

Results for the fiscal year and quarter ended on December 31st, 2014

Pampa Energía S.A. ('Pampa' or the 'Company') announces the results for the fiscal year and quarter ended on December 31st, 2014.

Stock Information



Buenos Aires Stock Exchange
Ticker: PAMP



New York Stock Exchange
Ticker: PAM
1 ADS = 25 ordinary shares

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Pampa Energía S.A., the largest integrated electricity company in Argentina that, through its subsidiaries, participates in the generation, transmission and distribution of electricity, announces the results for the fiscal year and quarter ended on December 31, 2014:

Consolidated sales revenues of AR\$6,204.6 million¹ for the fiscal year ended on December 31, 2014, 16.3% higher than the AR\$5,335.0 million for the fiscal year of 2013, primarily explained by increases of 31.4% (AR\$544.1 million) in generation, 4.6% (AR\$157.7 million) in distribution and 99.8% (AR\$209.6 million) in holding and others segments.

Adjusted consolidated EBITDA² of AR\$(320.7) million for the fiscal year ended on December 31, 2014, compared to AR\$(505.9) million for the fiscal year of 2013, mainly due to increases of AR\$747.9 million in generation, AR\$208.3 million in transmission and AR\$128.0 million in holding and others, partially offset by a decrease of AR\$899.0 million in distribution.

Consolidated profit of AR\$529.5 million during the fiscal year ended on December 31, 2014, of which a profit of AR\$743.2 million are attributable to the owners of the Company, compared to a AR\$286.1 million profit attributable to the owners of the Company in the fiscal year of 2013, mainly explained by profits of AR\$633.0 million in generation, AR\$34,1 million in transmission and AR\$963.9 million in holding and others, partially offset by a loss of AR\$1,101.4 million in the distribution segment.

¹ Under the International Financial Reporting Standards ('IFRS'), we no longer consolidate the Transmission segment, and our net income in said segment is shown in the line 'Results for participation in joint businesses'. For more information, please refer to section 4 of this Earnings Release.

² Adjusted consolidated EBITDA represents the consolidated results for continuing activities before net financial results, income taxes, depreciation, amortization, reserve directors options, one-time income and expenses, and non-controlling interests, including PUREE proceeds, other non-accrued collections, and other adjustments related to IFRS. For more information, please refer to section 4 of this Earnings Release.

Main Results for the Fourth Quarter of 2014³:

Consolidated sales revenues of AR\$1,662.0 million for the quarter ended on December 31, 2014, 20.8% higher than the AR\$1,376.3 million for the same period of 2013, mainly explained by increases of 55.2% (AR\$252.5 million) in generation and 109.6% (AR\$73.5 million) in holding and others, partially offset by a decrease of 2.5% (AR\$22.0 million) in the distribution segment.

Adjusted consolidated EBITDA of AR\$(325.1) million, AR\$210.7 million of higher losses compared to AR\$(114.5) million in the same period of 2013, mainly due to higher losses of AR\$403.0 million in distribution, partially offset by increases of AR\$80.2 million in generation, AR\$26.2 million in transmission and AR\$85.9 million in holding and others segments profits.

Consolidated profit of AR\$1,112.0 million in the fourth quarter ended on December 31, 2014, of which AR\$728.0 million profit are attributable to the owners of the Company, compared to AR\$98.6 million attributable to the owners of the Company in the same period of 2013. The Q4 14's results includes AR\$1,536.4 million profit in the distribution segment due to the recognition of retroactive costs by the application of Resolution SE No. 250/13 and subsequent Notes ('MMC'), compared to AR\$720.4 million recognized in the same period of 2013, plus a net profit of AR\$369.1 million due to an increase in the recoverable value of credits held against CAMMESA in the generation segment.

³ The financial information presented in this document for the quarters ended on December 31, 2014 and of 2013 are based on unaudited financial statements prepared according to the IFRS accounting standards in force in Argentina corresponding to the fiscal year ended on December 31, 2014 and of 2013, and the nine-month periods ended on September 30, 2014 and of 2013.

1. Relevant Events

1.1 | Debt Securities Transactions by Pampa's Subsidiaries

1.1.1 Issuance of Bond Notes by Central Térmica Güemes ('CTG')

Under the Bond Notes Program (simple, non-convertible to equity) up to an amount of US\$50 million or its equivalent in other currencies, on March 6, 2015 CTG issued Series VI, for an amount of AR\$91.0 million. Principal will be repaid in a single bullet payment 18 months as from the date of issuance and interest is payable on a quarterly basis; interests have a fixed annual rate of 28% for the first nine months and Badlar plus 5% for the remaining nine months. The proceeds from the issuance were destined to debt refinancing.

1.1.2 Debt Issuance by Petrolera Pampa

On February 26, 2015 Petrolera Pampa issued under the Bond Notes Program (simple, non-convertible to equity) up to an amount of US\$125 million or its equivalent in other currencies, Series IV, for an amount of AR\$51.0 million. Principal will be repaid in a single bullet payment 18 months as from the date of issuance and interest is payable on a quarterly basis; interests have a fixed annual rate of 27.48% for the first nine months and Badlar plus 5% for the remaining nine months.

Moreover, under the same program Petrolera Pampa issued Series V Dollar-Link, for an amount of US\$18,5 million at an initial exchange rate of AR\$8.7008/US\$. Principal will be repaid in a single bullet payment 27 months as from the date of issuance and interest is payable on a quarterly basis with a fixed annual rate of 5%.

Finally, Petrolera Pampa issued Short-Term Notes ('VCPs') Series 11 under the global short-term debt Program up to an amount of US\$40 million or its equivalent in other currencies, for an amount of AR\$89.9 million, which will accrue interest at a fixed annual rate of 28%. Principal will be repaid in a single bullet payment 12 months as from the date of issuance and interest is payable on a quarterly basis.

1.1.3 Central Térmica Loma de la Lata ('CTLL')'s Bond Repurchase and Cancellation

In order to obtain a more efficient financial structure, two new bond repurchases were conducted, the first on November 17, 2014 for US\$50 million and the second on December 2, 2014 for US\$18 million, completing the latter the full repurchase of the CTLL bonds due in 2018.

1.2 | 2014 Agreement to Increase Thermal Generation Availability

In relation to the expansion project of 115 MW in Central Térmica Loma de la Lata ('CTLL'), on December 1, 2014 CTLL signed with CAMMESA the Financing Agreement and Credits Assignment, through which CTLL will obtain financing for the project. As of the date of this release, CTLL has received AR\$465.8 million.

1.3 | Extension of Resolution No. 250/2013's Provisions Related to Empresa Distribuidora y Comercializadora Norte S.A. ('Edenor')

On December 18, 2014, the Secretariat of Energy ("SE") issued SE Note No. 1,136/2014, extending the provisions regarded within SE Resolution No. 250/2013 to the date of December 31, 2014, resulting in higher costs recognitions in Edenor's Financial Statements of AR\$702.2 million and net interests of AR\$13,3 million.

2. Financial Highlights

2.1 | Consolidated Balance Sheet (AR\$ Million)

| | As of 12.31.14 | As of 12.31.13 | | As of 12.31.14 | As of 12.31.13 |
|---|-----------------|-----------------|--|-----------------|-----------------|
| ASSETS | | | EQUITY | | |
| Participation in joint businesses | 226.9 | 188.6 | Share capital | 1,314.3 | 1,314.3 |
| Participation in associates | 133.2 | 134.8 | Share premium | 343.0 | 263.5 |
| Property, plant and equipment | 9,218.1 | 6,902.7 | Statutory reserve | 14.3 | - |
| Intangible assets | 872.4 | 901.8 | Voluntary reserve | 271.8 | - |
| Biological assets | 1.9 | 1.9 | Director's options reserve | 266.1 | 259.4 |
| Financial assets with a results changing fair value | 963.0 | 432.7 | Retained earnings | 743.2 | 286.1 |
| Deferred tax assets | 93.7 | 63.2 | Other comprehensive result | (32.2) | (24.4) |
| Trade receivable and other credits | 954.8 | 366.7 | Equity attributable to owners of the parent | 2,920.4 | 2,098.9 |
| Total non-current assets | 12,464.0 | 8,992.5 | Non-controlling interests | 633.4 | 776.0 |
| Biological assets | 0.2 | 0.6 | Total equity | 3,553.8 | 2,874.8 |
| Inventories | 135.6 | 114.6 | LIABILITIES | | |
| Financial assets with a results changing fair value | 1,028.6 | 844.3 | Accounts payable and other liabilities | 1,909.4 | 1,295.9 |
| Trade receivable and other credits | 2,896.8 | 2,257.0 | Borrowings | 3,731.3 | 2,924.5 |
| Cash and cash equivalents | 335.2 | 341.7 | Deferred revenues | 109.1 | 33.7 |
| Total current assets | 4,396.4 | 3,558.1 | Salaries and social security payable | 62.9 | 26.0 |
| Assets classified as held for sale | - | 12.0 | Defined benefit plan obligations | 196.6 | 136.5 |
| Total assets | 16,860.4 | 12,562.6 | Deferred tax liabilities | 470.6 | 416.6 |
| | | | Tax payable | 274.7 | 150.1 |
| | | | Provisions | 119.5 | 91.5 |
| | | | Total non-current liabilities | 6,873.9 | 5,074.7 |
| | | | Accounts payable and other liabilities | 4,535.5 | 3,098.6 |
| | | | Borrowings | 839.3 | 753.6 |
| | | | Deferred income | 0.8 | - |
| | | | Salaries and social security payable | 725.3 | 501.4 |
| | | | Defined benefit plan obligations | 26.8 | 8.6 |
| | | | Tax payable | 231.9 | 239.7 |
| | | | Financial derivatives | 47.9 | - |
| | | | Provisions | 25.2 | 11.2 |
| | | | Total current liabilities | 6,432.6 | 4,613.1 |
| | | | Total liabilities | 13,306.6 | 9,687.7 |
| | | | Total liabilities and equity | 16,860.4 | 12,562.6 |

2.2 | Consolidated Income Statements (AR\$ Million)

| | Fiscal Year | | 4 th Quarter | |
|--|------------------|------------------|-------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Sales revenue | 6,204.6 | 5,335.0 | 1,662.0 | 1,376.3 |
| Cost of sales | (6,029.1) | (5,603.3) | (1,644.3) | (1,439.3) |
| Gross profit | 175.6 | (268.3) | 17.7 | (63.0) |
| Selling expenses | (713.4) | (634.2) | (207.1) | (184.3) |
| Administrative expenses | (837.5) | (563.9) | (245.6) | (180.8) |
| Other operating income | 312.0 | 466.2 | 140.9 | 186.0 |
| Other operating expenses | (447.1) | (204.0) | (197.1) | (61.5) |
| Recovery of property, plant and equipment impairment | 88.4 | - | - | - |
| Results for participation in joint businesses | 34.2 | (4.8) | 26.4 | 5.6 |
| Results for participation in associates | (1.6) | 2.2 | (1.3) | 0.8 |
| Operating income before Res. No. 250/13 and subsequent Notes | (1,389.3) | (1,206.7) | (466.2) | (297.2) |
| Higher Cost Recognition - Res. No. 250/13 and subsequent Notes | 2,271.9 | 2,933.1 | 1,536.4 | 720.4 |
| Operating income | 882.6 | 1,726.3 | 1,070.2 | 423.2 |
| Financial income | 440.5 | 336.3 | 188.3 | 52.6 |
| Financial costs | (1,113.2) | (813.9) | (271.5) | (215.8) |
| Other financial results | 420.1 | (519.3) | 193.9 | (274.6) |
| Financial results, net | (252.6) | (996.8) | 110.7 | (437.9) |
| Profit before tax | 630.0 | 729.5 | 1,180.9 | (14.7) |
| Income tax and minimum expected profit tax | (100.4) | 12.2 | (68.9) | (109.6) |
| Net income for continuing operations | 529.5 | 741.6 | 1,112.0 | (124.3) |
| Discontinued operations | - | (126.9) | - | 126.9 |
| Net income for the fiscal year / period | 529.5 | 614.8 | 1,112.0 | 2.6 |
| Attributable to: | | | | |
| Owners of the Company | 743.2 | 286.1 | 728.0 | (98.6) |
| Continuing operations | 743.2 | 371.8 | 728.0 | (98.6) |
| Discontinued operations | - | (85.7) | - | 0.0 |
| Non-controlling interests | (213.6) | 328.7 | 384.0 | 101.1 |
| Net income for the period attributable to the owners of the Company (AR\$ per share): | | | | |
| Basic income for continuing operations per share | 0.5654 | 0.2829 | 0.5539 | (0.0750) |
| Diluted income for continuing operations per share | 0.5082 | 0.2829 | 0.4934 | (0.0750) |
| Basic and diluted income for discontinued operations per share | - | (0.0652) | - | 0.0000 |

3. Summary of Operations

3.1 | Generation Segment

The following table shows the performance of Pampa's electricity generation segment assets:

| Summary of Electricity Generation Assets | Hydroelectric | | Thermal | | | | Total |
|--|---------------|--------|-------------------|------------------|-------|--------|--------|
| | HINISA | HIDISA | CTLL ¹ | CTG ² | CTP | CPB | |
| Installed Capacity (MW) | 265 | 388 | 553 | 361 | 30 | 620 | 2,217 |
| Market Share | 0.8% | 1.2% | 1.8% | 1.1% | 0.1% | 2.0% | 7.1% |
| Fiscal Year | | | | | | | |
| Net Generation FY14 (GWh) | 516 | 322 | 3,421 | 1,528 | 131 | 3,090 | 9,008 |
| Market Share | 0.4% | 0.2% | 2.6% | 1.2% | 0.1% | 2.4% | 7.0% |
| Sales FY14 (GWh) | 549 | 351 | 3,502 | 2,124 | 131 | 3,144 | 9,802 |
| Net Generation FY13 (GWh) | 616 | 421 | 1,947 | 1,675 | 130 | 2,229 | 7,018 |
| Variation Net Generation FY14 - FY13 | -16.2% | -23.4% | +75.7% | -8.8% | +0.6% | +38.6% | +28.4% |
| Sales FY13 (GWh) | 833 | 630 | 2,372 | 2,268 | 130 | 2,676 | 8,909 |
| Average Price FY14 (AR\$ / MWh) | 155.6 | 166.2 | 270.4 | 293.0 | 678.2 | 129.2 | 225.3 |
| Average Gross Margin FY14 (AR\$ / MWh) | 20.6 | (24.2) | 228.8 | 102.4 | n.d. | 39.7 | 118.3 |
| Average Gross Margin FY13 (AR\$ / MWh) | 33.1 | 27.9 | 103.0 | 51.9 | n.d. | (12.0) | 44.4 |
| Fourth Quarter | | | | | | | |
| Net Generation Q4 14 (GWh) | 235 | 135 | 622 | 457 | 44 | 765 | 2,258 |
| Market Share | 0.7% | 0.4% | 1.9% | 1.4% | 0.1% | 2.3% | 6.9% |
| Sales Q4 14 (GWh) | 238 | 137 | 623 | 607 | 44 | 768 | 2,417 |
| Net Generation Q4 13 (GWh) | 187 | 162 | 871 | 550 | 43 | 642 | 2,456 |
| Variation Net Generation Q4 14 vs. Q4 13 | +25.3% | -16.5% | -28.6% | -16.9% | +2.5% | +19.1% | -8.1% |
| Sales Q4 13 (GWh) | 213 | 190 | 933 | 709 | 43 | 719 | 2,807 |
| Average Price Q4 14 (AR\$ / MWh) | 132.6 | 135.5 | 420.0 | 322.7 | 678.2 | 145.4 | 267.3 |
| Average Gross Margin Q4 14 (AR\$ / MWh) | 38.7 | (1.9) | 359.9 | 137.3 | n.d. | 24.0 | 141.0 |
| Average Gross Margin Q4 13 (AR\$ / MWh) | (32.3) | 10.3 | 157.1 | 50.0 | n.d. | 1.1 | 64.2 |

Note: Gross Margin before amortization and depreciation. ¹ The installed capacity of CTLL includes 178 MW of the combined cycle that began commercial operations on November 1, 2011, for 165 MW. ² Due to the merger of CTG with EGSSA and EGSSA Holding, CTG's 2014 gross margin considers results for CTP.

The electricity generation for the fourth quarter of 2014 was 8.1% lower than the same period of 2013, mainly as a result of a programmed maintenance in one of CTLL's gas turbines (-249 GWh), a lower dispatch at CTG due to fuel restrictions in the area (-93 GWh) and minor dispatch at our hydroelectric unit Los Nihules due to lesser water inputs in the area (-27 GWh). Said effects were partially offset by a higher dispatch in Diamante (+47 GWh) due to better hydro conditions in comparison with Q4 13 and higher availability in CPB (+122 GWh).

3.2 | Distribution Segment

The following table shows a summary of the electricity sales and clients of Edenor:

| Type of Customer | 2014 | | | 2013 | | | Variation | |
|-------------------------------|---------------|-------------|------------------|---------------|-------------|------------------|--------------|--------------|
| | In GWh | Part. % | Clients | In GWh | Part. % | Clients | % GWh | % Clients |
| Fiscal Year | | | | | | | | |
| Residential | 9,114 | 43% | 2,443,670 | 9,114 | 42% | 2,418,725 | +0.0% | +1.0% |
| Commercial | 3,426 | 16% | 349,763 | 3,609 | 17% | 346,659 | -5.1% | +0.9% |
| Industrial | 3,431 | 16% | 6,552 | 3,458 | 16% | 6,386 | -0.8% | +2.6% |
| Wheeling System | 4,213 | 20% | 710 | 4,374 | 20% | 713 | -3.7% | -0.4% |
| Others | | | | | | | | |
| <i>Public Lighting</i> | 678 | 3% | 22 | 683 | 3% | 22 | -0.6% | - |
| <i>Shantytowns and Others</i> | 430 | 2% | 404 | 436 | 2% | 388 | -1.5% | +4.1% |
| Total | 21,292 | 100% | 2,801,121 | 21,674 | 100% | 2,772,893 | -1.8% | +1.0% |
| Fourth Quarter | | | | | | | | |
| Residential | 2,111 | 40% | 2,443,670 | 2,111 | 39% | 2,418,725 | +0.0% | +1.0% |
| Commercial | 887 | 17% | 349,763 | 945 | 18% | 346,659 | -6.1% | +0.9% |
| Industrial | 906 | 17% | 6,552 | 939 | 18% | 6,386 | -3.5% | +2.6% |
| Wheeling System | 1,080 | 21% | 710 | 1,114 | 21% | 713 | -3.1% | -0.4% |
| Others | | | | | | | | |
| <i>Public Lighting</i> | 149 | 3% | 22 | 148 | 3% | 22 | +0.7% | - |
| <i>Shantytowns and Others</i> | 94 | 2% | 404 | 96 | 2% | 388 | -1.5% | +4.1% |
| Total | 5,227 | 100% | 2,801,121 | 5,352 | 100% | 2,772,893 | -2.3% | +1.0% |

The electricity sold in GWh during the fourth quarter of 2014 fell by 2.3% compared to the same period of 2013, mainly as a result of a lower average temperature during Q4 14 compared to Q4 13, which caused a lesser electricity consumption. However, the number of clients of Edenor rose by 1.0%.

4. Analysis of the Fourth Quarter 2014 Results Compared to the Same Period of 2013

Consolidated sales revenues of AR\$1,662.0 million for the quarter ended on December 31, 2014, 20.8% higher than the AR\$1,376.3 million for the same period of 2013, mainly explained by increases of 55.2% (AR\$252.5 million) in generation and 109.6% (AR\$73.5 million) in holding and others, partially offset by a decrease of 2.5% (AR\$22.0 million) in the distribution segment.

Adjusted consolidated EBITDA of AR\$(325.1) million, AR\$210.7 million of higher losses compared to AR\$(114.5) million in the same period of 2013, mainly due to higher losses of AR\$403.0 million in distribution, partially offset by increases of AR\$80.2 million in generation, AR\$26.2 million in transmission and AR\$85.9 million in holding and others segments profits.

Consolidated profit of AR\$1,112.0 million in the fourth quarter ended on December 31, 2014, of which AR\$728.0 million profit are attributable to the owners of the Company, compared to AR\$98.6 million attributable to the owners of the Company in the same period of 2013. The Q4 14's results includes AR\$1,536.4 million profit in the distribution segment due to the recognition of retroactive costs by the application of Resolution SE No. 250/13 and subsequent Notes ('MMC'), compared to AR\$720.4 million recognized in the same period of 2013, plus a net profit of AR\$369.1 million due to an increase in the recoverable value of credits held against CAMMESA in the generation segment.

Adjusted Consolidated EBITDA Calculation

The following table shows the adjustments and conciliations for the Adjusted Consolidated EBITDA calculation:

| In AR\$ million | 2014 | 2013 | Q4 14 | Q4 13 |
|--|----------------|----------------|----------------|----------------|
| Consolidated operating income | 882.6 | 1,726.3 | 1,070.2 | 423.2 |
| Consolidated depreciations and amortizations | 467.2 | 374.8 | 133.5 | 97.0 |
| Consolidated EBITDA under IFRS standards | 1,349.7 | 2,101.1 | 1,203.7 | 520.2 |
| Adjustments from generation segment: | | | | |
| CTLL's collection from insurance compensation | (0.1) | (245.3) | - | (122.3) |
| Revenue recognition from Isolux's CTLL project | - | (85.2) | - | - |
| Recovery of taxes (gross income tax) | (37.9) | - | - | - |
| Recovery of property, plant and equipment impairment | (88.4) | - | - | - |
| Increase in the recoverable value of credits with CAMMESA | (89.0) | - | (183.9) | - |
| Adjustments from transmission segment: | | | | |
| Instrumental Agreement / Renewal Agreement | 120.9 | 45.7 | 5.5 | 3.3 |
| Consolidation effects from participation in joint businesses | 168.2 | 75.7 | 43.2 | 40.0 |
| Operating result from transmission segment | 99.6 | (19.9) | 45.0 | 23.9 |
| Depreciations and amortizations from transmission segment | 43.2 | 41.9 | 10.9 | 10.6 |
| Results for Fourth Line Project | 59.5 | 48.8 | 13.8 | 11.1 |
| Results for participation in joint businesses | (34.1) | 4.9 | (26.4) | (5.6) |
| Adjustments from distribution segment: | | | | |
| PUREE penalty system | 482.9 | 491.9 | 130.7 | 153.8 |
| Delay charges | 43.3 | 45.4 | 10.8 | 11.7 |
| Higher Cost Recognition - Res. No. 250/13 and subsequent Notes | (2,271.9) | (2,933.1) | (1,536.4) | (720.4) |
| Adjustments from holding and others segment: | | | | |
| Results for participation in associates | 1.6 | (2.2) | 1.3 | (0.8) |
| Consolidated adjusted EBITDA | (320.7) | (505.9) | (325.1) | (114.5) |

4.1 | Analysis of Generation Segment

| Generation Segment, Consolidated (AR\$ million) | Fiscal Year | | | 4 th Quarter | | |
|--|----------------|----------------|----------------|-------------------------|----------------|----------------|
| | 2014 | 2013 | Δ % | 2014 | 2013 | Δ % |
| Sales revenue | 2,275.5 | 1,731.3 | +31.4% | 710.2 | 457.7 | +55.2% |
| Cost of sales | (1,176.7) | (1,426.8) | -17.5% | (338.5) | (305.3) | +10.9% |
| Gross profit | 1,098.8 | 304.5 | +260.8% | 371.7 | 152.4 | +143.8% |
| Selling expenses | (17.9) | (78.5) | -77.2% | (4.5) | (34.4) | -87.0% |
| Administrative expenses | (200.0) | (139.0) | +43.9% | (63.0) | (37.3) | +68.8% |
| Other operating income | 113.4 | 363.4 | -68.8% | 49.5 | 136.9 | -63.8% |
| Other operating expenses | (73.5) | (47.5) | +54.9% | (12.1) | (16.5) | -26.3% |
| Recovery of property, plant and equipment impairment | 88.4 | - | NA | - | - | NA |
| Operating income | 1,009.1 | 402.8 | +150.5% | 341.7 | 201.1 | +69.9% |
| Finance income | 240.9 | 63.9 | +276.8% | 139.6 | 15.8 | NA |
| Finance costs | (310.8) | (216.4) | +43.6% | (111.7) | (51.4) | +117.2% |
| Other financial results | (82.3) | (437.5) | -81.2% | 162.4 | (184.1) | NA |
| Profit before tax | 857.0 | (187.1) | NA | 532.0 | (18.6) | NA |
| Income tax and minimum expected profit tax | (224.1) | (20.7) | NA | (188.0) | (90.7) | +107.2% |
| Net income for the fiscal year/period | 633.0 | (207.8) | NA | 344.1 | (109.3) | NA |
| <i>Attributable to:</i> | | | | | | |
| <i>Owners of the Company</i> | 529.3 | (191.9) | NA | 253.5 | (92.5) | NA |
| <i>Non-controlling interests</i> | 103.6 | (15.9) | NA | 90.6 | (16.8) | NA |
| Adjusted EBITDA | 928.0 | 180.1 | NA | 192.3 | 112.2 | +71.5% |

- During the fourth quarter of 2014, the gross margin from our generation segment recorded a gross profit of AR\$371.7 million, 143.8% higher than the same period of 2013, mainly due to the higher remuneration updated by the application of SE Resolution No. 529/14 and the nominal FX variation which impacts our Energía Plus and SE Resolution No. 220/07 power supply contracts. Said effects were partially offset by lower dispatch in CTLL caused by a programmed maintenance stop and lower dispatch at CTG due to fuel restrictions in the area.
- Net operating costs increased 43.6% compared to the same period in 2013, mainly due to higher operating costs, salaries and third party costs.
- Net financial results increased by AR\$410.1 million compared to Q4 13, recording a profit of AR\$190.4 million, mainly due to a higher gain from the revaluation of the consolidated credits with CAMMESA (AR\$336.4 million), and minor losses from net exchange rate difference, due to a minor devaluation of local currency against US Dollar during Q4 14. Said effects were partially offset by a higher accrual of financial interests and higher losses from holding of financial instruments.
- The adjusted EBITDA from our generation segment does not include the amount recovered from insurance companies at CTLL, that accrued AR\$122.3 million in the Q4 13, nor the increase in the recoverable value of credits with CAMMESA of previous periods, by which the impact on sales and other operating income registered a profit of AR\$183.9 million during Q4 14.

4.2 | Analysis of Transmission Segment

| Transmission Segment, Consolidated (AR\$ million) | Fiscal Year | | | 4 th Quarter | | |
|--|--------------|---------------|----------------|-------------------------|-------------|----------------|
| | 2014 | 2013 | Δ % | 2014 | 2013 | Δ % |
| Sales revenue | 738.4 | 436.9 | +69.0% | 248.9 | 162.6 | +53.1% |
| Cost of sales | (539.7) | (393.7) | +37.1% | (179.7) | (133.3) | +34.8% |
| Gross profit | 198.7 | 43.2 | NA | 69.2 | 29.3 | +136.3% |
| Administrative expenses | (91.8) | (67.7) | +35.7% | (27.5) | (7.1) | +289.8% |
| Other operating income | 3.9 | 9.7 | -60.0% | 1.3 | 8.7 | -84.7% |
| Other operating expenses | (11.4) | (7.1) | +62.2% | 2.0 | (7.0) | NA |
| Operating income | 99.3 | (21.9) | NA | 45.0 | 23.9 | +88.5% |
| Finance income | 226.1 | 173.0 | +30.7% | 60.8 | 56.5 | +7.5% |
| Finance costs | (59.4) | (41.9) | +41.7% | (15.1) | (7.0) | +115.9% |
| Other financial results | (142.0) | (114.9) | +23.6% | (11.5) | (55.2) | -79.1% |
| Profit before tax | 124.0 | (5.7) | NA | 79.2 | 18.3 | NA |
| Income tax and minimum expected profit tax | (51.4) | 0.8 | NA | (26.0) | (6.7) | +286.8% |
| Net income for continuing operations | 72.6 | (4.9) | NA | 53.2 | 11.5 | NA |
| Adjustment for non-controlling participation in joint businesses | (38.5) | 0.0 | NA | (26.8) | (6.0) | NA |
| Net income for the fiscal year/period | 34.1 | (4.9) | NA | 26.4 | 5.6 | NA |
| <i>Attributable to:</i> | | | | | | |
| Owners of the Company | 34.1 | (4.9) | NA | 26.4 | 5.6 | NA |
| Non-controlling interests | - | - | NA | - | - | NA |
| Adjusted EBITDA | 322.9 | 114.6 | +181.9% | 75.1 | 48.9 | +53.7% |

- The fourth quarter of 2014 includes sales of AR\$139.6 million corresponding to the application of the Instrumental and Renewal Agreements signed by SE and ENRE, compared to AR\$97.5 million in the same period of 2013.
- The operating profit of our transmission segment rose by AR\$21.1 million compared to the fourth quarter of 2013, mainly due to a higher recognition of retroactive costs explained above, partially offset by a raise in labor and materials' costs.
- The higher AR\$39.8 million profit in net financial results compared to Q4 13 mainly responds to minor losses from net exchange rate difference caused by a smaller devaluation of local currency against US Dollar, partially offset by lower accrual of interests in Q4 14, which correspond to the application of the Instrumental and Renewal Agreements, for an amount of AR\$38.9 million compared to AR\$43.8 million accrued during the same period of 2013.
- Adjusted EBITDA includes the difference between collected amounts and accrued sales corresponding to CAMMESA's credit regarding the Instrumental Agreement for AR\$5.5 million for the fourth quarter of 2014 vs. AR\$3.3 million in the same period of 2013, plus AR\$13.8 million interests from the Fourth Line Project, compared to AR\$11.1 million in the same period of 2013.

4.3 | Analysis of Distribution Segment

| Distribution Segment, Consolidated (AR\$ million) | Fiscal Year | | | 4 th Quarter | | |
|---|------------------|------------------|----------------|-------------------------|----------------|----------------|
| | 2014 | 2013 | Δ % | 2014 | 2013 | Δ % |
| Sales revenue | 3,598.4 | 3,440.7 | +4.6% | 850.2 | 872.2 | -2.5% |
| Cost of sales | (4,716.5) | (4,122.5) | +14.4% | (1,250.5) | (1,134.9) | +10.2% |
| Gross profit | (1,118.1) | (681.8) | +64.0% | (400.3) | (262.7) | +52.4% |
| Selling expenses | (658.9) | (549.1) | +20.0% | (197.2) | (147.8) | +33.5% |
| Administrative expenses | (510.3) | (332.6) | +53.4% | (169.6) | (104.0) | +63.1% |
| Other operating income | 53.2 | 62.3 | -14.6% | 20.7 | 34.4 | -39.7% |
| Other operating expenses | (319.2) | (143.4) | +122.5% | (155.8) | (37.7) | NA |
| Results for participation in joint businesses | 0.0 | 0.0 | +5.3% | (0.0) | 0.0 | NA |
| Operating income before Res. No. 250/13 and subsequent Notes | (2,553.4) | (1,644.6) | +55.3% | (902.2) | (517.8) | +74.2% |
| Higher Cost Recognition - Res. No. 250/13 and subsequent Notes | 2,271.9 | 2,933.1 | -22.5% | 1,536.4 | 720.4 | +113.3% |
| Operating income | (281.5) | 1,288.4 | NA | 634.2 | 202.7 | +213.0% |
| Finance income | 239.0 | 287.1 | -16.8% | 56.9 | 43.7 | +30.3% |
| Finance costs | (692.5) | (565.8) | +22.4% | (134.1) | (155.7) | -13.9% |
| Other financial results | (528.1) | (425.5) | +24.1% | (19.8) | (192.8) | -89.7% |
| Profit before tax | (1,263.1) | 584.2 | NA | 537.2 | (102.2) | NA |
| Income tax and minimum expected profit tax | 161.8 | 52.7 | +206.8% | 87.5 | (11.2) | NA |
| Net income for continuing operations | (1,101.4) | 637.0 | NA | 624.7 | (113.3) | NA |
| Discontinued operations | - | (128.9) | -100.0% | - | 0.0 | -100.0% |
| Net income for the fiscal year/period | (1,101.4) | 508.1 | NA | 624.7 | (113.3) | NA |
| <i>Attributable to:</i> | | | | | | |
| <i>Owners of the Company</i> | (742.1) | 163.5 | NA | 302.9 | (104.4) | NA |
| <i>Non-controlling interests</i> | (359.2) | 344.6 | NA | 321.8 | (8.9) | NA |
| Adjusted EBITDA | (1,776.2) | (877.2) | +102.5% | (693.2) | (290.2) | +138.8% |

- During the fourth quarter of 2014, net sales fell by 2.5% compared to Q4 13, mainly due to lower electricity sales in GWh (-2.3%). Moreover, due to the application of ENRE Resolution No. 347/2012, which authorized Edenor to collect from its customers a fixed or variable amount depending on the client category, during Q4 14 Edenor collected an additional amount of AR\$110.4 million.
- The cost of sales, administration and selling expenses, and other net operating results excluding energy purchases, rose by 39.5% compared to the fourth quarter of 2013, mainly explained by a rise in operating, labor and third party costs. The electricity purchases during Q4 14 dropped 0.5% as a result of a decrease in mobile generation cost, being partially recognized as distribution electricity since November 2013.
- The loss in our net financial results decreased by AR\$207.8 million in the Q4 14, mainly due to minor losses by net exchange rate difference as a result of a smaller local currency devaluation against US Dollar and a lower interest accrual for financial liabilities. These effects were partially offset by higher interest payable for CAMMESA's commercial debt and lower profit from repurchased bond notes.
- The adjusted EBITDA in Q4 14 for our distribution segment includes collections carried out by Edenor from its clients in concept of the penalty system ('PUREE') of AR\$130.7 million and late payment penalty for AR\$10.8 million.

4.4 | Analysis of Holding and Others Segment

| Holding and Others Segment, Consolidated (AR\$ million) | Fiscal Year | | | 4 th Quarter | | |
|---|----------------|--------------|----------------|-------------------------|--------------|---------------|
| | 2014 | 2013 | Δ % | 2014 | 2013 | Δ % |
| Sales revenue | 419.7 | 210.1 | +99.8% | 140.6 | 67.1 | +109.6% |
| Cost of sales | (203.2) | (89.0) | +128.2% | (77.5) | (18.1) | NA |
| Gross profit | 216.5 | 121.0 | +78.9% | 63.1 | 49.0 | +28.8% |
| Selling expenses | (36.5) | (6.6) | NA | (5.4) | (2.1) | +155.6% |
| Administrative expenses | (148.4) | (102.2) | +45.2% | (29.9) | (41.2) | -27.4% |
| Other operating income | 145.4 | 40.6 | +258.4% | 70.6 | 14.7 | NA |
| Other operating expenses | (54.3) | (13.1) | NA | (29.2) | (7.3) | NA |
| Results for participation in associates | (1.6) | 2.2 | NA | (1.3) | 0.8 | NA |
| Operating income | 121.1 | 41.9 | +188.8% | 67.9 | 13.9 | NA |
| Finance income | 26.0 | 6.6 | +294.4% | 8.5 | 2.7 | +212.3% |
| Finance costs | (175.6) | (52.9) | +231.8% | (42.5) | (18.3) | +132.5% |
| Other financial results | 1,030.5 | 343.7 | +199.8% | 51.3 | 102.3 | -49.8% |
| Profit before tax | 1,001.9 | 339.3 | +195.3% | 85.3 | 100.6 | -15.2% |
| Income tax and minimum expected profit tax | (38.1) | (19.9) | +91.7% | 31.6 | (7.8) | NA |
| Net income for the fiscal year/period | 963.9 | 319.4 | +201.8% | 116.9 | 92.8 | +26.0% |
| <i>Attributable to:</i> | | | | | | |
| <i>Owners of the Company</i> | 921.9 | 319.4 | +188.6% | 145.2 | 92.8 | +56.5% |
| <i>Non-controlling interests</i> | 42.0 | - | NA | (28.3) | - | NA |
| Adjusted EBITDA | 204.7 | 76.7 | +166.8% | 100.7 | 14.7 | NA |

- During the fourth quarter of 2014, the gross margin from our holding and others segment rose by 28.8% compared to the Q4 13, mainly due to higher natural gas sales from Petrolera Pampa (+129.0%).
- The profit from other operating income of AR\$55.9 million mainly responds to an increase in the additional compensation from the Natural Gas Excess Injection Encouragement Program considered in Resolution No. 1/2013.
- The decrease of AR\$69.4 million in net financial results of Q4 14 is mainly explained by a higher accrual of interests from Petrolera Pampa's financial debt and a lesser gain from net exchange rate difference, due to a minor devaluation during Q4 14. These effects were partially offset by a higher in profit from holdings in CIESA (AR\$72.6 million).
- The adjusted EBITDA for our holding and others segment does not include the earnings from participation in associates, related to our direct participation in PEPCA S.A., holding 10% of Compañía de Inversiones de Energía S.A. ('CIESA'), the controlling shareholder of TGS.

4.5 | Fiscal Year Analysis by Subsidiary (AR\$ Million)

| Subsidiary | Fiscal Year 2014 | | | | Fiscal Year 2013 | | | |
|--|------------------|------------------|-----------------------|-------------------------|------------------|-----------------|-----------------------|-------------------------|
| | % Pampa | Adjusted EBITDA | Net Debt ² | Net Income ⁵ | % Pampa | Adjusted EBITDA | Net Debt ² | Net Income ⁵ |
| Generation Segment | | | | | | | | |
| Diamante | 56.0% | (20.0) | (27.4) | 25.6 | 56.0% | 0.9 | (20.3) | 3.6 |
| Los Nihuiles | 47.0% | 5.1 | (13.9) | 162.6 | 47.0% | 1.2 | (3.7) | (37.2) |
| CPB | 100.0% | 65.8 | 86.0 | 180.9 | 100.0% | (68.4) | 100.7 | (116.3) |
| CTG | 90.4% | 154.8 | 130.9 | 54.4 | 90.4% | 89.2 | 140.2 | - |
| CTLL ¹ | 100.0% | 708.0 | 1,534.8 | 129.0 | 100.0% | 129.2 | 1,190.5 | (87.9) |
| CTP ³ | 0.0% | - | - | - | | 15.5 | 430.5 | 9.1 |
| Other companies & deletions ⁴ | | 14.2 | (359.9) | (23.1) | | 12.5 | (522.0) | 36.8 |
| Total Generation | | 928.0 | 1,350.6 | 529.3 | | 180.1 | 1,316.0 | (191.9) |
| Transmission Segment | | | | | | | | |
| Transener | 26.3% | 654.0 | 772.8 | 145.2 | 26.3% | 235.9 | 851.3 | (5.6) |
| Consolidation adjustment 50% ⁴ | | (327.0) | (386.4) | (72.6) | | (117.9) | (425.7) | 2.8 |
| Adjustments & deletions ⁴ | | (4.1) | (21.4) | (38.5) | | (3.4) | (19.9) | (2.1) |
| Total Transmission | | 322.9 | 365.0 | 34.1 | | 114.6 | 405.8 | (4.9) |
| Distribution Segment | | | | | | | | |
| Edenor ¹ | 51.5% | (1,761.1) | 1,198.9 | (779.7) | 53.7% | (868.9) | 890.6 | 771.7 |
| EASA ¹ | 100.0% | 5.5 | 1,019.9 | (314.8) | 100.0% | (27.0) | 704.8 | (256.7) |
| Adjustments & deletions ⁴ | | (20.6) | (946.6) | 352.4 | | 18.6 | (637.7) | (351.5) |
| Total Distribution | | (1,776.2) | 1,272.2 | (742.1) | | (877.2) | 957.7 | 163.5 |
| Holding & Others Segment | | | | | | | | |
| Petrolera Pampa | 49.7% | 215.8 | 497.2 | 83.9 | 100.0% | 102.2 | (5.0) | 33.1 |
| Other companies & deletions ⁴ | | (11.2) | 86.8 | 838.0 | | (25.5) | 223.6 | 286.4 |
| Total Holding & Others | | 204.7 | 584.1 | 921.9 | | 76.7 | 218.6 | 319.4 |
| Deletions | | - | (365.0) | - | | - | (405.8) | - |
| Total Consolidated Amounts to the Owners of the Company | | (320.7) | 3,206.8 | 743.2 | | (505.9) | 2,492.2 | 286.1 |
| Total Adjusted by Ownership | | 274.0 | 2,385.1 | 743.2 | | (179.2) | 2,081.6 | 286.1 |

¹ Non - consolidated amounts. ² Net debt includes holding companies. ³ Since October 1, 2013 CTP was merged with CTG, thus its FY14 and Q4 13 results are considered within CTG results. ⁴ The deletions in net debt correspond to inter-companies and debt repurchases, and in Transener's case the deletion of 50% of its debt as it is consolidated proportionally. The deletions in net income mainly correspond to non-controlling interests. ⁵ CTLL, Edenor and EASA do not include results from its subsidiaries.

4.6 | Quarterly Analysis by Subsidiary (AR\$ Million)

| Subsidiary | 4 th Quarter 2014 | | | | 4 th Quarter 2013 | | | |
|--|------------------------------|-----------------|-----------------------|-------------------------|------------------------------|-----------------|-----------------------|-------------------------|
| | % Pampa | Adjusted EBITDA | Net Debt ² | Net Income ⁵ | % Pampa | Adjusted EBITDA | Net Debt ² | Net Income ⁵ |
| Generation Segment | | | | | | | | |
| Diamante | 56.0% | (2.9) | (27.4) | 21.4 | 56.0% | (5.4) | (20.3) | (0.4) |
| Los Nihuiles | 47.0% | 9.4 | (13.9) | 144.4 | 47.0% | (22.0) | (3.7) | (32.2) |
| CPB | 100.0% | (13.1) | 86.0 | (6.1) | 100.0% | (11.1) | 100.7 | (67.5) |
| CTG | 90.4% | 77.9 | 130.9 | 42.5 | 90.4% | 25.1 | 140.2 | 2.6 |
| CTLL ¹ | 100.0% | 200.8 | 1,534.8 | 56.9 | 100.0% | 111.4 | 1,190.5 | (29.0) |
| CTP ³ | 0.0% | - | - | - | | 2.2 | 430.5 | 2.8 |
| Other companies & deletions ⁴ | | (79.8) | (359.9) | (5.6) | | 12.0 | (522.0) | 31.3 |
| Total Generation | | 192.3 | 1,350.6 | 253.5 | | 112.2 | 1,316.0 | (92.5) |
| Transmission Segment | | | | | | | | |
| Transener | 26.3% | 152.4 | 772.8 | 104.5 | 26.3% | 109.1 | 851.3 | 24.8 |
| Consolidation adjustment 50% ⁴ | | (76.2) | (386.4) | (52.3) | | (54.5) | (425.7) | (12.4) |
| Adjustments & deletions ⁴ | | (1.1) | (21.4) | (25.9) | | (5.7) | (19.9) | (6.9) |
| Total Transmission | | 75.1 | 365.0 | 26.4 | | 48.9 | 405.8 | 5.6 |
| Distribution Segment | | | | | | | | |
| Edenor ¹ | 51.5% | (692.0) | 1,198.9 | 664.0 | 53.7% | (287.8) | 890.6 | (19.3) |
| EASA ¹ | 100.0% | (0.2) | 1,019.9 | (42.0) | 100.0% | 2.0 | 704.8 | (91.8) |
| Adjustments & deletions ⁴ | | (1.0) | (946.6) | (319.1) | | (4.4) | (637.7) | 6.7 |
| Total Distribution | | (693.2) | 1,272.2 | 302.9 | | (290.2) | 957.7 | (104.4) |
| Holding & Others Segment | | | | | | | | |
| Petrolera Pampa | 49.7% | 98.7 | 497.2 | (56.3) | 100.0% | 28.5 | (5.0) | 14.2 |
| Other companies & deletions ⁴ | | 1.9 | 86.8 | 201.5 | | (13.8) | 223.6 | 78.6 |
| Total Holding & Others | | 100.7 | 584.1 | 145.2 | | 14.7 | 218.6 | 92.8 |
| Deletions | | - | (365.0) | - | | - | (405.8) | - |
| Total Consolidated Amounts to the Owners of the Company | | (325.1) | 3,206.8 | 728.0 | | (114.5) | 2,492.2 | (98.6) |
| Total Adjusted by Ownership | | (85.3) | 2,067.0 | 728.0 | | 10.5 | 2,067.0 | (98.6) |

¹ Non - consolidated amounts. ² Net debt includes holding companies. ³ Since October 1, 2013 CTP was merged with CTG, thus its Q4 results are considered within CTG results. ⁴ The deletions in net debt correspond to inter-companies and debt repurchases, and in Transener's case the deletion of 50% of its debt as it is consolidated proportionally. The deletions in net income mainly correspond to non-controlling interests. ⁵ CTLL, Edenor and EASA do not include results from its subsidiaries.

5. Information about the Conference Call

There will be a conference call to discuss Pampa and Edenor's fourth quarter 2014 results on Thursday March 12, 2015 at 10:00 a.m. New York Time / 11:00 a.m. Buenos Aires Time.

The hosts will be Mr. Leandro Montero, CFO of Edenor and Mr. Mariano Batistella, Special Projects, Planning Manager and Investor Relations Officer of Pampa. For those interested in participating, please dial 0800-444-2930 in Argentina, +1 (877) 317-6776 in the United States or +1 (412) 317-6776 from any other country. Participants of the conference call should use the identification password Pampa Energía / Edenor and dial in five minutes before the scheduled time. There will also be a live audio webcast of the conference at www.pampaenergia.com/ir.

You may find additional information
on the Company at:

www.pampaenergia.com/ir

www.cnv.gob.ar