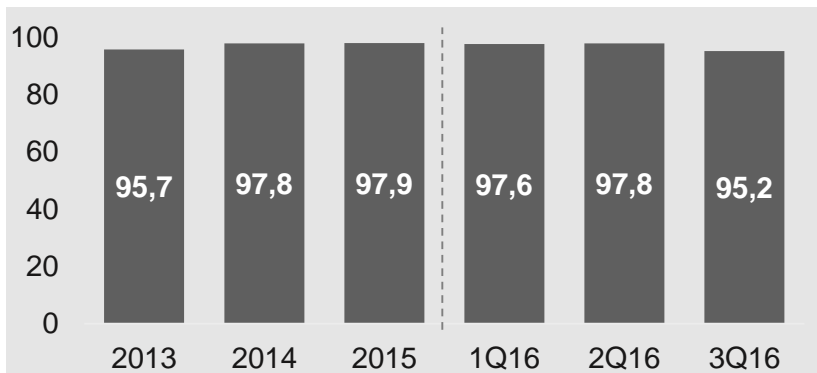


- Total debt as of 3Q16: **USD 360 million.**
- Mostly **USD denominated**
- 3Q profile with greater **long term** exposure
- ~90% of debt on an **unsecured basis**
- Improvement of **Average Life of Debt**

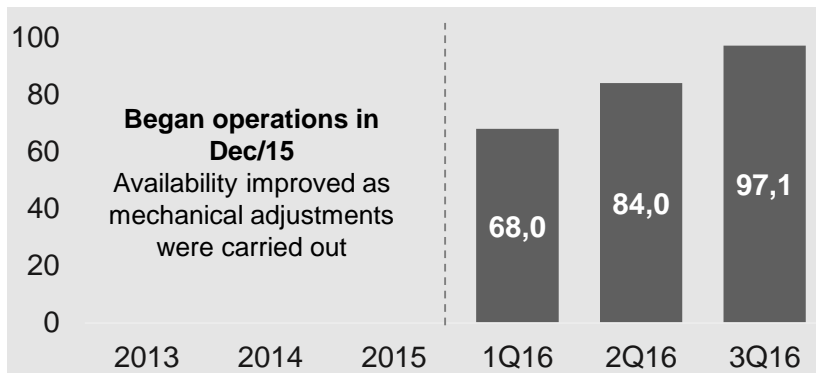
# Main Turbines Availability

**Main Power Plants have a LT Service Agreements with turbine suppliers enabling high and stable availability, which is reflected in our EBITDA**

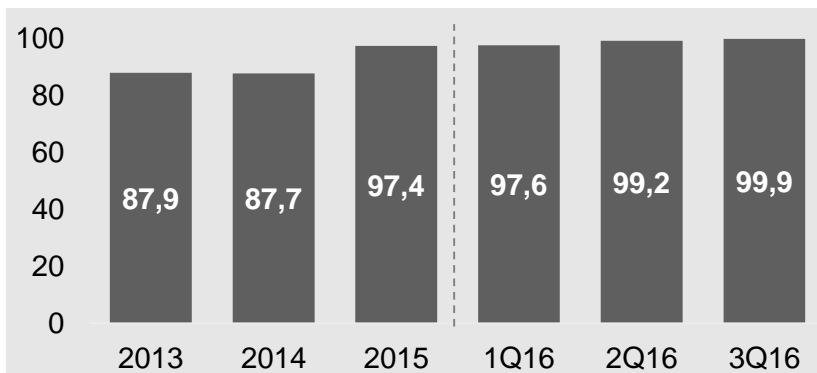
**Mediterránea - Availability Factor<sup>1</sup>**



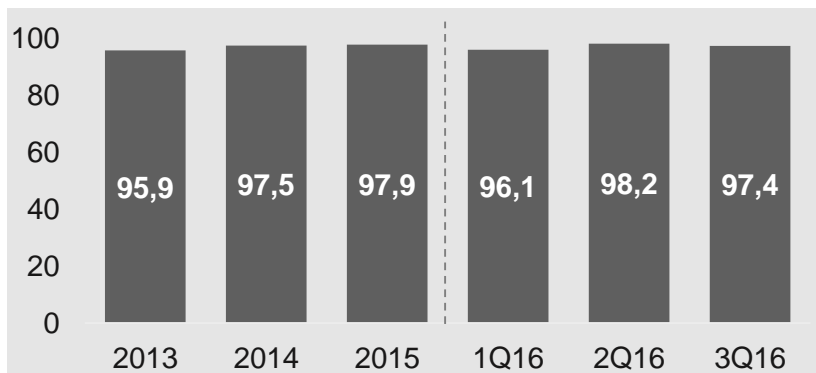
**Frías - Availability Factor**



**Roca - Availability Factor<sup>2</sup>**



**Independencia - Availability Factor**



<sup>1</sup> Open cycle turbines (SE Res 220/2007 and Energía Plus).

<sup>2</sup> 2013: Lower availability than average due to the necessary stoppage to complete improvements related to the conversion to the dual-fuel system.

2014: Lower availability than average due to a maintenance stoppage.



# New Projects/Expansions

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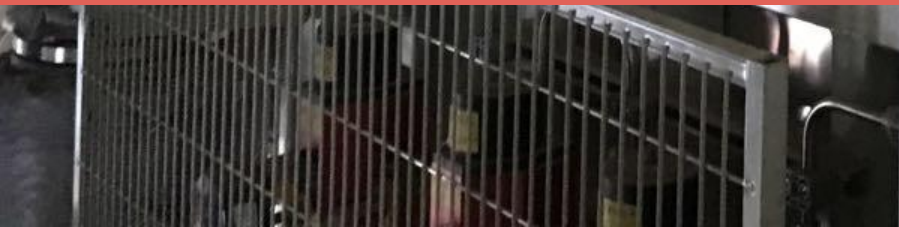


Photo: SIEMENS SGT – 800 Turbine at Riojana PP



# 460MW of New Capacity for the next 2yrs

**Independencia**  
Expansion 100MW

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**Riojana**  
Expansion 50MW

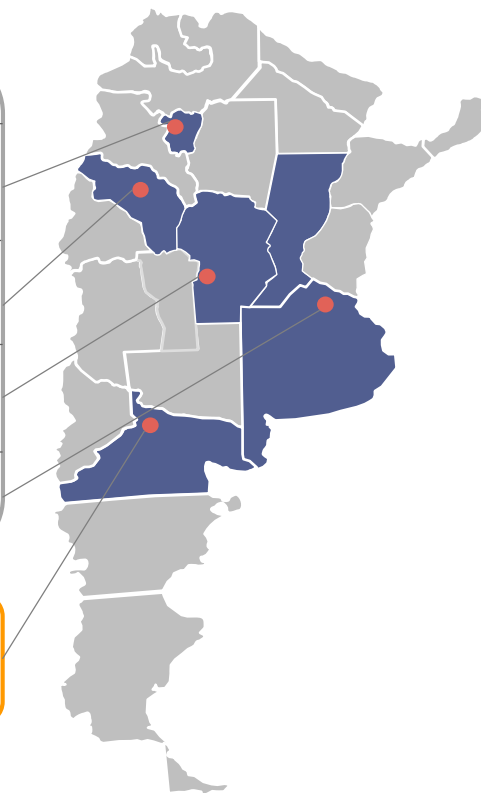
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**Mediterránea**  
Expansion 100MW

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**Ezeiza**  
New PP 150MW

**Roca**  
Combined Cycle 60MW



**New Capacity  
460MW**

Project	New Capacity (MW)	Expected start of operations	Financial Status
<b>Resolution 220/2007</b>			Fully Funded
Riojana	50	4Q16	
Mediterránea	100	2Q17	
Roca	60	1Q18	
<b>Total</b>	<b>210</b>		
<b>Resolution 21/2016</b>			Operative CF  Other financing
Ezeiza (phase #1)	100	2H17	
Independencia (phase #1)	50	2H17	
Ezeiza (phase #2)	50	1H18	
Independencia (phase #2)	50	1H18	
<b>Total</b>	<b>250</b>		

# Riojana PP – SIEMENS SGT-800



- **Expected start of operations:** December 2016
- **Scope of work:** 50 MW
- **Construction has been finalized** and Startup tests are being conducted in order for the Power Plant to be in commercial operations in December.
- No material deviation on CAPEX budget.



11/01/16 – Riojana Power Plant



11/01/16 – Turbine installed on site



11/08/16 – Turbine installed on site

# Mediterránea PP – SIEMENS SGT-800



- **Expected start of operations:** 2Q17
- **Scope of work:** 100 MW expansion
- **Turbines on Site** – Siemens personal working on plant reviewing equipment delivered.
- Engineering being finalized for the **Natural Gas System** construction
- **Civil Works** on turbine bases progressing as scheduled.
- **Power Transformers** manufacturer currently testing the 75 MVA.



Power Plant aerial view – Before expansion



10/31/16 – Turbines arriving on site



# Roca PP – General Electric Triveni



- **Expected start of operations:** 1Q18
- **Scope of work:** Combined Cycle Conversion – 60 MW of additional capacity.
- **Turbines arriving on site 2Q17**
- The **HRSG** mounting is progressing as scheduled and in line with the turbines start up timetable.
- **Power Transformers** suppliers have been contracted.
- Installation of **Advanced Gas Path** has improved existing turbine performance.
- **Control system upgrade**, from Mark V to Mark VI needed for the operation of the combined cycle.



**Power Plant aerial view – Before expansion**



**16/11/16 – HRSG Chimney**

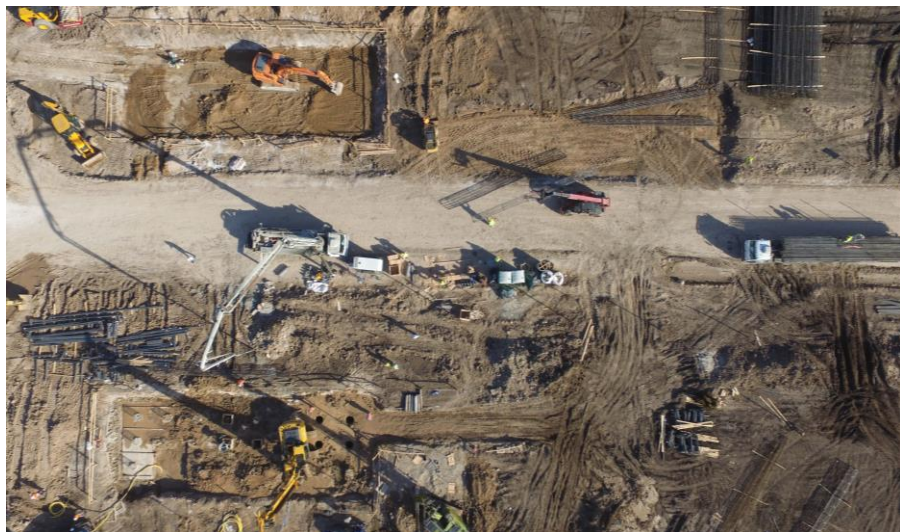


**16/11/16 – Mounting on Power Plant**

# Ezeiza PP – SIEMENS SGT-800



- Expected start of operations **Stg#1**: 2H17 (100 MW)
- Expected start of operations **Stg#2**: 1H18 (50 MW)
- **Scope of work**: 150 MW expansion
- **Stg#1**: Turbines on site 1Q17, already shipped from Sweden.
- **Stg#2**: Turbine on site expected for 2Q17
- Contract agreement for the **assembly and commissioning** of turbine with **Siemens ARS** signed.
- **Contractor** which will be in charge of the construction of the three turbine bases, auxiliary basis, and three fuel tanks has already been **selected**. Works have already started
- **Water and Gasoil Systems** provider has been contracted.



11/04/16 – Aerial Construction View



11/04/16 – Pile Driving for Turbine Base



# Independencia PP – SIEMENS SGT800



- Expected start of operations **Stg#1**: 2H17 (50 MW)
- Expected start of operations **Stg#2**: 1H18 (50 MW)
- **Scope of work**: 100 MW expansion
- **Stg#1**: Turbine on site 1Q17, already shipped from Sweden.
- **Stg#2**: Turbine on site expected for 2Q17
- Contract agreement for the **assembly and commissioning** of turbine with **Siemens ARS** signed.
- Grupo Albanesi is analyzing different providers quotes for **Water and Gasoil systems**.
- The company in charge of the **construction for the turbines bases** have began **installing** poles for the foundations and the **excavation** for the main base.



10/20/16 – Pile Driving for Auxiliary bases



14/11/16 – Stg#1 Turbine loaded on cargo ship in Sweden





# Appendix

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Photo: Independencia Power Plant



## SE Resolution 21/2016

- Provides incentives for the installation of new generation capacity by offering USD denominated rates for electricity that is ready to satisfy the demand for the summer season (December 2016 through March 2017), the winter season (June 2017 through September 2017) or the summer of 2017/2018.
- This electric power availability and the electricity produced will be sold to CAMMESA pursuant to PPAs denominated in USD with the price agreed via public bidding.

## SE Resolution 220/2007

- Designed by the Argentine government to promote investments in the electricity generation sector by providing favorable economic conditions for the installation of new generation capacity.
- Generation capacity and electricity sold to CAMMESA under long term PPAs denominated in USD.
- Compensation is composed with the below:
  - Fixed USD price for MW per hour for our capacity availability under a “take or pay” scheme.
  - Variable price to cover operation and maintenance costs based on energy dispatched upon CAMMESA’s request and type of fuel used.
  - Cost of fuel which we pass through to CAMMESA.



## SE Resolution 1281/2006 - Energía Plus

- Customers with consumption greater than 300 kW must satisfy their electricity demand in excess of the amount they consumed in 2005. This has to be done through the purchase of electricity from power plants' generation capacity installed during or after September 2006.
- PPAs under this regulatory framework are denominated in U.S. dollars and have an average term of one to two years.
- These PPAs do not contemplate a “take or pay” scheme, and therefore, although the pricing has been relatively higher than dispatch prices under SE Resolution 220/2007 and Energía Base, they provide less stable Adjusted EBITDA relative to sales.

## SE Resolution 95/2013 and subsequent modifications - Energía Base

- Generation capacity and electricity (installed prior to 2006) sold to CAMMESA under “take or pay” denominated in Argentine pesos.
- Compensation is composed with the below:
  - Capacity price that (since 2013) has been annually adjusted.
  - Variable prices to cover operation and maintenance costs based on energy dispatched upon CAMMESA's request and type of fuel used which are annually adjusted.





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# Thank you!

Grupo Albanesi – An Argentinean Business Group