

**Compañía de Transporte de Energía  
Eléctrica en Alta Tensión Transener S.A.**

**Unaudited Condensed Interim Consolidated Financial Statements as of September 30,  
2015 and for the three-month and nine-month periods ended September 30, 2015 and  
2014**



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## Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

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## Report of Independent Auditors

To the shareholders, President and Directors of  
Compañía de Transporte de Energía Eléctrica en  
Alta Tensión Transener S.A.  
City of Buenos Aires

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. and its subsidiaries ("Transener S.A.") including the condensed consolidated statement of financial position at September 30, 2015, the condensed consolidated statements of comprehensive income for the nine and three month periods ended September 30, 2015, and the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the nine-month period then ended, as well as the selected explanatory notes.

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

### Management's responsibilities

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

### Scope of our review

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



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### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements mentioned in paragraph 1 of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

### **Emphasis paragraph**

We would like to emphasize the situation described in Note 2, which details the negotiations between the Company and Transba S.A. with pertinent authorities to restore their tariff schedules and impact on the economic-financial situation of both companies. The Company has prepared these condensed interim consolidated financial statements using accounting principles that are applicable to a going concern. Therefore, the condensed interim consolidated financial statements do not include the effects of potential adjustments or reclassifications, if any, that might be required if the situations described in the above-mentioned note are not solved in favor of continuing the operations of the Company and its subsidiary, and the Company were obliged to sell its assets and settle its liabilities, including contingent liabilities, in conditions other than the normal course of business. Our conclusion does not include any qualifications in relation to the above.

### **Report about the compliance with current regulations**

- a) the condensed interim consolidated financial statements of Transener S.A. are pending transcription into the "Inventory and Balance Sheet" book and, except for the matters mentioned above, comply with the provisions of the Commercial Companies Law and pertinent regulations of the National Securities Commission, as regards matters within our field of competence;
- b) the condensed interim separate financial statements of Transener S.A. arise from accounting records kept in all formal respects in conformity with legal regulations, except for the transcription of the "Inventory and Balance Sheet" book, which to date has not yet been transcribed,
- c) we have read the summary of activity and, as regards those matters that are within our field of competence, we have no observations to make;
- d) at September 30, 2015 the debt accrued by Transener S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$11.251.275, none of which was claimable at that date.

PRICE WATERHOUSE & CO. S.R.L.

by  (Partner)  
Norberto Montero

City of Buenos Aires, Argentina  
November 5, 2015

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**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.**  
**Unaudited Condensed Interim Consolidated Statements of Operations**  
**for the three-month and nine-month periods ended September 30, 2015 and 2014**  
(In Argentine Pesos, except as otherwise indicated)

Consolidated income statement	Note	Three-month period ended		Nine-month period ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net Revenues	7	468,159,392	355,430,395	1,292,096,831	979,149,700
Operating expenses	8	(330,584,666)	(262,230,238)	(898,115,830)	(714,355,768)
<b>Gross income</b>		<u>137,574,726</u>	<u>93,200,157</u>	<u>393,981,001</u>	<u>264,793,932</u>
Administrative expenses	8	(59,878,651)	(49,739,346)	(167,378,179)	(128,296,315)
Other expenses net		<u>(4,759,292)</u>	<u>(710,974)</u>	<u>(17,604,708)</u>	<u>(21,839,670)</u>
<b>Operating income</b>		<u>72,936,783</u>	<u>42,749,837</u>	<u>208,998,114</u>	<u>114,657,947</u>
Finance income	9	54,133,221	106,596,978	235,229,478	330,693,595
Finance costs	9	(30,382,950)	(33,335,143)	(89,139,848)	(88,647,050)
Other financial results	9	(41,931,622)	(42,275,943)	(110,231,196)	(260,977,682)
<b>Income before taxes</b>		<u>54,755,432</u>	<u>73,735,729</u>	<u>244,856,548</u>	<u>95,726,810</u>
Income tax expense	10	(19,625,231)	(27,022,458)	(86,682,284)	(50,794,509)
<b>Income for the period</b>		<u>35,130,201</u>	<u>46,713,271</u>	<u>158,174,264</u>	<u>44,932,301</u>
Income attributable to :					
Owners of the parent		33,119,838	44,682,968	150,648,754	40,670,199
Non-controlling interests		<u>2,010,363</u>	<u>2,030,303</u>	<u>7,525,510</u>	<u>4,262,102</u>
Total for the period		<u>35,130,201</u>	<u>46,713,271</u>	<u>158,174,264</u>	<u>44,932,301</u>
<b>Other consolidated comprehensive income</b>					
Income for the period		35,130,201	46,713,271	158,174,264	44,932,301
Other comprehensive results		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income for the period</b>		<u>35,130,201</u>	<u>46,713,271</u>	<u>158,174,264</u>	<u>44,932,301</u>
<b>Attributable to :</b>					
Owners of the parent		33,119,838	44,682,968	150,648,754	40,670,199
Non-controlling interests		<u>2,010,363</u>	<u>2,030,303</u>	<u>7,525,510</u>	<u>4,262,102</u>
Total for the period		<u>35,130,201</u>	<u>46,713,271</u>	<u>158,174,264</u>	<u>44,932,301</u>
<b>Income per share attributable to the equity holders of the Company:</b>					
Total for the period	22	0.07	0.10	0.34	0.09

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

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**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.**  
**Unaudited Condensed Interim Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014**  
(In Argentine Pesos, except as otherwise indicated)

	Note	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	1,656,159,918	1,589,000,341
Other receivables	12	17,552,955	16,270,225
<b>Total Non-current assets</b>		<u>1,673,712,873</u>	<u>1,605,270,566</u>
<b>Current Assets</b>			
Trade accounts receivables	13	356,442,512	471,289,606
Other receivables	12	59,833,778	48,139,013
Cash and cash equivalents	14	586,265,067	329,676,393
<b>Total Current assets</b>		<u>1,002,541,357</u>	<u>849,105,012</u>
<b>Total Assets</b>		<u>2,676,254,230</u>	<u>2,454,375,578</u>
<b>Equity and liabilities</b>			
Capital and reserves attributable to owners of the parent		769,543,694	618,894,940
<b>Equity attributable to owners of the parent</b>		<u>769,543,694</u>	<u>618,894,940</u>
Non-controlling interests		43,344,158	35,818,648
<b>Total equity</b>		<u>812,887,852</u>	<u>654,713,588</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Debt and other indebtedness	15	1,035,727,604	955,667,363
Deferred tax payable	10	40,006,654	68,350,861
Employee benefits payable	16	179,617,639	147,353,395
Trade accounts payable	17	3,393,077	3,732,488
<b>Total Non-current liabilities</b>		<u>1,258,744,974</u>	<u>1,175,104,107</u>
<b>Current liabilities</b>			
Provisions	25	52,817,966	26,090,476
Other liabilities		778,781	778,781
Debt and other indebtedness	15	165,955,725	147,212,304
Taxes payable		112,288,706	88,048,947
Payroll and social securities taxes payable		129,945,663	161,675,961
Trade accounts payable	17	142,834,563	200,751,414
<b>Total Current liabilities</b>		<u>604,621,404</u>	<u>624,557,883</u>
<b>Total Liabilities</b>		<u>1,863,366,378</u>	<u>1,799,661,990</u>
<b>Total Equity and liabilities</b>		<u>2,676,254,230</u>	<u>2,454,375,578</u>

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



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**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.**

**Unaudited Condensed Interim Consolidated Statements of Changes in Equity for the nine-month periods ended September 30, 2015 and 2014**  
(In Argentine Pesos, except as otherwise indicated)

	Attributable to owners of the parent							Total equity
	Common Stock	Inflation adjustment on common stock	Share premium	Legal reserve	Retained earnings	Subtotal	Non-controlling interests	
<b>Balance as of December 31, 2013</b>	444,673,795	352,996,229	31,978,847	42,628,456	(390,493,879)	481,783,448	27,894,989	509,678,437
Comprehensive income for the nine-month period	0	0	0	0	40,670,199	40,670,199	4,262,102	44,932,301
<b>Balance as of September 30, 2014</b>	444,673,795	352,996,229	31,978,847	42,628,456	(349,823,680)	522,453,647	32,157,091	554,610,738
Comprehensive income for the three-month complementary period	0	0	0	0	104,529,140	104,529,140	4,012,731	108,541,871
Other comprehensive loss for the three-month period	0	0	0	0	(8,087,847)	(8,087,847)	(351,174)	(8,439,021)
<b>Balance as of December 31, 2014</b>	444,673,795	352,996,229	31,978,847	42,628,456	(253,382,387)	618,894,940	35,818,648	654,713,588
Comprehensive income for the nine-month period	0	0	0	0	150,648,754	150,648,754	7,525,510	158,174,264
<b>Balance as of September 30, 2015</b>	444,673,795	352,996,229	31,978,847	42,628,456	(102,733,633)	769,543,694	43,344,158	812,887,852

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**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.**  
**Unaudited Condensed Interim Consolidated Statements of Cash Flows for the nine-month periods ended**  
**September 30, 2015 and 2014**  
(In Argentine Pesos, except as otherwise indicated)

	Note	Nine-month period ended	
		<u>30.09.2015</u>	<u>30.09.2014</u>
<b>Cash flows from operating activities:</b>			
Income for the year		158,174,264	44,932,301
Adjustments:			
Depreciation of property, plant and equipment	11	67,342,352	64,632,545
Instrumental Agreement	2	(962,609,446)	(774,396,376)
Employee benefits plan	16	51,964,035	30,524,679
Income tax expense accrued during the year	10	86,682,284	50,794,509
Foreign exchange and other financial results		197,737,538	353,239,543
Retirements of property, plant and equipment	11	22,918,445	7,326,266
<b>Changes in certain assets and liabilities, net of non-cash:</b>			
(Increase) Decrease in trade receivables		(134,543,466)	(173,858,545)
(Increase) Decrease in other receivables		(12,977,495)	6,325,943
Increase (Decrease) in trade accounts payable		(58,256,262)	31,540,036
Increase (Decrease) in payroll and social securities taxes payable		(31,730,298)	16,363,255
Increase (Decrease) in taxes payable		(49,301,822)	(25,440,947)
Increase (Decrease) in provisions	25	26,727,490	12,137,284
Increase (Decrease) of employee benefits payable	16	(19,699,791)	(11,846,624)
Income tax payment		(41,484,910)	0
<b>Net cash used in operating activities</b>		<u>(699,057,082)</u>	<u>(367,726,131)</u>





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**Unaudited Condensed Interim Consolidated Statements of Cash Flows for the nine-month periods ended**  
**September 30, 2015 and 2014 (continued)**  
(In Argentine Pesos, except as otherwise indicated)

	Note	Nine-month period ended	
		<u>30.09.2015</u>	<u>30.09.2014</u>
<b>Cash flows from investing activities:</b>			
Purchases of the acquisition of property, plant and equipment	11	(157,420,374)	(241,156,692)
<b>Cash used in investing activities</b>		<u>(157,420,374)</u>	<u>(241,156,692)</u>
<b>Cash flows from financing activities:</b>			
Funds from CAMMESA Financing	2	1,212,000,006	970,000,003
Payments and repurchase of bonds and other indebtedness - Principal		(678,975)	(611,625)
Payments and repurchase of bonds and other indebtedness - Interests		(98,254,901)	(93,032,459)
<b>Net cash generated by financing activities</b>		<u>1,113,066,130</u>	<u>876,355,919</u>
Increase in cash and cash equivalents		256,588,674	267,473,096
Cash and cash equivalents at the beginning of the year		<u>329,676,393</u>	<u>73,624,888</u>
<b>Cash and cash equivalents at year end</b>	14	<u><u>586,265,067</u></u>	<u><u>341,097,984</u></u>
<b>Significant non-cash transactions</b>			
Decrease in accounts receivable	2	1,212,000,006	970,000,003
Decrease in other liabilities - CAMMESA Financing	2	(1,212,000,006)	(970,000,003)
		<u>0</u>	<u>0</u>

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

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**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.**  
**Notes to the Unaudited Condensed Interim Consolidated Statements**  
(In Argentine Pesos, except as otherwise indicated)

**1. Organization and description of business**

The concessionaire company Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. was constituted on May 31, 1993, as a result of the laws No. 23,696 and 24,065 and the Decree No. 2,743/92 which stated the privatization of the high-voltage electricity transmission system in Argentina, which up to that date were provided by Agua y Energía Eléctrica Sociedad del Estado (AyEE), Hidroeléctrica Norpatagónica S.A. (Hidronor) and Servicios Eléctricos del Gran Buenos Aires S.A. (SEGBA) and resolved the creation of a company that would receive the concession to operate the service. The Ministry of Economy and Public Works and Services called for international bidding for the sale of the majority shares of the aforementioned company.

The privatization was finalized through the subscribed contract of transfer by the National Government, acting on behalf of the mentioned companies in the preceding paragraph, and Compañía Inversora en Transmisión Eléctrica Citelec S.A. (in later "Citelec S.A."), which has control on Transener S.A. The assets affected to the privatized service were received simultaneously.

Finally, on July 17, 1993 the takeover of Transener by the Consortium took place, starting on the mentioned date its operations.

On July 30, 1997, the province of Buenos Aires privatized Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires Sociedad Anónima Transba S.A. (in later "Transba S.A."), which was created by the province of Buenos Aires, in March 1996, and subsequently acquired by Transener S.A., in order to own and operate the network of Transba S.A. As of the date of these financial statements Transener S.A. holds 90% of the shares of capital of Transba S.A., because the remaining 10% was transferred to a program of property owned for the personal benefit of Transba S.A. employees in exchange for a right to future dividends of Transba S.A. on such shares.

On August 16, 2002, Transener S.A. created Transener International Ltda. Located in the city of Brasilia, Brazil Republic, subscribing 99% of its shares. On March 25, 2012, the Board of Directors approved to discontinue the Transener international Ltda's operation and maintenance contracts.

These unaudited condensed interim consolidated financial statements (in hereinafter referred to interchangeably as "financial statements" or "unaudited condensed interim consolidated financial statements"), have been approved for issuance by the Board of Directors on November 5, 2015.

**2. Tariff Review and economic and financial situation**

**a) Tariff Review**

The Emergency Law No. 25561, which fixed the prices and tariffs of the public services companies' contracts in Pesos at the exchange rate of Peso 1 for each US\$1, has imposed the obligation to renegotiate the concession agreements with the National Government to those companies that provide public services, such as Transener and Transba, while continuing to render the service. This situation has significantly affected the economic and financial situation of the Company and its subsidiary Transba.

In May 2005, Transener and Transba entered into the Definitive Agreements with the representatives of the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN"), which contain the terms and conditions for the renegotiation of the Concession Contracts.

According to the guidelines stated in the mentioned Definitive Agreements, the following was foreseen: i) to carry out a Full Tariff Review ("FTR") before the ENRE and to determine a new tariff regime for Transener and Transba, which should have come into force during the months of February 2006 and May 2006, respectively; and ii) the recognition of the major operating costs incurred in the interim period up to the moment in which the tariff regime comes into force as a consequence of the above-mentioned FTR.

Since 2006 Transener and Transba have communicated to the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, describing the breaches of commitments established in

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that Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and its availability to continue with the FTR process, as long as the remaining commitments assumed by the parties continue in force, and the new tariff regime arising from the FTR process is resolved.

Opportunely, Transener and Transba submitted their respective tariff proposals, based on the term stated in the Definitive Agreements, and also in accordance with Article 45 and others of the Law No. 24,065, for the purpose of dealing with the matter, calling for a Public Hearing and defining a new tariff regime, under the expectation of the FTR celebration.

In order to regularize the tariff situation, in December 2010, Transener and Transba entered into the Instrumental Agreements (the "Instrumental Agreements") related to the Definitive Agreements with the SE and the ENRE.

According to what was stated in the Instrumental Agreements, on May 2, 2011 new extensions of the Financing Agreements (Addendas II) were entered into with CAMMESA. The funds which conforms the Addendas II would be destined to the operation and maintenance, and to the investments plan corresponding to year 2011 and would be disbursed through partial payments in advance according to CAMMESA'S availability of funds, according to the instructions of the SE.

Due to the fact that the mentioned commitments were delayed, and in order to regularize the adjustment of the remuneration as from December 1, 2010, on May 13, 2013 and on May 20, 2013, Transener and Transba, respectively, entered into a Renewal Agreement of the Instrumental Agreement (Renewal Agreement), with the Secretariat of Energy (SE) and the ENRE (National Electricity Regulatory Commission) effective until December 31, 2015, in which the following was stated:

- i) the recognition of a credit for Transener and Transba due to cost variations for the period December 2010-December 2012, which has been calculated according to the cost variation index (CVI) established in the Definitive Agreement,
- ii) a mechanism for the payment of credit balances pending under Addenda II, together with the amounts mentioned in i) above, during 2013,
- iii) a procedure for the automatic adjustment and payment of the cost variations arising during the six-month periods starting as from January 1, 2013, and ending December 31, 2015,
- iv) the celebration of a new Addenda with CAMMESA in order to include the amount of credits to be generated and the corresponding interest up to the effective cancellation.

A Cash Flow and an Investment Plan were established under the Renewal Agreement, to be executed by the Companies in 2013 and 2014, taking into account the disbursements received under the Addendas to be entered into. The Cash Flow and Investment Plan in all cases will be adjusted in accordance with the income received by the Companies in each period.

The Investment Plan laid down under the Renewal Agreement establishes investments of approximately \$ 286 million and \$ 207 million for Transener, and of \$ 113 million and \$ 100 million for Transba, for the six-month periods 2013 and 2014 respectively.

The Renewal Agreements state that in case they are not renewed at expiration, as from January 1, 2016, CAMMESA should consider as remuneration for the services rendered by the Companies, the values established by ENRE Resolutions 327/08 and 328/08 by application of section 4.2 of the clause Four of the Definitive Agreements, which have been determined by the ENRE in the Instrumental Agreements and in the Renewal Agreements.

In order to execute the Third Extension of the CAMMESA Financing, the Companies abandoned the legal actions seeking the enforcement of the commitments under the Definitive Agreements and the Instrumental Agreements. In case of breach of the commitments under the Definitive Agreements, the Instrumental Agreements and the Renewal Agreements, the Companies may resume and/or bring in again legal actions seeking the enforcement of the Definitive Agreements, the Instrumental Agreements and the Renewal Agreements.

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On October 25, 2013, Transba signed with CAMMESA an extension of the Financing Agreement (Addenda III) which provides as follows: i) grant a new loan to Transba for the amount of \$ 324.8 million, for credits recognized by the SE and ENRE, resulting from cost variations occurred during the period December 2010 to December 2012 and ii) the collateral assignment of the credits recognized as higher costs as of December 31, 2012, in accordance with the Renewal Agreement under the Instrumental Agreement, so as to settle the amounts to be received by application of the new signed extensions.

On February 14, 2014, Transener signed with CAMMESA an extension of the Financing Agreement (Addenda III) which provides as follows: i) grant a new loan to Transener for the amount of \$ 785.8 million, for credits recognized by the SE and ENRE, resulting from cost variations occurred during the period December 2010 to December 2012 and ii) the collateral assignment of the credits recognized as higher costs as of December 31, 2012, in accordance with the Renewal Agreement under the Instrumental Agreement, so as to settle the amounts to be received by application of the new signed extensions.

Also, on September 2, 2014, Transener and Transba entered into with CAMMESA their Financing Agreements to implement the Renewal Agreements during 2013 and 2014 (New Financing Agreements), by which it was agreed: i) to consider fulfilled the Financing Agreements and their Addenda I, II and III entered into with CAMMESA; ii) to grant a new loan amounting to \$ 622.2 million and \$ 240.7 million for Transener S.A. and Transba S.A., respectively, related to the credits recognized by SE and ENRE corresponding to cost variations from January 2013 to May 2014; and iii) the collateral assignment of the credits recognized for higher costs at May 31, 2014 under the Renewal Agreement of the Instrumental Agreement to pay off the amounts receivable for the implementation of the New Financing Agreements.

On March 17, 2015, Transener and Transba entered into with CAMMESA the Addendas to the Financing Agreements (New Addendas), by which it was agreed to grant a new loan amounting to \$563.6 million and \$178.3 million for Transener and Transba, respectively, related to: (i) the outstanding balance from the Financing Agreements as of January 30, 2015, and (ii) the credits recognized by the SE and ENRE corresponding to variations of costs from June 2014 to November 2014. Additionally, it was agreed the cession of credits resulting from the recognition of the variations of costs as of November 30, 2014 according to the Instrumental Agreements in order to cancel the amounts to be received through the application of the New Addendas.

On September 17, 2015 Transener and Transba entered into with the Secretariat of Energy and the ENRE the Addendas to the Renewal Agreement, approving the 2015 Financial and Economic Projection and establishing an investment plan of \$ 431.9 and \$ 186.6 million for Transener and Transba, respectively, for 2015. Moreover, additional non-refundable amounts were granted for the implementation of said investment plan.

In this regard, CAMMESA is calculating the credits for the variations of costs from December 2014 to May 2015, in order to make progress in the signing of the new addendas with CAMMESA, which will also include the amounts necessary for the execution of additional investments. As of the issue date of these financial statements, these addendas are pending of signature.

At period end, the results of the recognition of the cost variations by SE and ENRE have been recorded in these condensed interim consolidated financial statements up to the amounts received under Addenda II and III. Consequently, Transener has recognized revenues for \$567.8 million and \$426.3 million plus interest for \$99.0 million and \$151.4 million, for the nine-month periods ended September 30, 2015 and 2014, respectively. Accordingly, Transba has recognized revenues for \$274.8 million and \$144.6 million plus interest for \$21.0 million and \$52.2 million, for the same periods, respectively. The liability for the whole disbursements has been settled through the assignment of credits recognized as higher costs, according to the Instrumental Agreement and the Renewal Agreement.

b) Economic and financial situation

The execution of the Renewal Agreement is presented as a significant milestone that will consolidate the economic-financial equation of the Company in the future.

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However, the delay in obtaining a tariff regime resulting from a FTR generates uncertainty about the capability of the Company to generate the necessary revenues in order to face its liabilities in the short term.

Besides, CAMMESA continues to be in arrears in the payment of the monthly remuneration for the electric power transportation service.

In relation to the above mentioned, it is still complex to foresee the evolution of the issues mentioned in section a) and b), as well as its possible impact on the Company's businesses and cash flows. Transener has prepared these condensed interim consolidated financial statements using accounting principles applicable to a going concern. Therefore, these condensed interim consolidated financial statements do not include the effects of potential adjustments and reclassifications, if any, that could be required if the above situations were not resolved in favor of the continuity of the Company's operations and it would be obliged to realize its assets and settle its liabilities, including contingent ones, under conditions other than the ordinary course of its business. Thus, these condensed interim consolidated financial statements should be read under these circumstances.

### **3. Purpose of financial statements**

The accompanying condensed interim consolidated financial statements have been prepared solely to comply with Luxembourg's Listing requirements and with the provisions set forth in section 22.2 of the Second Supplemental Indenture dated August 2, 2011, entered into by and among Transener, Deutsche Bank Trust Company Americas, among others.

### **4. Basis of preparation**

These unaudited condensed interim consolidated financial statements are presented in accordance with IAS 34 "Interim Financial Reporting" issued by the IASB adopted by the CNV through Resolution No. 562/09 and its extensions.

These financial statements should be read in conjunction with the financial statements of the Company as of December 31, 2014, prepared on the basis of IFRS and issued on February 26, 2015.

### **5. Accounting policies**

Except as stated in Note 5.1, the accounting policies applied by the Company are consistent with those applied in the previous year.

#### **5.1 New standards, amendments and interpretations not yet effective and not early adopted by the Company**

In December 2014, the IASB amended *IAS 1 Presentation of Financial Statements* by incorporating guidelines for the presentation of financial statements, which is effective for annual periods beginning on or after January 1, 2016; early adoption is permitted. The Company is considering the effect of this amendment on disclosures.

*IFRS 15 Revenue from Contracts with Customers*: This standard was issued in May 2014 and is effective for periods beginning on or after January 1, 2017. It specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Company is considering the effect of this amendment; however, it estimates that adoption will not have a significant impact on the Company's financial position or results of operation.

*IFRS 9 Financial Instruments*: It was issued in July 2014 and includes all phases of the IASB project to replace *IAS 39 Financial Instruments: Recognition and Measurement*. The phases comprise classification and measurement, impairment and hedge accounting. This version adds a new expected loss impairment model and

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some minor changes to the classification and measurement of financial assets. The new standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Company has already adopted the first phase of IFRS 9 at the date of transition to IFRS; however, it has not opted to early adopt phases 2 and 3 included in this latest version.

**5.2 Risk policy and accounting estimates**

In the preparation of these financial statements, the Company has applied the risk policies and accounting estimates consistently with those of the previous year. There are no significant variations at September 30, 2015 compared with the previous year as regards the risk analysis.

**5.3 Impairment of non-financial long-term assets**

For the purpose of preparing these financial statements, the Company has applied the policy for impairment of non-financial long-term assets consistently with that of the previous year.

Thus, Management has defined certain assumptions to estimate future cash flows applied to assess the recoverability of its assets. These assumptions consider various scenarios which include projections of expected future tariff increases, inflation, exchange rates, operating and maintenance expenses, investments and discount rates.

Cash flows are generally projected for a period which covers the remaining useful life of long-term assets or the duration of the concession, whichever is lower.

Cash flows were estimated considering the tariff adjustment guidelines submitted to the ENRE, in compliance with the parameters established by Law No. 24065, which governs the tariff renegotiation in process. Consequently, cash flows and future actual results may differ from the estimates and evaluations made at the date of preparation of these financial statements.

The Company has not recognized impairment losses for any of the periods mentioned.

**5.4 Derivative financial instruments**

The hedge instruments (futures in foreign currency) held by the Company fell due on January 30, 2015, generating a net loss of \$ 494,563, which has been recognized as a net loss for the period and shown under Other financial results in the Condensed Interim Consolidated Comprehensive Income Statement.

At September 30, 2015, the Company did not hold derivative financial instruments.

**6. Segment reporting**

The Company concentrates its businesses mainly on its primary and secondary activity. As the activity is basically carried out in Argentina, therefore, no segments by geographic area have been identified.

As of September 30, 2015 and 2014, the operating segments have been adapted to the guidelines of ENRE Resolution 176/2013, which establishes that a regulatory accounting system will enter into force since January 1, 2014, differentiating regulated from non-regulated activity pursuant to the resolution.

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The segment information submitted to the General Director, who takes the business strategic decisions, for the reportable segments for the nine-month periods ended September 30, 2015 and 2014 is as follows:

	<b>Regulated activity</b>	<b>Non-regulated activity</b>	<b>Total</b>
	\$	\$	\$
<b><u>Nine-month period ended September 30, 2015</u></b>			
Net revenues	1,171,955,784	120,141,047	1,292,096,831
Operating results	149,438,677	59,559,437	208,998,114
Total assets	2,617,095,023	59,159,207	2,676,254,230
Total liabilities	1,598,996,046	264,370,332	1,863,366,378
Acquisition of property, plant and equipment	157,420,374	0	157,420,374
Property, plant and equipment depreciation	67,342,352	0	67,342,352
<b><u>Nine-month period ended September 30, 2014</u></b>			
Net revenues	874,447,402	104,702,298	979,149,700
Operating results	95,475,029	19,182,918	114,657,947
Total assets	2,240,709,395	53,151,008	2,293,860,403
Total liabilities	1,478,259,025	260,990,640	1,739,249,665
Acquisition of property, plant and equipment	241,156,692	0	241,156,692
Property, plant and equipment depreciation	64,632,545	0	64,632,545

No sales between operating segments identified by the Company are perfected. Sales revenues reported to the Direction of the Company are measured in the same way as for the preparation of the statement of operations. Assets and liabilities are allocated based on the segment.

**7. Net Revenues**

	<b>Three-month period ended</b>		<b>Nine-month period ended</b>	
	<b><u>30.09.2015</u></b>	<b><u>30.09.2014</u></b>	<b><u>30.09.2015</u></b>	<b><u>30.09.2014</u></b>
Net Regulated Revenue	414,171,917	327,181,551	1,171,955,784	874,447,402
Net Non-Regulated Revenue	53,987,475	28,248,844	120,141,047	104,702,298
Net Revenues	<u>468,159,392</u>	<u>355,430,395</u>	<u>1,292,096,831</u>	<u>979,149,700</u>





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#### 8. Expenses by Nature

Items	Three-month period ended September 30, 2015			Three-month period ended September 30, 2014		
	Total	Operating Expenses	Administrative Expenses	Total	Operating Expenses	Administrative Expenses
Salaries and social security charges	246,566,968	203,048,810	43,518,158	196,947,135	161,332,584	35,614,551
Other personnel costs	3,349,717	2,369,426	980,291	2,738,423	1,200,264	1,538,159
Fees for operating services	7,436,197	7,436,197	0	5,183,935	5,183,935	0
Professional fees	5,470,428	1,734,921	3,735,507	4,142,467	890,049	3,252,418
Equipment maintenance	3,059,020	3,059,020	0	1,527,374	1,527,374	0
Work for third-party materials	3,452,450	3,452,450	0	8,341,052	8,341,052	0
Fuel and lubricants	5,605,751	5,352,883	252,868	5,252,106	5,158,356	93,750
General Maintenance	12,551,709	12,163,493	388,216	9,161,229	8,875,722	285,507
Electricity	661,533	637,410	24,123	440,000	411,021	28,979
Depreciation of property, plant and equipment	22,620,353	20,356,283	2,264,070	21,650,476	19,482,681	2,167,795
Administration expenses related to WEM	205,162	205,162	0	128,730	128,730	0
Regulatory fees	545,541	545,541	0	407,313	407,313	0
ATEERA membership fees	226,338	0	226,338	125,151	0	125,151
Communications	2,339,846	1,984,499	355,347	1,507,079	1,385,922	121,157
Transportation	2,517,432	2,511,480	5,952	2,079,546	2,078,202	1,344
Insurance	11,566,444	11,018,205	548,239	12,289,710	11,413,320	876,390
Rents	4,842,690	3,358,616	1,484,074	3,325,398	1,827,416	1,497,982
Travel and lodging expenses	14,187,937	13,724,996	462,941	10,221,369	9,897,059	324,310
Stationary and printing	3,102,466	709,300	2,393,166	1,865,778	409,131	1,456,647
Taxes and government contributions	1,823,788	1,700,448	123,340	1,474,409	1,335,357	139,052
Directors and syndics	1,110,357	0	1,110,357	594,261	0	594,261
Security	7,256,004	7,255,110	894	6,155,936	6,154,986	950
Office and substation cleaning	5,917,415	5,338,754	378,661	4,399,738	4,099,367	300,371
Electroduct maintenance	6,070,629	6,070,629	0	3,855,429	3,855,429	0
Provisions	10,578,516	10,578,516	0	2,237,625	2,237,625	0
Others	7,398,626	5,772,517	1,626,109	5,917,915	4,597,343	1,320,572
<b>TOTAL</b>	<b>390,463,317</b>	<b>330,584,666</b>	<b>59,878,651</b>	<b>311,969,584</b>	<b>262,230,238</b>	<b>49,739,346</b>



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Items	Nine-month period ended September 30, 2015			Nine-month period ended September 30, 2014		
	Total	Operating Expenses	Administrative Expenses	Total	Operating Expenses	Administrative Expenses
Salaries and social security charges	691,204,447	571,056,398	120,148,049	505,211,978	417,047,646	88,164,332
Other personnel costs	8,039,191	4,708,939	3,330,252	6,843,205	3,153,396	3,689,809
Fees for operating services	21,548,135	21,548,135	0	18,277,460	18,277,460	0
Professional fees	13,950,516	4,495,227	9,455,289	11,129,143	2,846,552	8,282,591
Equipment maintenance	8,994,376	8,994,376	0	5,099,611	5,099,611	0
Work for third-party materials	9,225,580	9,225,580	0	43,739,070	43,739,070	0
Fuel and lubricants	14,941,436	14,276,387	665,049	12,863,062	12,228,081	634,981
General Maintenance	30,928,006	29,936,427	991,579	25,015,395	24,241,214	774,181
Electricity	1,676,415	1,597,586	78,829	1,617,083	1,545,370	71,713
Depreciation of property, plant and equipment	67,342,352	60,602,010	6,740,342	64,632,545	58,163,182	6,469,363
Administration expenses related to WEM	634,800	634,800	0	644,575	644,575	0
Regulatory fees	1,799,809	1,799,809	0	1,438,718	1,438,718	0
ATEERA membership fees	619,223	0	619,223	380,917	0	380,917
Communications	4,799,674	3,968,215	831,459	4,240,914	3,429,251	811,663
Transportation	6,988,321	6,973,368	14,953	5,354,961	5,336,230	18,731
Insurance	35,416,695	33,254,497	2,162,198	30,533,364	28,552,153	1,981,211
Rents	13,447,237	7,958,681	5,488,556	7,912,326	4,433,779	3,478,547
Travel and lodging expenses	36,350,931	34,905,126	1,445,805	26,017,668	25,249,192	768,476
Stationary and printing	6,815,408	1,270,255	5,545,153	6,331,637	1,050,301	5,281,336
Taxes and government contributions	6,208,486	5,720,227	488,259	5,370,263	5,022,963	347,300
Directors and syndics	3,350,797	0	3,350,797	2,435,106	0	2,435,106
Security	21,339,546	21,266,541	73,005	16,457,786	16,456,836	950
Office and substation cleaning	15,283,324	14,243,985	1,039,339	11,128,272	10,254,435	873,837
Electroduct maintenance	7,998,712	7,998,712	0	7,468,004	7,468,004	0
Provisions	19,716,038	19,716,038	0	8,758,620	8,758,620	0
Others	16,874,554	11,964,511	4,910,043	13,750,400	9,919,129	3,831,271
<b>TOTAL</b>	<b>1,065,494,009</b>	<b>898,115,830</b>	<b>167,378,179</b>	<b>842,652,083</b>	<b>714,355,768</b>	<b>128,296,315</b>

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**9. Financial Results Net**

	Three-month period ended		Nine-month period ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
<u>Finance Income</u>				
Interests	54,133,221	106,596,978	235,229,478	330,693,595
Total finance income	<u>54,133,221</u>	<u>106,596,978</u>	<u>235,229,478</u>	<u>330,693,595</u>
<u>Finance Costs</u>				
Interests generated by loans	(30,382,950)	(33,335,143)	(89,139,848)	(88,647,050)
Total finance costs	<u>(30,382,950)</u>	<u>(33,335,143)</u>	<u>(89,139,848)</u>	<u>(88,647,050)</u>
<u>Other financial results</u>				
Foreign exchange	(41,636,250)	(42,167,264)	(109,142,996)	(260,240,424)
Result from receivables measured at fair value	0	200,000	(494,563)	200,000
Result from liabilities measured at fair value	(295,372)	(308,679)	(593,637)	(937,258)
Total Other financial results	<u>(41,931,622)</u>	<u>(42,275,943)</u>	<u>(110,231,196)</u>	<u>(260,977,682)</u>
Total Other financial results, net	<u>(18,181,351)</u>	<u>30,985,892</u>	<u>35,858,434</u>	<u>(18,931,137)</u>

**10. Income tax and deferred income tax**

The analysis of the deferred tax assets and liabilities is as follows:

Deferred Tax Assets

	Tax loss carryforward (1)	Accounts receivable	Other receivables	Employee benefits payable	Provisions	Fourth Line	Total
As of January 1, 2015	0	142,195	937,060	51,573,689	16,699,640	0	69,352,584
Charged to the income statement	0	0	0	11,292,485	6,485,757	0	17,778,242
Charged to other comprehensive income	0	0	0	0	0	0	0
<b>As of September 30, 2015</b>	<b>0</b>	<b>142,195</b>	<b>937,060</b>	<b>62,866,174</b>	<b>23,185,397</b>	<b>0</b>	<b>87,130,826</b>
As of January 1, 2014	38,949,711	142,195	0	37,643,453	11,796,788	4,689,932	93,222,079
Charged to the income statement	(38,949,711)	0	0	6,537,319	4,509,189	(3,625,598)	(31,528,801)
Charged to other comprehensive income	0	0	0	0	0	0	0
<b>As of September 30, 2014</b>	<b>0</b>	<b>142,195</b>	<b>0</b>	<b>44,180,772</b>	<b>16,305,977</b>	<b>1,064,334</b>	<b>61,693,278</b>

1) Includes tax losses amounting to \$ 12.3 million, which have been fully provided for (See Note 25).

Deferred Tax Liabilities

	Property, plant and equipment	Cash and cash equivalents	Other receivables	Debt and other indebtedness	Total
As of January 1, 2015	121,595,685	2,519,889	0	13,587,871	137,703,445
Charged to the income statement	(8,656,056)	(1,923,360)	0	13,451	(10,565,965)
Charged to other comprehensive income	0	0	0	0	0
<b>As of September 30, 2015</b>	<b>112,939,629</b>	<b>596,529</b>	<b>0</b>	<b>13,601,322</b>	<b>127,137,480</b>
As of January 1, 2014	132,961,077	0	10,486,491	11,694,658	155,142,226
Charged to the income statement	(8,940,456)	0	(8,567,661)	2,223,653	(15,284,464)
Charged to other comprehensive income	0	0	0	0	0
<b>As of September 30, 2014</b>	<b>124,020,621</b>	<b>0</b>	<b>1,918,830</b>	<b>13,918,311</b>	<b>139,857,762</b>



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Deferred Tax Liabilities as of September 30, 2015 and December 31, 2014 amounts to \$40,006,654 and \$68,350,861, respectively.

The income tax charge for the period is as follows:

	Nine-month period ended	
	<u>30.09.2015</u>	<u>30.09.2014</u>
Current tax	115,026,491	34,550,172
Deferred tax	(28,344,207)	16,244,337
Income tax	<u>86,682,284</u>	<u>50,794,509</u>

Below is the reconciliation between the income tax charged to results and that one that would result from the application of the tax rate in force on the accounting profit / (loss).

	Nine-month period ended	
	<u>30.09.2015</u>	<u>30.09.2014</u>
Net income before income taxes	244,856,548	95,726,810
Tax rate in force	35%	35%
Net income at the tax rate	85,699,792	33,504,384
Taxable effects by:		
- Allowance for tax bankruptcy	0	12,300,000
- Other non taxable and/or non deductible items	982,492	4,990,125
Income tax	<u>86,682,284</u>	<u>50,794,509</u>

**11. Property, plant and equipment**

	Nine-month period ended	
	<u>30.09.2015</u>	<u>30.09.2014</u>
Net value as of the beggining of the period	1,589,000,341	1,301,689,415
Additions	157,420,374	241,156,692
Decreases	(22,918,445)	(7,326,266)
Depreciations	(67,342,352)	(64,632,545)
Net value as of the end of the period	<u>1,656,159,918</u>	<u>1,470,887,296</u>

**12. Other receivables**

	<u>30.09.2015</u>	<u>31.12.2014</u>
	<b>Non-Current</b>	
Minimum Notional Income Tax Credit	12,223,524	10,940,795
Stock Ownership Pogram	5,329,431	5,329,430
Total	<u>17,552,955</u>	<u>16,270,225</u>



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	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Current</b>		
Prepaid expenses	40,563,608	29,519,051
Advances to suppliers	13,881,334	11,726,066
Loans to employees	3,056,825	2,527,551
Judicial seizure	1,446,974	611,135
Stock Ownership Program - Dividends receivable	778,780	778,780
Guarantees received	0	2,949,170
Others	106,257	27,260
<b>Total</b>	<u>59,833,778</u>	<u>48,139,013</u>

The fair values of other receivables do not differ significantly from their respective book values.

**13. Trade account receivables**

	<u>30.09.2015</u>	<u>31.12.2014</u>
CAMMESA	291,990,405	384,752,308
Other services	41,468,753	60,884,910
Other related parties (Note 18)	22,983,354	25,652,388
<b>Total</b>	<u>356,442,512</u>	<u>471,289,606</u>

The fair values of trade account receivables do not differ significantly from their respective book values.

**14. Cash and cash equivalents**

	<u>30.09.2015</u>	<u>31.12.2014</u>
Cash in local currency	1,020,043	962,991
Cash in foreign currency	147,923	118,974
Banks in local currency	2,785,932	15,829,941
Banks in foreign currency	30,655,839	26,161,514
Mutual funds	551,655,330	286,602,973
<b>Cash and cash equivalents, net</b>	<u>586,265,067</u>	<u>329,676,393</u>



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**15. Debt and other indebtedness**

	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Non-current bonds and other indebtedness</b>		
Corporate Bonds 2021	928,396,770	842,572,785
Corporate Bonds 2016	124,992,252	113,437,566
Nordic Investment Bank (NIB)	21,199,500	38,479,500
Internal rate of return adjustment to Corporate Bonds 2021	(37,343,223)	(36,880,137)
Net present value adjustment to NIB and Par Notes	<u>(1,517,695)</u>	<u>(1,942,351)</u>
Total Non-current	<u>1,035,727,604</u>	<u>955,667,363</u>
<b>Current bonds and other indebtedness</b>		
Corporate Bonds 2016	131,586,461	114,332,464
Nordic Investment Bank (NIB)	22,802,987	1,388,682
Corporate Bonds 2021	11,566,277	31,491,158
Total Current	<u>165,955,725</u>	<u>147,212,304</u>

**16. Employee benefit expense**

The amounts recognized in the Comprehensive Statements of operations are as follows:

	<b>Nine-month period ended</b>	
	<u>30.09.2015</u>	<u>30.09.2014</u>
<b>Charges to Results</b>		
Services Cost	7,724,787	5,326,625
Interest Cost	44,239,248	25,198,054
Total	<u>51,964,035</u>	<u>30,524,679</u>

The breakdown of the amounts exposed in the Consolidated Balance Sheets are as follows:

	<u>30.09.2015</u>	<u>30.09.2014</u>
Benefits Obligations at the beginning of the period	147,353,395	107,552,722
Services Cost	7,724,787	5,326,625
Interest Cost	44,239,248	25,198,054
Payments of benefits	<u>(19,699,791)</u>	<u>(11,846,624)</u>
Benefits Obligations at the end of the period	<u>179,617,639</u>	<u>126,230,777</u>

The most important actuarial assumptions used for the calculation are as follows:

Discount rate	43.10%	33.56%
Current interest rate	6.00%	6.00%
Salary growth rate	2%	2%



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**17. Trade accounts payable**

	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Non-Current</b>		
Billings in advance	3,393,077	3,732,488
<b>Total</b>	<u>3,393,077</u>	<u>3,732,488</u>
	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Current</b>		
Suppliers	103,790,878	155,701,937
Other liabilities	24,244,144	35,587,411
Other related parties (Note 18)	10,034,045	7,079,380
Billings in advance	4,765,496	2,382,686
<b>Total</b>	<u>142,834,563</u>	<u>200,751,414</u>

The fair value of trade accounts payables equals their carrying amount, as the impact of applying the discounting is not significant.

**18. Balances and transactions with related parties**

Transener has entered into an operating agreement under which Pampa Energía S.A. (formerly Pampa Holding S.A.), ENARSA S.A. and Electroingeniería S.A. provide services, expertise and know-how in connection with certain Company activities. In November 2009, Pampa Energía S.A. transferred its contract to Pampa Generación S.A. In January 2012, Pampa Generación S.A. transferred its contract to Pampa Energía S.A. Electroingeniería S.A. gave notice in the month of November of 2010 of the transfer of its contract to Grupo Eling S.A.

The responsibility of the Operators includes advisory and coordination services in the areas of human resources, general administration, information systems, quality control and consulting.

The operating fees are 2.75% of certain regulated revenues.

The transactions with related parties are as follows:

**Companies Law No. 19,550 – Sect. 33**

	<b>Nine-month period ended</b>	
	<u>30.09.2015</u>	<u>30.09.2014</u>
Venta de bienes y servicios Electroingeniería S.A.	913,714	104,401
Fees for operating services		
*Pampa Energía S.A.	10,774,067	9,138,730
*Energía Argentina S.A.	5,387,034	4,569,365
*Grupo Eling S.A.	5,387,034	4,569,365

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**Other related parties**

	Nine-month period ended	
	30.09.2015	30.09.2014
Sales of assets and services rendered to Integración Eléctrica Sur Argentina S.A.	26,787,303	7,788,141
Sales of assets and services rendered to Yacylec S.A.	7,432,111	3,722,271
Sales of assets and services rendered to C.T.Loma de la Lata S.A.	2,407,655	962,107
Sales of assets and services rendered to Litsa S.A.	1,037,140	817,300
Sales of assets and services rendered to Central Piedra Buena S.A.	226,000	117,600
Sales of assets and services rendered to Transportadora de Gas del Sur S.A.	198,000	198,000
Sales of assets and services rendered to Edenor S.A.	0	595,500

The balances with Companies Law No.19,550 – Sect. 33 and other related parties are as follows:

**Companies Law No.19,550 – Sect. 33**

Assets	30.09.2015	31.12.2014
<b>Trade account receivables</b>		
Electroingeniería S.A.	1,106,508	0
<b>Total</b>	<b>1,106,508</b>	<b>0</b>

**Liabilities**

Trade accounts payable	30.09.2015	31.12.2014
Pampa Energía S.A.	5,017,023	3,539,690
Grupo Eling S.A.	2,508,511	1,769,845
Energía Argentina S.A.	2,508,511	1,769,845
<b>Total</b>	<b>10,034,045</b>	<b>7,079,380</b>

**Other related parties**

Assets	30.09.2015	31.12.2014
<b>Trade account receivables</b>		
Integración Eléctrica Sur Argentina S.A.	18,103,187	22,847,901
Yacylec S.A.	3,244,814	2,453,640
CT. Loma de la Lata S.A.	321,351	163,093
Litsa S.A.	179,554	159,704
Transportadora de Gas del Sur S.A.	27,940	28,050
<b>Total</b>	<b>21,876,846</b>	<b>25,652,388</b>

**19. Investment in Transener Internacional Ltda.**

As of September 30, 2015, both receivables and the value of the equity interest of Transener S.A. in Transener Internacional Ltda. have been fully provided for due to the uncertainty as to their recovery.

**20. Fourth Line of the Comahue-Buenos Aires electricity transmission system**

On December 20, 2014 the fifteen-year Fee Period was fulfilled, initiating the exploitation period.

On August 5, 2015, through Resolution 272/2015, the ENRE determined: (i) the remuneration for the operation and maintenance of the Fourth Line from December 21, 2014, according to the transmission capacity values established by Resolution ENRE 328/2008, (ii) to instruct CAMMESA to take into





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consideration the facilities of the Fourth Line in determining credits for variations of costs, using tariff charges to be determined for Transener, in accordance with the Definitive Agreement, the Instrumental Agreement and the Renewal Agreement and (iii) the annual remuneration for electricity transmission in AR\$ 19,3 million.

It is worth mentioning that the Addenda to the Renewal Agreement entered into on September 17, 2015 confirms that the operation and maintenance remuneration of the Fourth Line is adjusted by CVI as well as the rest of Transener's lines, in accordance with the Definitive Agreement and since the beginning of the of exploitation period.

Moreover, through Resolution 74/2015 the ENRE determined the adequacy of the fee for the period August 2014 to December 20th, 2014, which was requested by Transener on September 12, 2014. Based on that resolution, Transener registered in the result corresponding to the nine-month period ended on September 30, 2015 the amount of \$ 50.0 million due to retroactive adjustment fee for the period August 2014 to December 19, 2014, which has been fully collected.

**21. Financing structure**

**21.1 Global program for the issuance of simple notes, non-convertible into shares, of medium term for US\$ 300 million (or its equivalent in any other currency)**

Transener has issued Series 1 and Series 2 Notes under de global program for the issuance of simple notes, non-convertible into shares, of medium term for US\$ 300 million (or its equivalent in any other currency), authorized by the CNV Resolutions N° 15,523 and 16,944 of November 30, 2006 and October 17, 2012.

Likewise, those notes have been authorized for listing in the BASE and in the Luxemburg Stock Exchange, in accordance with the authorizations opportunely issued by said entities, and for trading in the Mercado Abierto Electrónico S.A.

**21.1.1 O.N. 2016 Clase 1**

During 2006, Transener issued Series 1 Notes under the mentioned program. Series 1 Notes accrue an interest rate of 8.875% and are amortized in four equal payments on December 15, 2013, 2014, 2015 and 2016.

The remaining outstanding amount of the nominal Series 1 Notes as of September 30, 2015 was US\$ 26,532,000 (See Notes 21.1.2. Refinancing of Series 1 Notes – 2021 Series 2 Notes).

**21.1.2 Refinancing of Series 1 Notes – 2021 Series 2 Notes (“Refinancing 2011”)**

Due to the appropriate conditions in the international capital markets at the beginning of 2011 and that the partial amortization of the Series 1 Notes began in 2013, Transener decided to proceed to the refinancing of the mentioned notes with the main purpose of extending the debt maturity.

This process, which was initiated in April 2011, comprised a tender offer and an exchange offer of the Series 1 Notes. Up to the closing of said offers, approximately 65% had been validly tendered. This amount includes US\$ 29,076,000 notes held by Transener and Transba.

Additionally and as part of the refinancing process, Transener called a Series 1 Noteholders' Meeting, in order to propose amendments to the Series 1 Notes and certain provisions of the First Supplemental Indenture to remove substantially all restrictive commitments and default events contained in such Notes terms and conditions. The Noteholders' Meetings were held on July 29 and on August 10, 2011, in which the Series 1 Notes holders approved the amendment proposed by Transener.



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In order to finance the tender offer and the exchange offer, Series 2 Notes for the amount of US\$ 53,100,000 were issued on August 2, 2011 and Series 2 Notes for the amount of US\$ 47,435,000 were issued on August 11, 2011. Consequently, the principal amount of Series 2 Notes was US\$ 100,535,000. These new notes due August 15, 2021, accrue interest at an annual interest rate of 9.75% and will be fully amortized at the maturity date.

As of September 30, 2015, the remaining balance of the Series 2 Notes, net of those held by the Company amounted to US\$ 98,535,000.

**21.2 Global program for the issuance of simple notes, non-convertible into shares, for up to US\$ 200 million (or its equivalent in any other currency)**

On November 5, 2009, an Ordinary General Shareholders' Meeting decided the creation of a global program for the issuance of simple notes, non-convertible into shares, denominated in pesos or in any other currency, with ordinary, special, floating and/or any other guarantee, subordinated or not, for a maximum amount, which in any moment, can't exceed \$ 200 million (Pesos two hundred million) or its equivalent in other currencies. The Program has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV.

**21.3 Restrictions in relation to 2016 Series 1 Notes**

Transener and its Restricted Subsidiaries, according to the terms and conditions of the Refinancing 2006, were subject to the compliance of a series of restrictions. Some of these restrictions have been eliminated as a consequence of the Refinancing 2011 (See 21.1.2 Refinancing of Series 1 Notes – 2021 Series 2 Notes ("Refinancing 2011")).

**21.4 Restrictions in relation to the Refinancing 2011**

The Company and its Restricted Subsidiaries have to comply with the following restrictions, according to the refinancing terms, including among others:

- i) Incurring or ensuring additional indebtedness;
- ii) Paying dividends or making other distributions as regards either the redemption or repurchase of the Company's capital stock or indebtedness;
- iii) Making other restricted payments, including investments;
- iv) Placing liens or making sale & leaseback transactions;
- v) Selling or otherwise disposing of assets, including the subsidiaries' capital stock;
- vi) Entering into agreements that restrict the dividends of the subsidiaries;
- vii) Carrying out transactions with affiliates; and
- viii) Performing mergers or consolidation transactions.

As of September 30, 2015 there is not any default related to those restrictions.



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**22. Income per share**

The loss per share is calculated dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, excluding those own shares acquired by the Company.

	Nine-month period ended	
	30.09.2015	30.09.2014
Results from operations attributable to the equity holders of the Company	150,648,754	40,670,199
Total	<u>150,648,754</u>	<u>40,670,199</u>
Ordinary shares average	444,673,795	444,673,795
Income per share attributable to the equity holders of the Company (\$/Share)	0.34	0.09

**23. Stored documentation**

For the purposes of complying with CNV Resolution 629/14, the Company informs that the accounting and management documentation and information related to economic-financial operations is partially stored in the facilities of Iron Mountain SA, located at Av. Amancio Alcorta 2482, City of Buenos Aires and Custodia de Archivos SRL located at Gorriti 375, Rosario, Province of Santa Fe.

The detail of the documentation stored with third parties is available at Company Headquarters.



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**24. Foreign currency assets and liabilities**

As of September 30, 2015 and December 31, 2014 the balances of foreign currency assets and liabilities are as follows:

Captions	September 30, 2015			December 31, 2014	
	Amount and class of foreign currency	Current exchange rate	Amount in local currency	Amount and class of foreign currency	Amount in local currency
			\$		\$
<b>Assets</b>					
Current assets					
Cash and banks	US\$ 3,304,347	9.322	30,803,122	US\$ 3,109,671	26,279,828
Cash and banks	RS 270	2.369	640	RS 197	660
Total current assets			30,803,762		26,280,488
Total assets			30,803,762		26,280,488
<b>Liabilities</b>					
Current liabilities					
Account payable	US\$ 5,582	9.422	52,593	US\$ 9,207,454	78,732,936
Account payable			0	CHF 14,646	127,597
Debt and other indebtedness	US\$ 17,613,641	9.422	165,955,725	US\$ 17,215,800	147,212,304
Total current liabilities			166,008,318		226,072,837
Non current liabilities					
Debt and other indebtedness	US\$ 114,051,000	9.422	1,074,588,522	US\$ 116,301,000	994,489,851
Total non current liabilities			1,074,588,522		994,489,851
Total liabilities			1,240,596,840		1,220,562,688

US\$: United States Dollars

RS: Reales

CHF: Swiss franc



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**25. Provisions**

As of September 30, 2015 and December 31, 2014 the balances of foreign currency assets and liabilities are as follows:

Captions	At the beginning of the year	Additions	Deductions	At the end of the year
<b>Deducted from current assets</b>				
Bad debtors	466.497	0	0	466.497
Other irrecoverable receivables (1)	1.510.777	0	0	1.510.777
<b>Total at September 30, 2015</b>	<b>1.977.274</b>	<b>0</b>	<b>0</b>	<b>1.977.274</b>
<b>Total at December 31, 2014</b>	<b>1.977.274</b>	<b>0</b>	<b>0</b>	<b>1.977.274</b>
<b>Deducted from non-current assets</b>				
Deferred tax assets	12.300.000	0	0	12.300.000
<b>Total at September 30, 2015</b>	<b>12.300.000</b>	<b>0</b>	<b>0</b>	<b>12.300.000</b>
<b>Total at December 31, 2014</b>	<b>0</b>	<b>12.300.000</b>	<b>0</b>	<b>12.300.000</b>
<b>Included in current liabilities</b>				
Labor lawsuits	6.761.848	7.580.134	0	14.341.983
Trade lawsuits	19.328.628	19.147.356	0	38.475.983
<b>Total at September 30, 2015</b>	<b>26.090.476</b>	<b>26.727.490</b>	<b>0</b>	<b>52.817.966</b>
<b>Total at December 31, 2014</b>	<b>18.305.445</b>	<b>7.786.741</b>	<b>(1.710)</b>	<b>26.090.476</b>

(1) See Note 19.