

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED DECEMBER 31, 2006
PRESENTED IN COMPARATIVE FORMAT**



PAMPA HOLDING S.A.

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2006
PRESENTED IN COMPARATIVE FORMAT**

TABLE OF CONTENTS

Annual Report

Consolidated Financial Statements

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Exhibit G – Foreign Currency Assets and Liabilities

Exhibit H – Consolidated information required by Section 64, sub-section I paragraph b) of Law No. 19550

Parent-only Financial Statements

Balance Sheet

Statement of Income

Statement of Changes in Shareholders' Equity

Statement of Cash Flows

Notes to the Financial Statements

Exhibit A – Fixed Assets

Exhibit B – Intangible Assets

Exhibit C – Investments in Shares and Government and Private Securities – Participations in Other Companies

Exhibit D – Other Investments

Exhibit F – Cost of Sales

Exhibit G – Foreign Currency Assets and Liabilities

Exhibit H – Information required by Section 64, sub-section I paragraph b) of Law No. 19550

Exhibit I – Breakdown of receivables and liabilities according to their due dates and interest rate accrued

Summary of Activities

Report of Independent Auditors

PAMPA HOLDING S.A.

Hipólito Bouchard 680, Piso 14^o – Autonomous City of Buenos Aires

Financial Statements as of December 31, 2006

Corresponding to the irregular fiscal year No. 63

commenced on July 1, 2006

Stated in pesos

Company's main line of business: Investments in undertakings and in companies of any nature on the Company's own behalf or on behalf of third parties or of third parties' associates in Argentina and abroad (Note 1 to the parent-only Financial Statements)

Dates of registration with the Public Registry of Commerce:

– By-laws: February 21, 1945

– Latest amendments to By-laws: June 26, 2006

Date of expiration of By-laws or Incorporation agreement: June 30, 2044

Type of shares	CAPITAL STATUS (Note 5 to the parent-only Financial Statements)		
	Shares		
	Number of shares authorized to list for trading in a public offering	Subscribed \$	Paid-in \$
Ordinary book-entry, entitled to 1 vote each	446,000,000	446,000,000	446,000,000

PAMPA HOLDING S.A.

Consolidated Balance Sheet as of December 31, 2006

(Stated in pesos – Note 2.3 to the parent-only Financial Statements)

	12.31.06		12.31.06
<u>ASSETS</u>		<u>LIABILITIES</u>	
<u>CURRENT ASSETS</u>		<u>CURRENT LIABILITIES</u>	
Cash and banks (Note 4 a))	23,142,888	Accounts payable (Note 4 h))	60,622,625
Investments (Note 4 b))	182,670,957	Financial debts (Note 4 j))	6,496,379
Trade receivables (Note 4 c))	78,395,136	Salaries and social security payable	10,276,649
Other receivables (Note 4 d))	28,243,461	Taxes payable (Note 4 i))	23,997,556
Inventories	3,009,120	Other debts	1,024,302
Other assets	43,010		
Total Current Assets	315,504,572	Total Current Liabilities	102,417,511
<u>NON-CURRENT ASSETS</u>		<u>NON-CURRENT LIABILITIES</u>	
Trade receivables (Note 4 c))	62,349,285	Accounts payable (Note 4 h))	50,797,686
Long-term investments (Note 4 b))	66,678	Financial debts (Note 4 j))	358,952,956
Other receivables (Note 4 d))	27,403,529	Taxes payable (Note 4 i))	146,104,967
Inventories	9,329,890	Other debts (Note 4 k))	49,079,955
Fixed assets (Note 4 e))	776,298,365	Total Non-current Liabilities	604,935,564
Intangible assets (Note 4 f))	330,661,176	Total Liabilities	707,353,075
Other assets (Note 4 g))	188,214,225		
Subtotal Non-current Assets	1,394,323,148	MINORITY INTEREST	490,710,315
Goodwill	(11,763,365)	SHAREHOLDERS' EQUITY	500,000,965
Total Non-current Assets	1,382,559,783	Total Liabilities, Minority interest and Shareholders' Equity	1,698,064,355
Total Assets	1,698,064,355		

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

PAMPA HOLDING S.A.

Consolidated Statement of Income

For the irregular fiscal year
commenced on July 1, 2006
and ended December 31, 2006

(Stated in pesos – Note 2.3 to the parent-only Financial Statements)

	12.31.06
Income from sales	127,686,513
Holding results of shares and bonds	8,073,563
Cost of sales (Note 4 I))	(79,592,381)
Gross income	56,167,695
Selling expenses (Exhibit H)	(974,702)
Administrative expenses (Exhibit H)	(16,488,513)
Goodwill amortization	269,722
Operating income	38,974,202
Financial and holding results generated by assets:	
Interest income	10,977,292
Bank taxes and charges	(307,570)
Foreign currency exchange difference	588,865
Result from receivables measurement at present value	(9,047,999)
Other interest	146,352
Sundry	72,935
Subtotal	2,429,875
Financial and holding results generated by liabilities:	
Interest on loans	(8,768,539)
Foreign currency exchange difference	4,984,928
Other financial results	(24,139,915)
Other interest	(308,067)
Subtotal	(28,231,593)
Total financial results, net	(25,801,718)
Other income and expenses, net	91,824
Income before taxes and minority interest	13,264,308
Income tax	(1,831,357)
Minority interest	(4,075,568)
Net income for the year	7,357,383
Basic earnings per share	0.0237
Diluted earnings per share	0.0225

The accompanying notes and exhibits are an integral part of these consolidated financial statements.

PAMPA HOLDING S.A.

Consolidated Statement of Cash Flows

For the irregular fiscal year
commenced on July 1, 2006
and ended December 31, 2006

(Stated in pesos – Note 2.3 to the parent-only Financial Statements)

	12.31.06
CHANGES IN CASH	
Cash at the beginning of year	8,124,703
Cash at the end of year	77,555,254
Net increase in cash	69,430,551
REASONS FOR CHANGES IN CASH	
OPERATING ACTIVITIES	
Net income for the year	7,357,383
Income tax	1,831,357
Interest and exchange difference on financial debts	13,066,178
Accrued interest	(4,413,714)
Adjustments to arrive at the net cash flows provided by operating activities:	
Depreciation of fixed assets	8,113,266
Amortization of intangible assets and concession contracts	4,709,386
Depreciation of other assets	5,683,052
Goodwill amortization	(269,722)
Reserve for Directors' options	2,941,667
Discount of receivables at present value	9,047,999
Short-term investments holding results	(7,835,445)
Minority interest	4,075,568
Fixed assets and intangible assets write-off	1,349,380
Result of refinancing	24,127,263
Changes in operating assets and liabilities	
Increase in trade receivables	(34,597,229)
Increase in other receivables	(4,822,081)
Decrease in inventories	198,950
Increase in accounts payable	12,236,190
Increase in salaries and social security payable	1,661,318
Increase in taxes payable	3,166,891
Increase in other debts	47,412,907
Collection of Interest	647,023
Income tax payment	(6,029,611)
Net cash flow provided for operating activities	89,657,976
INVESTMENT ACTIVITIES	
Increase in investments (1)	(302,135,199)
Fixed asset acquisitions	(9,577,728)
Collection of dividends	427,198
Net cash flow used in investment activities	(311,285,729)
FINANCING ACTIVITIES	
Capital increase	345,000,000
Decrease in bank and financial debt	(53,941,696)
Net cash flow provided by financing activities	291,058,304
NET INCREASE IN CASH	69,430,551

(1) Net of \$38,741,340, \$10,464,239 and \$5,769,929 incorporated as a result of the consolidation of Transelec, Inversora Nihules and Inversora Diamante, respectively.

The accompanying notes and exhibits are an integral part of these consolidated financial statements.

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

For the irregular fiscal year
commenced on July 1, 2006 and ended December 31, 2006

NOTE 1: CONSOLIDATION OF FINANCIAL STATEMENTS

In accordance with General Resolutions Nos. 368/01 and 372/01 of the National Securities Commission, the consolidated financial statements must precede the individual financial statements of the issuing entity. This regulation only implies changing the order of disclosure of the consolidated information, without altering the nature of the parent-only financial statements as the principal information and the consolidated financial statements as complementary information, in accordance with Corporations Law No. 19550 and professional standards. Consequently the consolidated financial statements must be read in conjunction with the Company's parent-only financial statements which are presented after the consolidated information.

Basis of consolidation

Following the criteria established by Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), the Company has consolidated line by line its financial statements as of December 31, 2006 with the financial statements of Transelec Argentina S.A. ("Transelec"), Inversora Nihuiles S.A. ("INNISA") and Inversora Diamante S.A. ("INDISA").

Data reflecting corporate control is as follows:

Company	Percentage of interest held in capital stock
	12.31.06
Transelec	89.76 (*)
INNISA	90.27
INDISA	91.60

(*) See Note 8 to the parent-only financial statements.

In addition, the financial statements of Transelec are proportionally consolidated to those of Compañía Inversora en Transmisión Eléctrica Citelec S.A. ("Citelec") as a result of the joint control of 50% of the shares in this company, which also consolidates the financial information of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener"), as it holds 52.65% of its shares.

The financial statements of INNISA and INDISA are consolidated line by line to those of Hidroeléctrica Nihuiles S.A. ("HINISA") and Hidroeléctrica Diamante S.A. ("HIDISA"), as the first two hold the control of 51% and 59% of the shares in these last two companies, respectively.

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 1: (Contd.)

The financial statements of the subsidiaries used for consolidation purposes were prepared at the same closing date as that of the consolidated financial statements. The amounts of the statements of income, changes in shareholders' equity and cash flows of the subsidiaries used for consolidation purposes correspond to the three-month period between October 1 and December 31, 2006.

NOTE 2: **SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared following accounting policies similar to those applied by the Company in preparing its financial statements, which are detailed in Note 3 to the parent-only financial statements.

NOTE 3: **ARGENTINE ECONOMIC CONTEXT AND ITS IMPACT ON THE COMPANY AND ITS SUBSIDIARIES**

Status of Transener and Transba tariff

The Law on Public Emergency and Reform of the Exchange System (Law No. 25561) imposed the obligation on utility companies, such as Transener and its subsidiary Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires ("Transba") to renegotiate existing contracts with the Government while continuing to render the service.

The meetings that began last year with representatives from the Renegotiation and Analysis of Utility Contracts Unit –UNIREN– body responsible for renegotiating and analyzing Utility Contracts reporting to the Executive Branch - continued during 2005, various proposals and counterproposals being submitted leading to agreement on the terms of the Letter of Understanding signed on February 2, 2005.

On May 17, 2005 Agreement Minutes were signed, including the terms and conditions to adjust the Concession Contract, based on the above Letter of Understanding including the adjustments resulting from the Public Hearings held on March 18, 2005.

After compliance with various proceedings, the Agreement Minutes were ratified by Decrees Nos. 1460 and 1462 of the Executive Branch on November 28, 2005.

Transener and Transba S.A. submitted their tariff proposals for the periods February 2006-January 2011 and May 2006-April 2011, respectively in August 2005 based on the guidelines established in the Agreement Minutes for the performance of the Comprehensive Tariff Review in 2005 and the determination of a new tariff system, based on the terms outlined in Chapter X of Law No. 24065.

The ENRE, through Resolution No. 51/2006, called for a Public Hearing to be held on February 23, 2006 with the purpose of discussing the tariff proposal submitted by Transener; however, this audience was suspended without any set date by the ENRE through Resolution No. 60/2006, on the grounds of the observations made by the Argentine Industrial Union (UIA) in the meeting called by the ENRE for distributor EDELAP S.A.

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 3: (Contd.)

Because it considered that ENRE Resolution No. 60/2006 infringes Transener's rights and implies the non-fulfillment of the obligations assumed in the Agreement Minutes by the Argentine Government, Transener filed –in due time and manner- a motion for reconsideration against Resolution No. 60/2006, which has not yet been resolved by the authorities of the Secretariat of Energy.

As the ENRE postponed the Comprehensive Tariff Review unilaterally, Resolutions Nos. 423 and 424/2006 were issued delaying the charges for connection, capacity and electricity transported established by Resolutions Nos. 908 and 909/2005 and other obligations established for the contract transition period in the Agreement Minutes signed with the UNIREN, ratified by Decrees Nos. 1462 and 1460/2005 of the Executive Branch, as from February 1 and May 1, 2006 until the Comprehensive Tariff Review has been concluded.

Economic and financial situation of HINISA and HIDISA

Resolution No. 240/03 of the Energy Secretariat established that the Agency responsible for the Dispatch, CAMMESA, should approve the Spot Prices of the Wholesale Electric Market, setting as a maximum price that resulting from a virtual dispatch which does not recognize restrictions on the supply of natural gas to the generating units of the system. Consequently, HINISA and HIDISA future revenues will continue to be affected by this situation, which will possibly have an impact on the analysis of the recoverable values of the main assets.

On September 8, 2003, the Secretariat of Energy issued Resolution No. 406/03 establishing that, in view of the exhaustion of resources available in the Wholesale Electric Market (MEM) Stabilization Fund, the Agents' receivables will be paid in the month of their maturity, depending on the availability of funds, a receivable in favor of those agents from the Stabilization Fund being recorded for any amount remaining outstanding. If the Stabilization Funds available to settle the receivables in favor of the generating agents were not sufficient, such receivables will be consolidated at the end of each month, accruing interest at a rate equivalent to the monthly average yield obtained by the Agency Responsible for the Dispatch (ODE-CAMMESA) from its financial placements. This situation directly affects the financial position of HINISA and HIDISA. At December 31, 2006, the consolidated receivables amount in nominal terms to \$ 100,116,479.

On July 12, 2004, the Energy Secretariat issued Resolution No. 826/04 inviting all the MEM's creditor agents to participate in the setting up of a Fund for necessary investments (FONINVEMEM) in order to increase the supply of electricity in the wholesale electric market, with their accumulated receivables from January 2004 to December 2006. This invitation was successively extended until December 6, 2004, when the Energy Secretariat adopted Resolution No. 1427 establishing general guidelines, as well as the essential organization issues, based on which the expansion envisaged in Resolution No. 826 dated August 6, 2004 will be carried out and the commitments undertaken by the Energy Secretariat and the Private Agents of the Wholesale Electric Market (MEM) adhering to the operations implemented through that resolution.

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 3: (Contd.)

HINISA and HIDISA decided to participate in that Fund, contributing the minimum established percentage (65% of sales settlements with due dates to be defined).

On October 7, 2005, the Secretariat of Energy issued Resolution No. 1193/05 inviting all generators participating in the FONINVEMEM to execute the "Final agreement for managing and operating the MEM adaptation projects". This statement shall be irrevocable. This agreement establishes guidelines for the operation of companies to be created with the funds obtained from the contributions undertaken by generators. This agreement also established the method for repaying the generators' receivables that had been agreed to be contributed to the FONINVEMEM (65% in the case of subsidiaries). The portion of the sales settlements on a due date to be defined, not yet collected and agreed to be contributed to the FONINVEMEM (65%) shall be converted to US\$ and collected, after the commercial authorization of the power plants expected to be granted in September 2008, in 120 equal and consecutive monthly installments. This principal amount converted to US\$ shall accrue interest at an annual rate equivalent to LIBOR + 1%. This agreement was signed by the generators through minutes dated October 17, 2005.

On December 13, 2005, the agreements to establish the electricity generating companies "Sociedad Termoeléctrica Manuel Belgrano S.A." and "Sociedad Termoeléctrica José de San Martín S.A." were signed for the production and block sales of electricity, and for the purchase of equipment, construction, operation and maintenance of a power plant in compliance with the "Final agreement for the management and operation of projects for the readapting of the MEM within the framework of Resolution No. 1427/04. On December 15, 2005, HINISA and HIDISA signed the pertinent minutes accepting subscription of shares in the two electricity generating companies, subscribing 24,459 and 12,568 ordinary shares, respectively.

In addition, in view of the above Agreement, after the Company's incorporation, a trust was set up for each thermoelectric company with the purpose of managing 50% of the resources accumulated in the FONINVEMEM, and the remaining funds allocated to the financing of the thermoelectric plants to be built.

The trust agreement beneficiaries are each of the holders with undefined due date sales settlements. The Trustor is CAMMESA, in its capacity as MEM fund and account Manager, and the trustee is BICE, which is the owner of the Trust Assets.

Trust agreements are effective until termination of the supply contract, i.e. ten years as from the Plant start-up. Once the trust agreement has been terminated, the Trustee will freely transfer the trust assets available at that date to the beneficiary.

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 4: DETAIL OF BALANCE SHEET ACCOUNTS

Consolidated Balance Sheet at December 31, 2006

	12.31.06
	<u>\$</u>
a) Cash and banks	
Cash	316,767
Banks	22,826,121
Total cash and banks	<u>23,142,888</u>
b) Investments	
<u>Current</u>	
Time deposits	54,412,366
Investments in shares and bonds - Exhibit C to the parent-only financial statements	128,258,591
Total current investments	<u>182,670,957</u>
<u>Non-current</u>	
Investments in shares	66,678
Total non-current investments	<u>66,678</u>
Total investments	<u>182,737,635</u>
c) Trade receivables	
<u>Current</u>	
Debtors for sales to the spot market - CAMMESA	49,220,194
Consolidated receivables Res. 406/03 – Secretariat of Energy	11,090,022
Trade receivables from MEM customers (Wholesale Electric Market)	10,311,905
Intercompanies and related companies – (Note 5)	658,250
Other	7,528,398
Allowance for bad debts	(413,633)
Total current trade receivables	<u>78,395,136</u>
<u>Non-current</u>	
Consolidated receivables Res. 406/03 – Secretariat of Energy	100,116,479
Other	232,000
Provision for trade receivables present value	(37,999,194)
Total non-current trade receivables	<u>62,349,285</u>
Total trade receivables	<u>140,744,421</u>

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 4: (Contd.)

d) Other receivables

	12.31.06
	\$
<u>Current</u>	
Directors and syndics' fee advances	602,081
Legal attachments	5,763,429
Guarantee deposits	5,578,412
Expenses to be recovered	1,353,651
Intercompanies and related companies – (Note 5)	275,922
Pre-paid expenses	3,758,604
Tax credits	5,872,451
Advances to suppliers	3,217,072
Sundry	1,821,839
Total current other receivables	28,243,461
<u>Non-current</u>	
Asset tax credit	20,504,966
Equity interest program for the personnel	5,612,419
Deferred income tax asset	1,166,434
Sundry	119,710
Total non-current other receivables	27,403,529
Total other receivables	55,646,990

e) Fixed assets

<u>Main account</u>	<u>Original values</u>	<u>Accumulated depreciation</u>	<u>Net book value at 12.31.2006</u>
Land	894,025	-	894,025
Properties	25,202,670	211,610	24,991,060
Leasehold improvements	703,044	4,509	698,535
High-voltage lines	328,086,573	2,842,629	325,243,944
Electricity equipment	254,164,288	2,778,372	251,385,916
Aerial and semi-heavy equipment	3,764,130	51,050	3,713,080
Laboratory and maintenance	1,860,354	27,045	1,833,309
Automation of plants	9,034,488	197,950	8,836,538
Remote control systems	1,478,831	26,080	1,452,751
Transformers	910,920	14,051	896,869
Installations	205,522	18,115	187,407
Vehicles	6,790,497	539,223	6,251,274
Furniture and fixtures	1,174,196	53,323	1,120,873
Computer and software equipment	1,746,652	274,567	1,472,085
Telecommunication equipments	28,671,167	550,221	28,120,946
Spare parts	36,295,791	-	36,295,791
Equipment and accessories	1,875,332	38,177	1,837,155
Tools and machines	271,362	24,999	246,363
Work in progress	68,222,307	-	68,222,307
Work and compulsory work performed	7,640,685	140,521	7,500,164
Sundry	3,718,387	324,568	3,393,819
Advances to suppliers	1,704,154	-	1,704,154
Total at 12.31.06	784,415,375	8,117,010	776,298,365

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 4: (Contd.)

f) Intangible Assets

Main account	Original values	Accumulated depreciation	Net book value at 12.31.2006
Concession contract	335,368,057	4,706,881	330,661,176
Total at 12.31.2006	<u>335,368,057</u>	<u>4,706,881</u>	<u>330,661,176</u>

g) Other Assets

Main account	Original values	Accumulated depreciation	Net book value at 12.31.2006
Cuarta Línea Project	173,072,967	5,264,101	167,808,866
Exchange difference capitalization	13,825,384	418,951	13,406,433
Frigorífico La Pampa Building	6,998,926	-	6,998,926
Total at 12.31.2006	<u>193,897,277</u>	<u>5,683,052</u>	<u>188,214,225</u>

12.31.06
\$

h) Accounts payable

Current

Suppliers	20,499,865
Provisions	17,603,856
Purchase of energy: CAMMESA	8,513,210
Fees and royalties	5,258,526
Technical operator fees	1,014,195
Provision for directors and syndics fees	640,443
Intercompanies and related parties – (Note 5)	656,638
Deferred income	6,298,231
Advances to customers	137,661
Total current accounts payable	<u>60,622,625</u>

Non-current

Deferred income	4,060,808
Advances to customers	46,736,878
Total non-current current accounts payable	<u>50,797,686</u>
Total current accounts payable	<u>111,420,311</u>

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 4: (Contd.)

i) Taxes payable		12.31.06
		\$
		<hr/>
<u>Current</u>		
Provision for income tax		23,084,000
Income tax withholdings and pre-payments		(15,407,355)
Provision for VAT debit		2,541,057
Municipal contributions		6,261,011
Asset tax provision		261,281
Sundry		7,257,562
		<hr/>
Total taxes payable		23,997,556
		<hr/>
<u>Non-current</u>		
Deferred tax liabilities		131,100,365
Tax debit non-claimed		15,004,602
		<hr/>
Total non-current taxes payable		146,104,967
		<hr/>
Total taxes payable		170,102,523
		<hr/>
j) Financial debts – Note 7		
<u>Current</u>		
Nordic Investment Bank		233,830
Negotiable obligations at par value		534,006
2016 negotiable obligations		913,391
Debt pending exchange		4,366,662
Financial leasing		477,770
Adjustment to financial debt at discounted value		(29,280)
		<hr/>
Total current financial debts		6,496,379
		<hr/>
<u>Non-current</u>		
Nordic Investment Bank		8,726,700
Debt pending exchange		2,604,232
Negotiable obligations at par value		19,008,809
2016 negotiable obligations		336,820,000
Financial leasing		265,026
Adjustment to financial debt at discounted value		(8,471,811)
		<hr/>
Total non-current financial debts		358,952,956
		<hr/>
Total financial debts		365,449,335
		<hr/>
k) Other debts		
<u>Non-current</u>		
Debt for purchase of Subsidiaries (Note 9 to the parent-only financial statements and Exhibit G)		15,095,056
Purchase option of shares in Transelec (Note 8 to the parent-only financial statements)		33,984,899
		<hr/>
Total non-current other debts		49,079,955
		<hr/>

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 4: (Contd.)

Consolidated Statement of Income at December 31, 2006

	12.31.06
	\$
I) Cost of sales	
Inventories at the beginning of year	12,537,960
Purchases	18,906,734
Cost of production – (Exhibit H)	60,486,697
Inventories at the end of year	(12,339,010)
Total cost of sales	79,592,381

NOTE 5: BALANCES AND TRANSACTIONS WITH INTERCOMPANIES AND RELATED PARTIES

The following is a summary of the balances and transactions with related parties:

Name	Relation	Caption	Operations	Balances
			12.31.06	12.31.06
Pampa Holding LLC	Related company	Other receivables – Expenses to be recovered	-	123,409
Dolphin Finance S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	4,144
Pampa Advisors S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	27,248
Pampa Participaciones S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	163
Grupo Dolphin S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	1,458
		Accounts payable - Rental, expenses and recovery of expenses	(446,666)	(76,516)
Transener S.A.	Subsidiary	Trade receivables – Advisory services rendered	278,039	336,427
Enercor S.A.	Related company	Trade receivables – Sale of goods and services	73,882	45,796
Yacylec S.A.	Related company	Trade receivables - Sale of goods and services	408,406	276,027
Petrobras Energía S.A.	Related company	Accounts payable – Advisory services received	(264,417)	(265,417)
Errecondo, Salaverri & Others	Directors	Accounts payable – Advisory services received	(822,841)	(314,705)
Shareholders	Shareholders	Other receivables – Expenses to be recovered	-	119,500

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 6: **INFORMATION BY SEGMENTS**

The Company's business is mainly focused on the electricity sector, with a participation in the electricity transmission and generation segments distributed among the different legal entities in which the Company has an equity interest. The following business segments have been identified by means of its subsidiaries and based on the nature, customers and risks involved:

Electricity Transmission: Made up of the indirect equity interest in Transener S.A. and its subsidiaries.

Electricity Generation: Made up of the indirect equity interest in HINISA and HIDISA and investments in shares in other companies related to the electricity generation sector.

Holding: Made up of own operations, such as advisory services and financial investments.

Other: Made up of investments in real estate and other companies not related to the electricity sector.

Below is a table with the Information for each segment identified by the Company at December 31, 2006:

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 6: (Contd.)

	<u>Transmission</u>	<u>Generation</u>	<u>Holding</u>	<u>Other</u>	<u>Deletions</u>	<u>Consolidated</u>
Consolidated Income Statement Information at 12.31.2006						
Transmission sales	58,186,111	-	-	-	-	58,186,111
Generation sales	-	68,551,654	-	-	-	68,551,654
Holding result of shares and bonds	-	3,051,556	1,724,754	3,297,253	-	8,073,563
Other sales	-	-	1,285,350	658,087	(994,689)	948,748
Total sales	<u>58,186,111</u>	<u>71,603,210</u>	<u>3,010,104</u>	<u>3,955,340</u>	<u>(994,689)</u>	<u>135,760,076</u>
Cost of sales	<u>(41,914,089)</u>	<u>(38,304,975)</u>	-	<u>(368,006)</u>	<u>994,689</u>	<u>(79,592,381)</u>
Gross income	<u>16,272,022</u>	<u>33,298,235</u>	<u>3,010,10</u>	<u>3,587,334</u>	-	<u>56,167,695</u>
Administrative expenses	(5,811,710)	(1,697,347)	(8,323,830)	(655,626)	-	(16,488,513)
Selling expenses	-	(332,228)	(14,099)	(628,375)	-	(974,702)
Goodwill amortization	411,310	(141,588)	-	-	-	269,722
Total expenses	<u>(5,400,400)</u>	<u>(2,171,163)</u>	<u>(8,337,929)</u>	<u>(1,284,001)</u>	-	<u>(17,193,493)</u>
Operating results	<u>10,871,622</u>	<u>31,127,072</u>	<u>(5,327,825)</u>	<u>2,303,333</u>	-	<u>38,974,202</u>
Financial and holding results, net	(22,992,639)	(6,760,437)	4,248,047	(296,689)	-	(25,801,718)
Other income and expenses, net	42,682	(26,763)	31,505	44,400	-	91,824
(Loss) Gain before income tax and minority interest	<u>(12,078,335)</u>	<u>24,339,872</u>	<u>(1,048,273)</u>	<u>2,051,044</u>	-	<u>13,264,308</u>
Income Tax	12,035,239	(12,119,614)	(2,057,587)	310,605	-	(1,831,357)
Minority interest	734,280	(4,809,848)	-	-	-	(4,075,568)
Net Income (Loss) for the year	<u>691,184</u>	<u>7,410,410</u>	<u>(3,105,860)</u>	<u>2,361,649</u>	-	<u>7,357,383</u>
Fixed assets depreciation	(7,406,549)	(695,252)	(11,465)	-	-	(8,113,266)
Intangible assets amortization	-	(4,706,881)	(2,505)	-	-	(4,709,386)
Other assets amortization	(5,683,052)	-	-	-	-	(5,683,052)
Consolidated Balance Sheet Information at 12.31.2006						
Total Assets	1,014,959,151	486,221,674	103,089,095	93,794,435	-	1,698,064,355
Total Liabilities	549,881,540	97,932,126	53,278,398	6,261,011	-	707,353,075

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 7: TRANSENER FINANCING STRUCTURE

7.1. Financial restructuring

At June 30, 2005 Transener concluded its financial debt restructuring process. Consequently, Transener granted the following negotiable obligations to its creditors:

Series	Date of issue	Amount US\$	Agreed rate	Final maturity	Allocation of funds
Class 6 (*) (4)	June 30, 2005	59,301,841	(1)	December 15, 2016	Restructuring of financial debt
Class 7 (**)	June 30, 2005	178,598,116	(2)	December 15, 2015	Restructuring of financial debt
Class 8 (*) (3) (5)	June 30, 2005	20,698,159	(1)	December 15, 2016	Restructuring of financial debt
Class 9 (**)	June 30, 2005	21,234,675	(2)	December 15, 2015	Restructuring of financial debt
Total		279,832,791			

(*) At par value

(**) With discount

(1) Until December 2007: 3.0%
 Until December 2010: 4.0%
 Until December 2012: 5.0%
 Until December 2014: 6.0%
 Until December 2016: 7.0%

(2) Until December 2008: 9.0%
 Remaining period: 10.0%

Class 6 Negotiable Obligations at an outstanding par value at December 31, 2006 total US\$ 13,069,414 (see Note 7.2. Financial Debt Restructuring).

Class 8 Negotiable Obligations have been fully settled (see Note 7.2. Financial Debt Restructuring).

Discounted Negotiable Obligations (Class 7 and 9) have been fully redeemed (see Note 7.2. Financial Debt Restructuring).

7.2. Financial Debt Restructuring (the “2006 Restructuring”)

Transener decided to refinance its financial debt in view of the excellent conditions of the capital markets in 2006 and the improved risk rating achieved by that Company.

The process commenced in October 2006 included a cash purchase offer for Class 6 and Class 8 Negotiable Obligations at par value and the full redemption of Discounted Class 7 and Class 9 Negotiable Obligations. At the closing of that offer, votes for approximately 76% of total securities were obtained.

As part of the 2006 Restructuring process, Transener S.A. called Meetings of Holders of

PAMPA HOLDING S.A.
Notes to the consolidated financial statements

NOTE 7: (Contd.)

Class 6 and Class 8 Negotiable Obligations at par value to submit to their consideration an amendment to the Indenture Contract with the purpose of eliminating substantially all restrictive commitments and events of non-compliance encompassed in the terms and conditions of those Negotiable Obligations. The meetings were held on December 14, 2006 and the holders of Class 6 and Class 8 Negotiable Obligations at par value approved the amendments to the terms proposed by Transener S.A.

Class 1 Negotiable Obligations for US\$ 220 million were issued to finance the purchase offer and the above bond redemption. These new securities falling due on December 15, 2016 accrue an annual interest rate of 8.875% and they will be amortized in four equal facilities on December 15, 2013, 2014, 2015 and 2016.

Class 1 Negotiable Obligations have been authorized to list for trading in a public offering in Argentina in accordance with Resolution No. 15523 dated November 30, 2006 of the National Securities Commission. In addition, those negotiable obligations have been authorized to be listed at the Buenos Aires Stock Exchange and the Luxemburg Stock Exchange according to the authorizations originally granted by those entities, and to be traded in the Over-the-counter Market.

The cash purchase offer for Class 6 and Class 8 Negotiable Obligations at par value, total redemption of Discounted Class 7 and Class 9 Negotiable Obligations and the issue of new Class 1 Negotiable Obligations was settled on December 20, 2006.

7.3. Restrictions related to the 2006 Restructuring

Transener and its restricted subsidiaries must comply with a series of restrictions arising from the 2006 Refinancing terms, including:

- (i) Limitations on Indebtedness: In certain circumstances, the Company will not be able to incur new debts, unless for amounts of less than US\$ 30 million, among other exceptions,
- (ii) Limitations on the sale of assets,
- (iii) Limitations on the operations with Shareholders and Affiliates,
- (iv) Limitations on Sale and Leaseback operations,
- (v) Limitations on restricted payments,
- (vi) Making a change in control under certain circumstances.

PAMPA HOLDING S.A.

Notes to the consolidated financial statements

NOTE 8: RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

In accordance with the Corporations Law, the Company's by-laws and Resolution No. 195 of the National Securities Commission, directly and indirectly controlled subsidiaries must appropriate 5 % of the net profit for the year less adjustments to prior years' results to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

NOTE 9: RESTRICTED ASSETS AND LIMITATION TO THE TRANSFER OF SHARES. COMMITMENTS UNDERTAKEN

Transener and Transba restricted assets

The Concession Contract prohibits the Concessionaire from placing a lien, mortgage or any other collateral in favor of third parties on assets destined to the rendering of the National High-Voltage Electricity Public Transmission Service in the case of Transener and the Provincial Electricity Public Transmission Service in the case of Transba, notwithstanding the free availability of those assets becoming unsuitable for that purpose in the future according to the ENRE criteria.

Limitation on the transfer of shares in Transener and Transba

Citelec shall not modify its investment, or sell its Class "A" shares in Transener without the prior authorization of the ENRE. Transener shall also not be able to modify or sell its investment in Transba without the prior authorization of that body.

In accordance with the Concession Contract, Citelec with regard to Transener and Transener with regard to Transba, have placed a lien in favor of the Government on all Class "A" shares to guarantee the execution of obligations assumed. Awardees Citelec and Transener should increase the guarantee amount by putting a lien on Class "A" shares purchased subsequently as a result of new capital contributions made or the capitalization of profits and/or capital adjustment balances. The possible successive transfers of the majority Class "A" share package will be pledged.

In addition, the Company's by-laws prohibit the placing of a lien or any other encumbrance on Class "A" shares, with certain exceptions mentioned in the Concession Contract.

Commitments undertaken by INNISA

Point 12.13 of Chapter XII of the Terms and Conditions for the sale of 51% of HINISA capital stock, establishes that Class "B" shares are of free availability and their transfer by public offering shall be mandatory once the Government of the Province of Mendoza transfers its Class "C" shares to retail investors resident of the Province of Mendoza. At December 31, 2006, the Government of the Province of Mendoza has not performed any transfer of the Class "C" shares to retail investors resident in the Province of Mendoza.

Furthermore, it is established that the Concessionaire should take the necessary measures for the Company to list its securities on the Stock Exchange.

On March 9, 2006, the Provincial Executive Branch, through the Ministry of the Environment and Public Works, issued Decree No. 334, whereby it was agreed the sale of 37% of HINISA capital stock, represented by Class "C" shares, to institutional minority investors of the

PAMPA HOLDING S.A.

Notes to the consolidated financial statements

NOTE 9: (Contd.)

Province of Mendoza, by means of a procedure guaranteeing that none of the purchasers of this class of shares could hold more than 5% of the capital stock and none of the holders of Class "A" shares could hold any other classes of shares. The same decree authorized the Ministry of the Environment and Public Works to perform the necessary procedures to confirm the irrevocable sales mandate granted by the holders of Class "B" shares to the Provincial Government.

On September 7, 2006, the legislature of the Province of Mendoza confirmed Decree No. 334 dated March 9, 2006.

NOTE 10: **SUBSEQUENT EVENTS**

On January 4, 2007, the purchase of the shares in Powerco and Dilurey under the sale agreements originally signed with the sellers mentioned in Note 10 to the parent-only financial statements became effective.

Consequently, as from that date the Company holds (i) shares representative of 100% of the shares in Dilurey, which holds 90% of the shares in Powerco, and (ii) shares representative of 8% of the shares in Powerco. These transactions enabled the Company to obtain indirect control of CTG, holding 58.8% of the capital and votes.

Full payment for the above purchases amounted to US\$ 50,478,912 and was made on January 4, 2007.

Notwithstanding the above, the transaction is subject to the authorization of the National Commission for the Defense of Competition, requested from that body in January 2007.

Within the framework of the capital increase mentioned in Note 1 to the parent-only financial statements, on February 22, 2007 the Company issued 600 million shares at \$2.23 price per share, resulting in a net proceed of \$ 1,338 million.

At the first stage of the process and as a result of demand, the Company issued 528,028,858 new shares corresponding to the exercise of the preemptive subscription right and the accretion right of the Company's existing shareholders and to meet the demand of investors during the domestic and international offer of new shares.

As established by the prospectus, the Company subsequently issued 24,400,350 new shares as a result of the exercise of the oversubscription option granted to underwriters and 47,570,792 additional shares were placed following the procedure originally established in the prospectus.

PAMPA HOLDING S.A.

Foreign currency assets and liabilities

Balance sheet at December 31, 2006

(Amounts stated in pesos – Note 2.3 to the parent-only financial statements)

Exhibit G

Items	Type	Amount in foreign currency	Exchange rate (1)	Total at 31.12.06 \$
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and banks	US\$	5,079,144	3.022	15,349,174
	R\$	1,449,314	1.413	2,047,881
Investments	US\$	28,499,021	3.022	86,124,041
	R\$	300,809	1.413	425,043
Trade receivables	US\$	51,386	3.022	155,290
	R\$	1,655,856	1.413	2,339,725
Other receivables	US\$	248,669	3.022	751,478
	R\$	1,368,704	1.413	1,933,979
Total Current Assets				109,126,611
<u>NON-CURRENT ASSETS</u>				
Trade receivables	US\$	76,770	3.022	232,000
Total Non-current assets				232,000
TOTAL ASSETS				109,358,611
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	US\$	436,059	3.062	1,335,214
	E\$	290,738	4.039	1,174,291
	R\$	1,324,953	1.413	1,872,159
Financial debts (2)	US\$	1,975,142	3.062	6,047,886
Salaries and social security payable	R\$	908,459	1.413	1,283,652
Taxes payable	R\$	117,611	1.413	166,185
Total Current Liabilities				11,879,387
<u>NON-CURRENT LIABILITIES</u>				
Financial debts (2)	US\$	119,908,472	3.062	367,159,741
	R\$	187,563	1.413	265,026
Other debts	US\$	4,929,803	3.062	15,095,056
Total Non Current Liabilities				382,519,823
TOTAL LIABILITIES				394,399,210

(1) Banco Nación exchange rate in force at 12.29.06 for US dollars, reales and euros.

(2) The amount of financial debts corresponds to their face value and does not include the adjustment to the financial debt at discounted value.

PAMPA HOLDING S.A.

Consolidated information required by section 64 subsect. b) of Law No. 19550

For the irregular fiscal year

Commenced July 1, 2006 and ended December 31, 2006

(amounts stated in pesos – Note 2.3 to the parent-only financial statements)

Exhibit H

Items	Expenses			Total at 12.31.06
	Administrative	Selling	Production	
Salaries and social security payables	3,307,041	364,946	13,116,990	16,788,977
Fees and compensation for services	2,173,378	193,525	1,549,746	3,916,649
Directors and syndics' salaries	2,455,168	-	-	2,455,168
Reserve for directors' options	2,941,667	-	-	2,941,667
Work materials	-	-	9,008,433	9,008,433
Royalties and fees	-	-	7,674,460	7,674,460
Depreciation of fixed assets	803,867	25,420	7,283,979	8,113,266
Amortization of intangible assets	2,505	-	-	2,505
Amortization of other assets	-	-	5,683,052	5,683,052
Amortization of the concession contract	-	-	4,706,881	4,706,881
Maintenance	139,216	-	3,655,583	3,794,799
Transport and per diem	418,320	10,888	1,150,063	1,579,271
Rental and expenses	565,551	-	530,806	1,096,357
Fuels, lubricant and spare parts	45,759	-	1,267,352	1,313,111
Electricity	9,865	-	581,846	591,711
Surveillance and cleaning services	59,498	-	776,166	835,664
Taxes and services	620,161	7,049	851,423	1,478,633
Communication	19,003	-	457,878	476,881
Advertising	-	225,061	-	225,061
Insurance	802,182	754	532,533	1,335,469
Bank expenses	456,081	-	54,840	510,921
Other expenses	1,669,251	147,059	1,604,666	3,420,976
Total at 12.31.06	16,488,513	974,702	60,486,697	77,949,912

PAMPA HOLDING S.A.

Parent-only Financial Statements

For the irregular fiscal year No. 63
commenced on July 1, 2006
and ended December 31, 2006
presented in comparative format

PAMPA HOLDING S.A.

Balance Sheets as of December 31, 2006 and June 30, 2006

(Stated in pesos – Note 2.3)

	12.31.06	06.30.06		12.31.06	06.30.06
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and banks (Note 4 a)	17,540,875	3,602,456	Accounts payable (Note 4 f)	2,376,928	2,648,407
Investments (Exhibits C, D and G)	151,542,745	31,671,134	Salaries and social security payable	365,331	42,207
Trade receivables (Note 4 b)	1,704,534	319,645	Taxes payable (Note 4 g)	6,915,999	7,052,352
Other receivables (Note 4 c)	5,199,547	2,770,328	Other debts	100,000	125,323
Inventories (Note 4 d)	3,009,120	3,009,120	Total Current Liabilities	9,758,258	9,868,289
Total Current Assets	178,996,821	41,372,683			
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Trade receivables (Note 4 b)	232,000	132,315	Taxes payable (Note 4 g)	701,196	-
Other receivables (Note 4 c)	2,259,478	4,109,020	Other debts (Note 4 h)	49,079,955	-
Inventories (Note 4 d)	9,329,890	9,528,840	Total Non-current Liabilities	49,781,151	-
Investments (Exhibits C and D)	361,637,137	92,364,923	Total Liabilities	59,539,409	9,868,289
Other assets (Note 4 e)	6,998,926	6,998,926			
Fixed assets (Exhibit A)	86,122	60,992	SHAREHOLDERS' EQUITY		
Intangible assets (Exhibit B)	-	2,505	(per related statement)	500,000,965	144,701,915
Total Non-current Assets	380,543,553	113,197,521	Total Liabilities and Shareholders' Equity	559,540,374	154,570,204
Total Assets	559,540,374	154,570,204			

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

PAMPA HOLDING S.A.

Statements of Income

For the fiscal years commenced on July 1, 2006 and 2005
and ended December 31 and June 30, 2006 ⁽¹⁾
(Stated in pesos – Note 2.3)

	12.31.06	06.30.06
Holding results of shares and bonds (Exhibit C)	8,073,563	3,558,012
Result of investment in subsidiaries (Note 4 i)	5,584,969	-
Goodwill amortization	269,722	-
Income from sales	1,943,437	1,221,694
Cost of sales (Exhibit F)	(368,006)	(727,406)
Gross income	15,503,685	4,052,300
Selling expenses (Exhibit H)	(642,474)	(745,287)
Administrative expenses (Exhibit H)	(8,979,456)	(3,043,595)
Subtotal	(9,621,930)	(3,788,882)
Result from reversal of property impairment allowance (Note 13)	-	722,236
Operating income	5,881,755	985,654
Financial and holding results		
-Generated by assets		
-Interest income	3,251,466	-
-Bank charges	(35,061)	-
-Foreign currency exchange difference	992,282	998,182
-Other interest	-	621,959
-Other financial income	54,285	-
-Generated by liabilities		
-Interest expense	(91,256)	-
-Interest on loans	-	(70,820)
-Tax interest	(308,067)	(698,380)
- Foreign currency exchange difference	182,653	75,930
Net financial results	4,046,302	926,871
Other income and expenses, net	168,455	-
Income before taxes	10,096,512	1,912,525
Income tax and asset tax (Note 4 j)	(2,739,129)	2,500,725
Net income for the year	7,357,383	4,413,250
Basic earnings per share (Note 3 m)	0.0237	0.1191
Diluted earnings per share (Note 3 m)	0.0225	0.1191

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

(1) See Note 2.5

PAMPA HOLDING S.A.

Statements of Changes in Shareholders' Equity

For the fiscal years commenced on July 1, 2006 and 2005
and ended December 31 and June 30, 2006 ⁽¹⁾

(Stated in pesos – Note 2.3)

	SHAREHOLDERS' CONTRIBUTIONS				Reserve for directors' options (Note 14)	(Accumulated deficit) Retained earnings	Total
	Common stock (Note 5)	Irrevocable contributions	Paid-in- capital	Total			
Balances at 06.30.05	6,000,000	-	-	6,000,000	-	(6,354,587)	(354,587)
Prior years' adjustments (Note 2.6)	-	-	-	-	-	643,252	643,252
Adjusted balances at 06.30.05	6,000,000	-	-	6,000,000	-	(5,711,335)	288,665
Irrevocable contributions received	-	42,146,000	-	42,146,000	-	-	42,146,000
Capital increase - Meeting held on 01.24.06	140,000,000	(42,146,000)	-	97,854,000	-	-	97,854,000
Net income for the year ended 06.30.06	-	-	-	-	-	4,413,250	4,413,250
Balances at 06.30.06	146,000,000	-	-	146,000,000	-	(1,298,085)	144,701,915
Capital increase - Meeting held on 06.16.06 (Note 1)	300,000,000	-	45,000,000	345,000,000	-	-	345,000,000
Reserve for Directors' options (Note 14)	-	-	-	-	2,941,667	-	2,941,667
Net income for the year	-	-	-	-	-	7,357,383	7,357,383
Balances at 12.31.06	446,000,000	-	45,000,000	491,000,000	2,941,667	6,059,298	500,000,965

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

(1) See Note 2.5

PAMPA HOLDING S.A.

Statements of Cash Flows

For the fiscal years commenced on July 1, 2006 and 2005

and ended December 31 and June 30, 2006 ⁽¹⁾

(Stated in pesos – Note 2.3)

	12.31.06	06.30.06
CHANGES IN CASH		
Cash at the beginning of year	8,124,703	5,026
Cash at the end of year	40,825,029	8,124,703
Net increase in cash	32,700,326	8,119,677
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	7,357,383	4,413,250
Income tax and asset tax	2,739,129	(2,500,725)
Accrued interest	399,323	698,380
Adjustments to reconcile net income for the year to net cash flows provided by (used in) operating activities:		
Depreciation of fixed assets and amortization of intangible assets	13,970	6,149
Amortization of goodwill	(269,722)	-
Exchange difference provided by other debts, short-term investments and cash and cash equivalents	983,274	(307,785)
Result from minority interest	(5,584,969)	-
Short-term investments holding results	(7,835,445)	(3,384,077)
Reserve for Directors' options	2,941,667	-
Reversal of property impairment allowance	-	(722,236)
Changes in operating assets and liabilities		
Increase in trade receivables	(1,484,574)	(451,960)
Increase in other receivables	(2,617,610)	(4,251,065)
Decrease (Increase) in inventories	198,950	(12,537,960)
(Decrease) Increase in accounts payable	(271,479)	2,648,407
Increase in salaries and social security payable	323,124	42,207
Increase in taxes payable	1,435,847	1,644,820
Increase in other debts	48,448,380	79,323
Income tax payments	(1,179,071)	-
Net cash flow provided by / (used in) operating activities	45,598,177	(14,623,272)
CASH USED IN INVESTMENT ACTIVITIES		
Increase in investments	(450,653,377)	(23,764,810)
Decrease (Increase) in investments (Escrow)	92,364,923	(92,057,138)
Fixed asset additions	(36,595)	(64,740)
Collection of dividends	427,198	-
Net cash flow used in investment activities	(357,897,851)	(115,886,688)
CASH PROVIDED BY FINANCING ACTIVITIES		
Paying up of irrevocable contributions	-	42,146,000
Paying up of capital increase	345,000,000	97,854,000
Decrease in financial debts	-	(1,370,363)
Net cash flow provided by financing activities	345,000,000	138,629,637
NET INCREASE IN CASH	32,700,326	8,119,677

Cash and banks plus highly liquid investments (original maturities of three months or less) were considered cash.

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

(1) See Note 2.5

PAMPA HOLDING S.A.

Notes to the financial statements

For the fiscal years commenced on July 1, 2006 and 2005
and ended December 31 and June 30, 2006
(Stated in pesos – Note 2.3. unless otherwise stated)

NOTE 1: AMENDMENTS TO COMPANY'S BY-LAWS AND CAPITAL INCREASE

As a result of the transfer of the Company's majority shareholding and in order to adapt its corporate purpose to the new activities it has started, the General Extraordinary Meeting of Shareholders held on January 24, 2006 approved the amendments to the corporate By-laws, which were registered on June 26, 2006. In addition, new amendments were introduced in the General Extraordinary Meeting of Shareholders held on June 16, 2006. These were the main amendments approved:

Name: The new name of the Company will be Pampa Holding S.A.

Corporate purpose: The Company will be exclusively engaged in investments in undertakings and companies of any nature on its own behalf, or on behalf of third parties or of third parties' associates, in Argentina and abroad in accordance with the limits established by current laws and regulations; it may set up or participate in the setting up of companies or acquire or hold equity interest in existing companies or companies to be set up in Argentina or abroad; participate in joint ventures, corporation groups, consortiums, make capital contributions for operations carried out or to be carried out in the future. The Company may also acquire, develop and sell any type of assets for investment purposes, encumber them and grant or hold them on concession or lease.

Control body: The replacement of the Surveillance Committee with a Committee of Syndics has been resolved as well as the setting up of an Audit Committee.

Options: It was resolved to include in the corporate By-laws the possibility of the Company issuing stock options or options over securities convertible into shares, as established by Decree 677/2001.

Increase in the number of directors: it was resolved that the Board will be composed of at least three members and not more than nine members.

Capital increase: A capital increase for up to \$ 140,000,000 was approved, increasing capital stock to \$ 146,000,000, which has been fully subscribed and paid up.

In addition, the General Extraordinary Meeting of Shareholders of June 16, 2006 approved a new capital increase for up to \$ 900,000,000 (nine hundred million pesos face value), increasing capital from \$ 146,000,000 to \$ 1,046,000,000 by means of the issue of up to 900,000,000 of new ordinary, book-entry shares of 1 vote each and of \$ 1 face value each, delegating timing and amount of each issue to the Board of Directors. Under this new capital increase, in September 2006 a capital increase for 300,000,000 ordinary, book-entry, non-callable shares of 1 vote each and of \$ 1 face value each was subscribed and paid up at \$ 1.15 each.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 1: (Contd.)

The General Extraordinary Meeting of Shareholders of October 11, 2006 approved the change to the Company's closing date from June 30 to December 31 of each year.

Based on this change, this year covers an irregular six-month period.

NOTE 2: **ACCOUNTING STANDARDS**

2.1 Financial statement preparation and presentation

These financial statements are stated in Argentine pesos, and were prepared in accordance with generally accepted accounting principles issued by the FACPCE, as approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("CPCECABA") with certain modifications, and the regulations of the National Securities Commission ("CNV").

The Company's parent-only financial statements have been prepared including the information required by current legal and professional accounting standards. The Company's Management recommends the reading of the parent-only financial statements together with the consolidated financial statements, which are presented at the beginning and are an integral part of the parent-only financial statements, for an adequate interpretation of the financial position and the changes in the results of the Company and its subsidiaries.

Certain amounts corresponding to the financial statements presented in comparative format have been reclassified for consistency purposes with the amounts disclosed for this year.

2.2. New accounting standards

On August 10, 2005, through Resolution CD No. 93/2005, the CPCECABA approved the unification within its jurisdiction of professional accounting standards with those issued by the FACPCE. Application of Technical Pronouncements Nos. 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 21 and 22 of the FACPCE shall be mandatory within the jurisdiction of the Autonomous City of Buenos Aires, with the amendments introduced by that body until January 1, 2005.

The standards approved shall come into force for fiscal years commencing as from January 1, 2006, their early application being admitted.

On December 29, 2005, through Resolutions Nos. 485 and 487, the CNV adopted the CPCECABA standards with certain modifications.

The main change derived from the unification of accounting standards is the treatment of the adjustment for inflation of the deferred tax calculation, which allows recognizing such liability as a temporary or permanent difference for fiscal years commencing as from January 1, 2006, the application of this standard in advance being optional. At present, the adjustment for inflation is considered as a permanent difference in the calculation of deferred tax.

PAMPA HOLDING S.A.

NOTE 2: (Contd.)

As established by the new accounting standards, the Company has decided not to recognize the deferred liability derived from the adjustment for inflation of fixed and other non-monetary assets. The effect is included in Note 4 j).

2.3. Presentation of financial statements in constant Argentine pesos

The financial statements have been prepared in constant monetary units, reflecting the overall effects of inflation through August 31, 1995. As from that date, in accordance with professional accounting standards and the requirements of the control authorities, restatement of the financial statements was discontinued until December 31, 2001. As from January 1, 2002, in accordance with professional accounting standards recognition of the effects of inflation has been resumed, considering that the accounting measurements restated due to the change in the purchasing power of the currency up to August 31, 1995 and those originating between that date and December 31, 2001 have been stated in the currency value of the latter date.

On March 25, 2003, the National Executive Branch issued Decree 664 establishing that the financial statements for fiscal years ending as from that date be stated in nominal currency. Consequently, in accordance with CNV Resolution No. 441/03, the Company discontinued the restatement of its financial statements as from March 1, 2003. This criterion is not in accordance with prevailing professional accounting standards, which establish that financial statements are to be restated until September 30, 2003. Nevertheless, given the very low rates of inflation applicable between March and September 2003, this departure has not had a significant impact on the financial statements taken as a whole.

The index used in restating the items contained in these financial statements until February 28, 2003 is the domestic wholesale price index published by the National Statistics and Census Institute.

2.4. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting standards requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the income and expenses recorded for the year. Significant estimates include those required for the accounting of depreciation and amortization, the recoverable value of assets, the income tax charge and provisions for contingencies. Actual results could differ from those estimates.

2.5. Comparative information

In view of the change in the closing date mentioned in Note 1, the financial information included in the financial statements for the six-month period ended December 31, 2006 cannot be compared with that corresponding to fiscal year ended June 30, 2006.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 2: (Contd.)

2.6. Prior year adjustments

During the fiscal year ended June 30, 2006 the Company recorded prior year adjustments, which are detailed below:

Items	Effect on retained earnings for the year 06.30.05 Income (loss)
Reversal of other assets impairment allowance (Note 13)	3,170,178
Municipal contributions (Note 12)	(2,526,926)
Total	643,252

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a. Cash and banks

In local currency: At nominal value.

In foreign currency: Translated at the exchange rate at the end of each year applied to settle these operations, detailed in Exhibit G. Exchange differences were allocated to the results for each year.

b. Investments

- Short-term

Time deposit balances have been stated at their respective fair value plus interest accrued at the end of each year as per the clauses specific to each transaction.

Share balances have been valued at their net realizable value at the end of each year.

The balances of government and private securities in foreign currency have been stated at their net realizable value converted at the exchange rate at the end of each year applied to settle these operations plus interest accrued at the end of each year, and they have been detailed in Exhibit G. Exchange differences were allocated to the results for each year.

- Long-term – Minority interest and goodwill

The acquisition of Transelec, INNISA and INDISA (see Notes 8 and 9) shares has been accounted for following the purchase method of accounting based on the financial statements of that Company at September 30, 2006. The difference in the fair value

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 3: (Contd.)

of net assets acquired compared to their respective acquisition cost has been posted as negative or positive goodwill.

Goodwill recorded as a result of the acquisition of Transelec will be recognized under results on a regular basis throughout a period equal to the weighted average remaining useful life of the issuer's assets subject to depreciation and amortization, estimated at 21 years. Goodwill recorded as a result of the acquisition of INNISA and INDISA will be recognized under results on a regular basis throughout a period equal to the remaining useful life of the concession contract of HINISA and HIDISA, subsidiaries of INNISA and INDISA, respectively, with a term of 17 years for each company.

Long-term investments in subsidiaries have been accounted for under the equity method at year end in accordance with Technical Pronouncement No. 21 of the FACPCE. The Company has used the financial statements of its subsidiaries for the three-month period ended December 31, 2006.

Those companies have prepared their financial statements applying similar accounting standards to those applied by the Company.

The Company assesses on a regular basis the recoverability of goodwill on the basis of future cash flows and other information available at the date of issue of these financial statements. Goodwill recorded at year end does not exceed its recoverable value.

c. Receivables and liabilities

In local currency: Stated at their nominal value plus financial results accrued at year end, if applicable. The values thus obtained do not significantly differ from those that would result from application of the prevailing accounting standards, which establish that they must be valued at the amount receivable and payable, respectively, discounted applying a rate reflecting the time value of money and the risks specific to the transaction estimated at the time of their addition to assets and liabilities, respectively.

In foreign currency: Valued as mentioned above, considering the exchange rates in force at the end of each year, detailed in Exhibit G. Exchange differences were allocated to the results for each year

d. Inventories

Land acquired for their development and subsequent sale have been classified as inventories.

Inventories have been valued at acquisition cost. This caption includes expenses incurred in the acquisition of the land and its preparation for sale before the notarizing act.

Aggregate inventory value does not exceed their recoverable value.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 3: (Contd.)

The Company has classified inventories as current and non-current based on Management estimated date of sale.

e. Other assets

The Frigorifico La Pampa building, located in Avenida Don Pedro de Mendoza, Autonomous City of Buenos Aires, no longer in use since the beginning of 2003, has been valued at acquisition cost restated as mentioned in Note 2.3 and amortized until that time.

During the fiscal year ended June 30, 2003 the Company recognized an impairment allowance of \$ 3,225,000 for that building, because the book value recorded was in excess of the recoverable value estimated at that date. The Company has reversed that impairment allowance in subsequent periods; no allowance having been recorded at the end of these financial statements (See Note 13).

The Company has classified other assets as non-current, on the basis of the management estimate of when they will be sold.

Their aggregate value does not exceed their recoverable value.

f. Fixed assets

Fixed assets have been valued at acquisition cost restated as mentioned in Note 2.3, net of accumulated depreciation and impairment allowance, where applicable.

Depreciation charges are computed under the straight-line method over the estimated useful lives assigned to the assets, considering the full addition month criterion.

The breakdown of this caption is detailed in Exhibit A.

Aggregate asset value does not exceed their recoverable value.

g. Intangible assets

Intangible assets corresponding to brands have been valued at acquisition cost restated as mentioned in Note 2.3, less accumulated amortization, as disclosed in Exhibit B.

h. Income tax

The Company has recognized the income tax charge using the deferred tax method, thus recognizing the temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 3: (Contd.)

Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recorded and settled, considering the regulations in effect at the time of issue of these financial statements.

The Company recognizes tax assets on its balance sheet only when their realization is deemed to be probable.

i. Asset tax

The Company is subject to the asset tax at a statutory rate of 1% over its computable assets at the end of the year. This tax complements income tax. Pursuant to this tax regime, the Company is required to pay the greater of the income tax or the asset tax. Any excess of the asset tax over the income tax may be carried forward and recognized as a tax against future income tax payable over a 10-year period:

The Company has recognized as an expense the asset tax paid until the fiscal year ended June 30, 2005, considered its expected realization. During the fiscal year ended June 30, 2006, as a result of the relaunching of the Company's operations, the Company reassessed the recoverability of this asset and recognized a credit of \$ 462,792.

j. Shareholders' equity

The shareholders' equity accounts have been restated in constant monetary units through February 28, 2003 as mentioned in Note 2.3. Subsequent activity has been stated at nominal value.

k. Income statement accounts

The income statement accounts have been disclosed in the currency of the month in which they are incurred, except for the charges for assets consumed (fixed asset depreciation, intangible asset amortization and costs of sales), which amounts were determined on the basis of the asset values recorded, restated as mentioned in Note 2.3.

l. Revenue recognition

Revenues from land sales are recognized when the Company has transferred to the buyer the risk of ownership.

Holding results include income from the valuation of shares at year end as well as dividends paid.

m. Earnings per share

The Company has calculated basic earnings per share on the basis of the average weighted amount of outstanding shares at December 31 and June 30, 2006.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 3: (Contd.)

Furthermore, the Company has calculated diluted earnings per share on the basis of the possible diluted effect of warrants described in Note 14.

NOTE 4: DETAIL OF BALANCE SHEET ACCOUNTS

The main financial statement captions are broken down as follows:

Balance Sheet at December 31 and June 30, 2006

	12.31.06	06.30.06
	\$	\$
a) Cash and banks		
Cash in local currency	3,973	1,187
Cash in foreign currency (Exhibit G)	1,475	-
Banks in local currency	2,267,289	2,926,147
Banks in foreign currency (Exhibit G)	15,268,138	675,122
Total cash and banks	17,540,875	3,602,456
b) Trade receivables		
<u>Current</u>		
Ordinary in foreign currency (Exhibit G)	149,261	319,645
Intercompany and related companies (Note 6)	1,555,273	-
Total trade receivables	1,704,534	319,645
<u>Non-Current</u>		
Ordinary in foreign currency (Exhibit G)	232,000	132,315
Total non-current trade receivables	232,000	132,315
Total trade receivables	1,936,534	451,960
c) Other receivables		
<u>Current</u>		
<u>Tax credits</u>		
- VAT credits	728,303	511,321
- Real estate tax prepayment	-	52,112
- Law No. 23760 taxes	110,522	-
<u>Sundry</u>		
- Expenses related to the issue of capital	1,353,651	1,874,621
- Advances to directors	154,200	-
- Expenses to be recovered - Intercompany and related companies (Note 6)	300,941	293,572
- Guarantee deposits (Notes 10 and 12)	2,433,994	-
- Other	117,936	38,702
Total current other receivables	5,199,547	2,770,328

PAMPA HOLDING S.A.

Notes to the financial statements

<u>NOTE 4:</u>	(Contd.)	12.31.06	06.30.06
		<u>\$</u>	<u>\$</u>
c) Other receivables (Contd.)			
<u>Non-current</u>			
<u>Tax credits</u>			
- Asset tax		2,139,768	1,737,057
- Deferred income tax asset (Note 4.j)		-	2,037,933
<u>Sundry</u>			
- Expenses related to the purchase of companies		119,710	296,030
- Other		-	38,000
Total other receivables non-current		<u>2,259,478</u>	<u>4,109,020</u>
Total other receivables		<u>7,459,025</u>	<u>6,879,348</u>
d) Inventories			
<u>Current</u>			
"Estancia Benquerencia" plots of land		3,009,120	3,009,120
<u>Non-current</u>			
"Estancia Benquerencia" plots of land		9,329,890	9,528,840
Total inventories		<u>12,339,010</u>	<u>12,537,960</u>
e) Other assets			
Frigorifico La Pampa building		6,998,926	6,998,926
Total other assets		<u>6,998,926</u>	<u>6,998,926</u>
f) Accounts payable			
Provisions in local currency		500,620	208,059
Provisions in foreign currency (Exhibit G)		1,049,461	1,261,000
Provisions in local currency - Intercompany and related companies (Note 6)		391,221	794,672
Suppliers in local currency		75,340	366,595
Suppliers in foreign currency (Exhibit G)		20,056	-
Provision for Directors' fees		202,569	-
Advances to customers		137,661	-
Other		-	18,081
Total accounts payable		<u>2,376,928</u>	<u>2,648,407</u>

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 4: (Contd.)

	12.31.06	06.30.06
	\$	\$
g) Taxes payable		
<u>Current</u>		
Municipal Contributions (Note 12)	6,261,011	5,835,767
Asset tax provision	261,281	1,103,571
Income tax withholdings to be deposited	218,880	17,184
Provision on turnover tax	174,827	42,759
Personal assets tax	-	39,940
Sundry	-	13,131
Total current taxes payable	6,915,999	7,052,352
<u>Non-Current</u>		
Deferred income tax liabilities (Note 4.j)	701,196	-
Total non-current taxes payable	701,196	-
Total taxes payable	7,617,195	7,052,352
h) Other debts		
<u>Non-Current</u>		
Debt for purchase of Subsidiaries (Note 9 and Exhibit G)	15,095,056	-
Purchase option of shares in Transelec (Note 8)	33,984,899	-
Total non-current other debts	49,079,955	-
Statement of Income at December 31 and June 30, 2006		
i) Result of investment in subsidiaries		
Transelec	279,875	-
INNISA	2,385,615	-
INDISA	2,919,479	-
Total	5,584,969	-

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 4: (Contd.)

j) Income tax – Deferred tax

The evolution and breakdown of deferred tax assets and liabilities are as follows:

Items	Opening balances	Changes for the year	Closing balances
Investments	(1,184,427)	(1,965,997)	(3,150,424)
Other assets	(212,038)	(2,537)	(214,575)
Debts	112,222	6,537	118,759
Tax loss carry-forwards	3,322,176	(777,132)	2,545,044
Total net deferred assets (liabilities)	2,037,933	(2,739,129)	(701,196)

Below is a reconciliation between income tax expensed and the amount resulting from application of the tax rate on the accounting loss/gain before taxes:

Items	12.31.06	06.30.06
Net income for the year (before income tax)	10,096,512	1,912,525
Current tax rate	35%	35%
Net loss for the year at tax rate	(3,533,779)	(669,384)
Permanent differences:		
- Brands	(877)	-
- Earned dividends	149,519	66,235
- Minority interest result	1,954,739	-
- Goodwill amortization investments	94,403	-
- Reserve for Directors' options	(1,029,583)	-
- Other	(2,537)	(5,436)
- Income from bonds	13,108	-
- Foreign bonds holding results	(384,122)	-
- Reversal of building impairment allowance	-	252,782
Tax-loss carryforwards:		
- Recognition of prior years' tax-loss carryforwards	-	2,867,774
- Expiry of tax loss carryforwards	-	(326,226)
- Temporary difference generated by AREA	-	(147,812)
Total income tax for the year	(2,739,129)	2,037,933

The gain for \$ 2,037,933 at June 30, 2006 is included in the Statement of Income together with the reversal of the asset tax charge for \$462,792 (Note 3 i).

As mentioned in Note 2.2, had the inflation adjustment of assets been recognized as a temporary difference, the deferred tax asset would have increased by \$ 1,225,604.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 5: CAPITAL STOCK

At December 31, 2006, the Company had 446,000,000 book-entry shares with a par value of \$ 1 each and entitled to 1 vote per share.

NOTE 6: BALANCES AND TRANSACTIONS WITH SUBSIDIARIES AND RELATED COMPANIES

Balances at December 31 and June 30, 2006 and operations with related companies, subsidiaries and shareholders are as follows:

Name	Relation	Caption	Operation		Balances	
			12.31.06	06.30.06	12.31.06	06.30.06
Pampa Holding LLC	Related company	Other receivables – Expenses to be recovered	-	-	123,409	123,409
Dolphin Finance S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	4,144	25,086
Dolphin Finance S.A.	Directors/Shareholders	Other debts	-	-	-	(21,000)
Pampa Advisors S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	27,248	25,414
Pampa Participaciones S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	163	163
Grupo Dolphin S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	1,458	-
		Accounts payable – Rental, expenses and recovery of expenses	(446,666)	(80,366)	(76,516)	(134,672)
Transelec S.A.	Subsidiary	Other receivables – Expenses to be recovered	-	-	12,231	-
Inversora Nihules S.A.	Subsidiary	Other receivables – Expenses to be recovered	-	-	12,788	-
Transener S.A.	Subsidiary	Trade receivables – Advisory services rendered	556,078	-	672,854	-
Hidroeléctrica Nihules S.A	Subsidiary	Trade receivables – Advisory services rendered	407,748	-	493,375	-
Hidroeléctrica Diamante S.A.	Subsidiary	Trade receivables – Advisory services rendered	321,524	-	389,044	-
Errecondo, Salaverri & Others	Directors	Trade receivables – Advisory services rendered	(822,841)	(660,000)	(314,705)	(660,000)
Shareholders	Shareholders	Other receivables – Expenses to be recovered	-	(70,710)	119,500	119,500
		Interest on loans	-	(70,710)	-	-

NOTE 7: RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

In accordance with Law No. 25063, dividends distributed in cash or in kind, in excess of accumulated tax profits at the end of the year immediately before the date of payment or distribution, will be subject to a 35% income tax withholding in a single and final payment. The balance of accumulated accounting profits at December 31, 1997, less dividends paid plus tax profits calculated as from January 1, 1998 are considered accumulated tax profits for the purposes of this tax.

In accordance with the Corporations Law, 5 % of the net profit arising from the financial statements for the year must be appropriated to a legal reserve until such reserve equals 20% of the Company's outstanding capital, after the rebuilding of the Legal Reserve used by the Company for the absorption of accumulated losses for \$624,383 as per the Shareholders' Meeting decision of October 16, 1998.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 8: ACQUISITION OF TRANSELEC

On September 21, 2006 the Company acquired from Dolphin Oportunity LLC, a related party, 89.76% of the shares in Transelec, a company holding 50% of the shares in Citelec, for US\$ 48,465,000; thus the Company held 50% of Citelec.

Citelec is the controlling company of 52.65% of Transener, a company incorporated in May 1993 as a result of the privatization of the high-voltage electricity transmission system.

Transener S.A. is the leading company in extra-high voltage electricity transmission utility services in Argentina and owns the extra-high voltage electricity transmission national network, consisting of almost 9,300 kilometers of transmission lines plus approximately 5,500 kilometers of lines of its subsidiary network, Transba; therefore it operates 95% of the high-voltage lines in Argentina, with annual revenues of over \$ 439 million.

On September 15, 2006 a merger and granting of Transelec shares purchase and sale options commitment was signed between the Company and Transelec minority shareholders for the remaining 10.24% of the Transelec. The Company has recognized the obligation resulting from the sale option granted as non-current liabilities under "other debts" in these financial statements, which has been valued in accordance with the contractual terms.

Therefore, these financial statements reflect the economic impact of the purchase of all the outstanding shares in Transelec.

As it was carried between related parties, this operation was subject to the opinion of the Audit Committee, which stated that it had been carried out under normal market conditions.

NOTE 9: ACQUISITION OF NIHUILES AND DIAMANTE

On October 18, 2006 the purchases of the shares in INNISA and INDISA under the sale agreements originally signed with Electricité de France Internacional S.A. on May 26, 2006, and Banco de Galicia y Buenos Aires S.A. and Nucleamiento Inversor S.A. on June 7, 2006 became effective.

Consequently, the Company holds (i) shares representative of 90.27% of INNISA capital stock and (ii) shares representative of 91.6% of INDISA capital stock. The remaining shares in INNISA and INDISA are held by Ultracore Energy S.A. (an affiliate of Stein Ferroaleaciones S.A.).

As a result of the acquisitions of the shares in INNISA and INDISA the Company invested US\$ 55,822,607, depositing the payment in an escrow account at the Deutsche Bank Trust Company Americas. US\$ 4,900,000 of the total amount was financed, and they will be paid to Banco Galiacia on June 7, 2011, accruing 3% interest p.a. That amount plus interest accrued at the closing date of these financial statements are shown under non-current liabilities – Other Debts.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 9: (Contd.)

The Company pledged in the senior level the shares of INNISA and INDISA purchased from Banco Galicia in its favor to secure the payment of the debt incurred with that entity.

INNISA and INDISA hold 51% and 59% of the shares in HINISA and HIDISA, respectively.

HINISA has the concession for the generation, block sale and marketing of electricity of Nihules Hydroelectric System. This System is located on the River Atuel, departamento de San Rafael, Province of Mendoza, with an installed capacity of 265.2 MW.

HIDISA has the concession for the generation, block sale and marketing of electricity of Diamantes Hydroelectric System. This System is located on the River Diamante, Province of Mendoza, with an installed capacity of 388.4 MW.

NOTE 10: ACQUISITION OF CENTRAL TERMICA GUEMES

On November 22, 2006, the Company signed a share purchase commitment for US\$ 1,060,000 and US\$ 12,779,000 for the purchase of i) 5.88% in Powerco S.A. ("Powerco"), a company holding 60% in Central Térmica Güemes S.A. ("CTG") and ii) 78.88% in Dilurey S.A. ("Dilurey"), a company holding 90% in Powerco. The contract considers a floating purchase price determined at the date of the transfer as cash and cash equivalents in excess of \$ 38,625,000 and \$ 5,098,500 for CTG and Powerco, respectively.

The Company paid \$ 1,545,000 for notarial deposit to secure compliance with the commitments undertaken as a result of that contract.

On December 5, 2006, a share purchase commitment was signed for US\$ 381,600 and US\$ 3,421,440 for the purchase of i) 2.12% in Powerco S.A., holder of 60% in CTG and ii) 21.12% in Dilurey S.A., a company holding 90% in Powerco.

CTG is an important thermoelectric generation plant in the Wholesale Electric Market.

NOTE 11: AGREEMENT FOR THE SALE OF CENTRAL PUERTO AND PURCHASE OF LOMA LA LATA

On December 4, 2006 the Company agreed with Sociedad Argentina de Electricidad S.A. ("SADESA"), a company acquiring with Merrill Lynch, Pierce, Fenner & Smith Inc. equity interest in Central Puerto S.A. ("Central Puerto"), the purchase of 100% of the assets making up the thermoelectric plant Loma La Lata, totaling US\$ 60,000,000. That agreement included the labor agreements entered into with Central Puerto personnel engaged in the administration, operation and maintenance of Loma La Lata; the agreements for its operation; all designs, lists of suppliers and materials, plans, terms, quotations, drafts of contracts and any other information or documentation prepared by Central Puerto or at its request in relation to the closing of the open cycle of Loma La Lata; and all the assets related to the operation of Loma La Lata.

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 11: (Contd.)

With this agreement, on December 4 the Company granted SADESA a purchase option over its shares in Central Puerto, representing 8.66% of the capital and votes at December 31, which could be exercised on December 4, 2007, enabling the Company to sell those shares in the Buenos Aires Stock Exchange at any time through that date.

At the date of issue of these financial statements, the closing of the operation is subject to compliance with certain conditions precedent, including approval by Central Puerto Ordinary Shareholders' Meeting and compliance with applicable regulations.

NOTE 12: MUNICIPAL CONTRIBUTIONS

In January 1997, the Mayor of the Autonomous City of Buenos Aires ("GCBA") assessed the tax value of the Frigorifico La Pampa building, located in Avenida Pedro de Mendoza, at \$ 10,756,624. Based on this valuation, the bimonthly installments of the municipal contributions were determined at \$ 38,670.

On September 5, 2003 the Company filed a claim: i) challenging the tax value assessed, ii) requesting that this valuation be declared null and void and iii) requesting that a new valuation of the building be assessed by a court of law and applied retroactively to October 30, 2001, date on which the tax value assessed was challenged before the administrative authorities.

At the date of issue of these financial statements, after presenting the corresponding arguments, the Company requested that a ruling be issued on this file.

Although the Company and its legal counsel understand that a favorable outcome is highly likely, mainly on the grounds of the results of the expert's opinion submitted to the court, no assurance can be provided that this will eventually occur.

On December 11, 2006, the Company set up a guarantee deposit for \$ 888,994 at Court 12, Clerkship 24 of the Court of Appeals on Administrative and Tax Litigation Matters of the Autonomous City of Buenos Aires.

At year-end, the Company has recognized under current liabilities an outstanding debt of \$ 5,921,700 plus \$ 339,311 for court costs. The effects of the claim filed will be recognized in the financial statements when a final decision is reached.

Considering that until December 31, 2005 the Company recorded a debt with the GCBA for the amount it estimated to pay in the event of a favorable decision, at June 30, 2006 the Company has recognized the increase in liabilities as an adjustment to the results for the year and as a prior year adjustment, according to the following detail:

Fiscal year ended June 30, 2005 and prior years:	\$ 2,526,926
Fiscal year ended June 30, 2006:	\$ 620,306

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 13: REVERSAL OF FRIGORIFICO LA PAMPA BUILDING VALUATION ALLOWANCE AND DEPRECIATION EXPENSE

As mentioned in Note 3.e, at June 30, 2003 the Company recognized a valuation allowance over the Frigorifico La Pampa building for a total amount of \$ 3,225,000.

As a result of the increase of the fair market value of this property the Company has recovered that allowance in full at March 31, 2006. The effects of this recovery have been recorded as income for the year ended June 30, 2006 or as prior year results on the basis of appraisals of this building at each of the following dates:

Fiscal year ended June 30, 2004:	\$	996,974
Fiscal year ended June 30, 2005:	\$	1,505,790
Fiscal year ended June 30, 2006:	\$	722,236

Additionally, the Company continued depreciating the building though it has not been used since the fiscal year ended June 30, 2004. This recovery has been recognized as prior year results, as detailed below:

Fiscal year ended June 30, 2004:	\$	333,598
Fiscal year ended June 30, 2005:	\$	333,816

NOTE 14: OPPORTUNITIES ASSIGNMENT AGREEMENT / PURCHASE OPTIONS

As approved by the Shareholders' Meeting on June 16, 2006, on September 27, 2006 the Company signed an Opportunities Assignment Agreement, whereby executives are committed to provide the Company with potential business opportunities encompassed by the Company's investment guidelines, exceeding US\$ 5,000,000. In consideration, the Company granted to those executives Purchase Options for up to 20% of capital, to be exercised at the same price per ordinary share in dollars that shareholders have subscribed at each capital increase, adjusted in accordance with the purchase option agreements.

The purchase options could be exercised in equal portions as from the expiration of the term of one, two or three years, respectively as from the date of issue, and they will maintain their validity for a period of fifteen years as from their date of issue. Although the purchase options are not exercised, they will expire after the term for their validity. The number of options and the exercise price are to be adjusted in accordance with the purchase option agreements.

The CNV, through Resolution No. 15447 dated August 7, 2006, approved the Purchase Option public offering representing 20% of the Company's capital stock, limiting that authorization to certain acts fulfilled on October 9, 2006.

At December 31, 2006, the Company issued 111,500,000 purchase options, granting the right to subscribe the equal number of the Company's ordinary shares, representative of 20% of the Company's capital stock, considering the number of shares to be issued if all

PAMPA HOLDING S.A.

Notes to the financial statements

NOTE 14: (Contd.)

current purchase options are exercised at an exercise price of US\$ 0.37 per share.

The Company has given accounting recognition to this transaction following the guidelines established by the International Financial Reporting Standards, valuing the purchase options issued at \$35,300,000. This amount will be posted to results with a balancing entry under a Shareholders' Equity reserve during the effective term of the Opportunities Assignment Agreement, considering the conditions of the contracts signed as from their assignment.

The Company has followed the Black-Scholes model to value the purchase options granted, based on a 27% annual volatility, a dividend rate of 3% and a risk-free interest rate of 4.63% in dollars. Based on the conditions prevailing at the date these contracts have been signed, no value has been placed to the adjustment clauses.

NOTE 15: **SUBSEQUENT EVENTS**

On January 4, 2007, the purchase of the shares in Inversora Powerco and Dilurey under the sale agreements originally signed with the sellers became effective.

Consequently, as from that date the Company holds (i) shares representative of 100% of the shares in Dilurey, which holds 90% of the shares in Powerco, and (ii) shares representative of 8% of the shares in Powerco. These transactions enabled the Company to obtain indirect control of CTG, holding 58.8% of the capital and votes.

Full payment for the above purchases amounted to \$ 50,478,912 and was made on January 4, 2007.

Notwithstanding the above, the transaction is subject to the authorization of the National Commission for the Defense of Competition, requested from that body in January 2007.

Within the framework of the capital increase mentioned in Note 1, on February 22, 2007 the Company issued 600 million new shares at \$2.23 price per share, resulting in a net proceed of \$ 1,338 million.

At the first stage of the process and as a result of demand, the Company issued 528,028,858 new shares corresponding to the exercise of the preemptive subscription right and the accretion right of the Company's existing shareholders and to meet the demand of investors during the domestic and international offer of new shares.

As established by prospectus, the Company subsequently issued 24,400,350 new shares as a result of the exercise of the oversubscription option granted to underwriters and 47,570,792 additional shares were placed following the procedure originally established in the prospectus.

PAMPA HOLDING S.A.

Fixed assets

For the irregular fiscal year commenced July 1, 2006
and ended December 31, 2006
compared with fiscal year ended June 30, 2006
(Stated in pesos – Note 2.3)

Exhibit A

Principal account	Original values				Depreciation				Allowance for impairment			Net book value at 12.31.06	Net book value at 06.30.06
	At the beginning of year	Additions	Deletions	At year End	At the beginning of year	For the year		At year end	At the beginning of year	Deletions	At year end		
						Additions (1)	Deletions						
Software / Hardware	37,400	22,592	-	59,992	3,108	9,547	-	12,655	-	-	-	47,337	34,292
Furniture and fixtures	27,340	14,003	-	41,343	640	1,918	-	2,558	-	-	-	38,785	26,700
Total at 12.31.06	64,740	36,595	-	101,335	3,748	11,465	-	15,213	-	-	-	86,122	
Total at 06.30.06	1,410,337	64,740	1,410,337	64,740	1,315,337	3,748	(1,315,337)	3,748	95,000	(95,000)	-		60,992

(1) Depreciation charges for the year have been disclosed in Exhibit H.

PAMPA HOLDING S.A.

Intangible assets

For the irregular fiscal year commenced July 1, 2006
and ended December 31, 2006
compared with fiscal year ended June 30, 2006
(Stated in pesos – Note 2.3)

Exhibit B

Item	Original value			Amortization			Net book value at 12.31.06	Net book value at 06.30.06
	Opening values	Additions	Closing values	Opening values	For the year (1)	Closing values		
Brands	24,335	-	24,335	21,830	2,505	24,335	-	2,505
Total at 12.31.06	24,335	-	24,335	21,830	2,505	24,335	-	
Total at 06.30.06	24,335	-	24,335	19,429	2,401	21,830		2,505

(1) Amortization charges for the year have been disclosed in Exhibit H.

PAMPA HOLDING S.A.

EXHIBIT C

Investment in shares and government and private securities
 For the irregular fiscal year commenced July 1, 2006
 and ended December 31, 2006
 compared with fiscal year ended June 30, 2006
 (Stated in pesos – Note 2.3)

DENOMINATION AND ISSUER	Characteristics of the securities				12.31.06								
	Type	Face value	Amount	% (1)	Valuation				Results				
					Net realizable value	Value at the beginning of year	Value recorded at		Holding results		Dividends/ accrued interest	Total at	
							12.31.06	06.30.06	Not realized	Realized		12.31.06 (2)	06.30.06 (2)
Short-term investments													
<u>In local currency</u>													
Listed shares													
- Cerámica San Lorenzo I.C.S.A.	Ordinary	1	8,188,284	11.5	24,711,618	21,916,279	24,711,618	3,831,878	2,795,340	-	391,723	3,187,063	524,501
- Distribuidora de Gas Cuyana S.A.	Ordinary	1	-	-	-	-	1,366,500	-	-	74,715	35,475	110,190	20,148
- Central Puerto S.A.	Ordinary	1	7,667,005	8.7	21,382,055	20,794,664	21,382,055	21,950,509	2,372,477	(263,795)	-	2,108,682	3,013,363
- Endesa Costanera S.A.	Ordinary	1	1,275,163	0.9	4,699,299	1,446,741	4,699,299	-	942,874	-	-	942,874	-
Subtotal					50,792,972	44,157,684	50,792,972	27,148,887	6,110,691	(189,080)	427,198	6,348,809	3,558,012
<u>In foreign currency</u>													
Government and private securities (Exhibit G)													
					77,465,619	-	77,465,619	-	1,433,550	-	291,204	1,724,754	-
Total at 31.12.06					128,258,591	44,157,684	128,258,591	-	7,544,241	(189,080)	718,402	8,073,563	-

- (1) Percentage of participation in the capital stock of the issuer.
- (2) Disclosed under "Holding Results of shares and bonds" in the Statement of Income.

PAMPA HOLDING S.A.

Exhibit C

Investment in other companies
 For the irregular fiscal year commenced July 1, 2006
 and ended December 31, 2006
 compared with fiscal year ended June 30, 2006
 (Stated in pesos – Note 2.3)

Denomination and characteristics of the securities	Type	Face value	Amount	Value recorded at 12.31.06	Value recorded at 06.30.06	Information on the issuer					
						Main activity	Financial statements	Capital stock	Result for the period	Shareholders' equity	% of participation on capital stock
		\$		\$	\$			\$	\$	\$	
LONG-TERM INVESTMENTS											
Intercompany											
Subsidiaries:											
Transec Argentina S.A.	Ordinary	1	68,400,462	205,159,462	-	Inversora	31/12/06	76,207,725	(792,875)	285,571,783	89.76 ⁽¹⁾
	Goodwill			(21,735,914)	-						
Inversora Nihules S.A.	Ordinary	1	45,651,344	98,554,849	-	Inversora	31/12/06	50,572,000	2,316,774	132,247,883	90.27
	Goodwill			(735,036)	-						
Inversora Diamante S.A.	Ordinary	1	38,462,840	69,686,191	-	Inversora	31/12/06	41,990,000	2,739,992	108,378,761	91.60
	Goodwill			10,707,585	-						
Total at 12.31.06				361,637,137	-						

(1) See note 8.

PAMPA HOLDING S.A.

Other investments Balance Sheets at December 31 and June 30, 2006 (Stated in pesos – Note 2.3)

Exhibit D

Type of investment	Value recorded at 12.31.06	Value recorded at 06.30.06
<u>Short-term investments</u>		
Time deposits (1)	20,198,363	4,522,247
Mutual Investment Funds	3,085,791	-
Total short-term investments	23,284,154	4,522,247
<u>Long-term investments</u>		
Investments		
- Escrow account (Note 9)	-	92,364,923
Total long-term investments	-	92,364,923
Total investments	23,284,154	96,887,170

(1) A capital stock of \$ 20.1 million falling due in January 2007 at an average nominal rate of 10% p.a.

PAMPA HOLDING S.A.

Cost of Sales

For the irregular fiscal year commenced July 1, 2006
and ended December 31, 2006
compared with fiscal year ended June 30, 2006
(Stated in pesos – Note 2.3)

Exhibit F

	12.31.06	06.30.06
Inventories at the beginning of year	12,537,960	-
Purchases for the year	169,056	13,265,366
Inventories at the end of year	(12,339,010)	(12,537,960)
Cost of sales	368,006	727,406

PAMPA HOLDING S.A.

Foreign currency assets and liabilities Balance Sheets at December 31 and June 30, 2006

(Stated in pesos – Note 2.3)

Exhibit G

Items	Type	Amount in foreign currency	Exchange rate (1)	Total at 31.12.06 \$	Total at 30.06.06 \$
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Cash and banks:					
Cash	US\$	488	3.022	1,475	-
Banks	US\$	5,052,329	3.022	15,268,138	675,122
Investments:					
Government and private securities	US\$	25,633,891	3.022	77,465,619	-
Trade receivables:					
Ordinary	US\$	49,392	3.022	149,261	319,645
Total Current Assets	US\$	30,736,100		92,884,493	994,767
<u>NON-CURRENT ASSETS</u>					
Trade receivables:					
Ordinary	US\$	76,770	3.022	232,000	132,315
Investments:					
Escrow account	US\$	-		-	92,364,923
Total Non-Current Assets	US\$	76,770		232,000	92,497,238
TOTAL ASSETS		30,812,870		93,116,493	93,492,005
<u>LIABILITIES</u>					
<u>CURRENT LIABILITIES</u>					
Accounts Payable:					
Suppliers	US\$	6,550	3.062	20,056	-
Accrual	US\$	342,737	3.062	1,049,461	1,232,100
Accrual	EUR	-		-	28,900
Total Current Liabilities		349,287		1,069,517	1,261,000
<u>NON-CURRENT LIABILITIES</u>					
Other debts:					
Debt for purchase of subsidiaries	US\$	4,929,803	3.062	15,095,056	-
Total Non-Current Liabilities		4,929,803		15,095,056	-
TOTAL LIABILITIES		5,279,090		16,164,573	1,261,000

(1) Banco Nación exchange rate in force at 12.29.06 for US dollars.

US\$: US dollars

EUR: Euros

PAMPA HOLDING S.A.

Consolidated information required by section 64 subsect. b) of Law No. 19550

For the irregular fiscal year commenced July 1, 2006
and ended December 31, 2006
compared with fiscal year ended June 30, 2006
(Stated in pesos – Note 2.3)

Exhibit H

Items	Expenses		Total at 12.31.06	Total at 06.30.06
	Administrative	Selling		
Fees and compensation for services	1,224,722	117,748	1,342,470	1,007,300
Taxes, rates and utilities	339,364	7,049	346,413	766,697
Salaries and social security contributions	586,597	212,835	799,432	548,959
Services to personnel	26,426	-	26,426	-
Advertising and promotions	-	225,061	225,061	377,792
Rental expenses	471,180	-	471,180	309,155
Directors' salaries	2,232,676	-	2,232,676	224,346
Reserva opciones directores	2,941,667	-	2,941,667	-
Repair and maintenance	14,616	-	14,616	162,182
Subscriptions and Official Bodies Publications	151,825	41,828	193,653	89,252
General expenses	60,709	33,076	93,785	72,377
Bank expenses	441,561	-	441,561	58,848
Surveillance services	48,066	-	48,066	53,095
Transport and per diem	338,645	4,383	343,028	51,141
Computer expenses	24,905	-	24,905	22,685
Electricity and telephone	33,257	-	33,257	15,592
Stationery and photocopies	18,932	494	19,426	13,951
Insurance	10,338	-	10,338	9,361
Depreciation of fixed assets	11,465	-	11,465	3,748
Amortization of intangible assets	2,505	-	2,505	2,401
Total at 12.31.06	8,979,456	642,474	9,621,930	
Total at 06.30.06	3,043,595	745,287		3,788,882

PAMPA HOLDING S.A.

Breakdown of receivables and debts according to due dates and interest rates accrued as of December 31 and June 30, 2006

(Stated in pesos – Note 2.3)

Exhibit I

	12.31. 06						06.30.06					
	Trade receivables (1)	Other receivables (1)	Accounts payable (1)	Salaries and social security payable (1)	Tax payables (2)	Other debts (3)	Trade receivables (1)	Other receivables (1)	Accounts payable (1)	Salaries and social security payable (1)	Taxes payable (2)	Other debts (1)
No stated due date	-	3,757,455	-	-	1,094,903	-	-	6,800,534	-	23,785	320,633	-
Past due	-	-	-	-	6,261,011	-	-	-	-	5,515,134	-	-
Falling due												
Up to three months	1,563,490	3,436,845	2,174,359	365,331	-	100,000	187,330	50,081	2,648,407	18,422	113,014	125,323
From three to six months	133,249	264,725	202,569	-	261,281	-	-	28,733	-	-	1,103,571	-
From six to nine months	2,013	-	-	-	-	-	-	-	-	-	-	-
From nine to twelve months	5,781	-	-	-	-	-	132,315	-	-	-	-	-
One to two years	173,034	-	-	-	-	-	132,315	-	-	-	-	-
More than 2 years	58,967	-	-	-	-	49,079,955	-	-	-	-	-	-
Total falling due	1,936,534	3,701,570	2,376,928	365,331	261,281	49,179,955	451,960	78,814	2,648,407	18,422	1,216,585	125,323
Total with due date	1,936,534	3,701,570	2,376,928	365,331	6,522,292	49,179,955	451,960	78,814	2,648,407	18,422	6,731,719	125,323
Total	1,936,534	7,459,025	2,376,928	365,331	7,617,195	49,179,955	451,960	6,879,348	2,648,407	42,207	7,052,352	125,323

(1) Non-interest bearing

(2) Includes index adjustment of Municipal Contributions debt

(3) AR\$ 15,095,056 accrue a nominal rate of 3% p.a.

PAMPA HOLDING S.A.

Summary of Activities at December 31, 2006

1. Brief commentary on Company activities in the year, including references to relevant situations subsequent to the end of the year.

See Annual Report.

2. Summarized consolidated balance sheet figures as compared with the same period of the immediately preceding four fiscal years.

	12.31.06	06.30.06	06.30.05	06.30.04	06.30.03
	\$	\$	\$	\$ (1)	\$ (1)
Current Assets	315,504,572	39,378,562	132,584	284,711	1,274,576
Non-current Assets	1,382,559,783	115,191,642	6,281,596	3,455,818	4,675,450
Total	1,698,064,355	154,570,204	6,414,180	3,740,529	5,950,026
Current Liabilities	102,417,511	9,868,289	4,779,690	3,424,562	4,130,174
Non-Current Liabilities	604,935,564	-	1,345,825	-	-
Subtotal	707,353,075	9,868,289	6,125,515	3,424,562	4,130,174
Minority shareholding	490,710,315	-	-	-	-
Shareholders' equity	500,000,965	144,701,915	288,665	315,967	1,819,852
Total	1,698,064,355	154,570,204	6,414,180	3,740,529	5,950,026

3. Summarized consolidated income statement figures as compared with the same period of the immediately preceding four fiscal years.

	12.31.06	06.30.06	06.30.05	06.30.04	06.30.03
	\$	\$	\$	\$ (1)	\$ (1)
Operating results	38,974,202	985,654	1,172,196	(1,246,847)	(2,646,480)
Financial and holding results, net	(25,801,718)	926,871	(613,944)	(65,568)	12,240
Other net income and expenses	91,824	-	-	-	-
Subtotal	13,264,308	1,912,525	558,252	(1,312,415)	(2,634,240)
Extraordinary results	-	-	-	(131,871)	(5,905,928)
Income tax / asset tax	(1,831,357)	2,500,725	(47,389)	(59,599)	(69,029)
Minority interest	(4,075,568)	-	-	-	-
Net income (loss) for the year	7,357,383	4,413,250	510,863	(1,503,885)	(8,609,197)

(1) Balances arising from financial statements and summaries of activities originally submitted. They do not include the adjustment to prior years' results arising from the recovery of the building impairment allowance, the reversal of depreciation charges, or the higher ABL debt.

PAMPA HOLDING S.A.

Summary of Activities at December 31, 2006 (Contd.)

4. Statistics compared with the same period of the immediately preceding four fiscal years.

	12.31.06	06.30.06	06.30.05	06.30.04	06.30.03
	\$	\$	\$	\$ (1)	\$ (1)
Drums (fruit juice)	-	-	-	-	6,088
Beef (Kilograms)	-	-	-	-	1,518,616
Sundry products (chilled products – Kilograms)	-	-	-	-	225,158
Estancia Benquerencia (Areas of land)	98	100	-	-	-

5. Ratios compared with the same period of the immediately preceding four fiscal years.

	12.31.06	06.30.06	06.30.05	06.30.04	06.30.03
	\$	\$	\$	\$ (1)	\$ (1)
Liquidity					
Current Assets	315,504,572	39,378,562	132,584	284,711	1,274,576
Current Liabilities	102,417,511	9,868,289	4,779,690	3,424,562	4,130,174
Ratio	3.08	3.99	0.03	0.08	0.31
Creditworthiness					
Shareholders' equity	500,000,965	144,701,915	288,665	315,967	1,819,852
Total liabilities	707,353,072	9,868,289	6,125,515	3,424,562	4,130,174
Rate	0.71	14.66	0.05	0.09	0.44
Immobilization of capital					
Current Assets	1,382,559,783	115,191,642	6,281,596	3,455,818	4,675,450
Total Assets	1,698,064,355	154,570,204	6,414,180	3,740,529	5,950,026
Ratio	0.81	0.75	0.98	0.92	0.79

(1) Balances arising from financial statements and summaries of activities originally submitted. They do not include the adjustment to prior years' results arising from the recovery of the building impairment allowance, the reversal of depreciation charges, or the higher ABL debt.

6. Brief commentary on the outlook for the coming year.

See comments in Point 1.