

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Financial statements**  
For the fiscal year ended June 30, 2006, 2005 and 2004

**PAMPA HOLDING S.A.**  
(Formerly Frigorífico La Pampa S.A. – Note 1)

Hipólito Bouchard 680, Piso 14º – Ciudad Autónoma de Buenos Aires

**Financial statements as of June 30, 2006, 2005 and 2004**

Stated in pesos

Company's main line of business: The new corporate purpose will consist in investments in real estate or other undertakings and developments 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)

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

Controlling company Pampa Holding LLC

Percentage of votes to which the parent company is entitled: 75.20%

Type of shares	CAPITAL STATUS (Note 5)		
	Shares		
	Number of shares authorized to list for trading in a public offering	Subscribed Ps.	Paid-in Ps.
Ordinary book-entry, entitled to 1 vote each	146,000,000	146,000,000	146,000,000

**PAMPA HOLDING S.A.**  
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**Balance Sheets as of June 30, 2006, 2005 and 2004**

(Stated in pesos – Note 2.3)

	June 30, 2006	June 30, 2005	June 30, 2004		June 30, 2006	June 30, 2005	June 30, 2004
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and banks (Note 4.a)	3,602,456	5,026	1,424	Accounts payable (Note 4.e)	2,648,407	-	141,281
Short-term investments (Note 9 and Exhibits C-D)	31,671,134	-	-	Financial debts (Notes 4.f)	-	1,370,363	1,058,380
Trade receivables	319,645	-	-	Salaries and social security payable (Note 4.g)	42,207	-	-
Other receivables (Note 4.b)	776,207	127,558	283,287	Taxes payable (Note 4.h)	7,052,352	3,363,327	3,020,510
Inventories (Note 4.c)	3,009,120	-	-	Other debts	125,323	46,000	153,128
<b>Total Current Assets</b>	<b>39,378,562</b>	<b>132,584</b>	<b>284,711</b>	<b>Total Current Liabilities</b>	<b>9,868,289</b>	<b>4,779,690</b>	<b>4,373,299</b>
<b>NON-CURRENT ASSETS</b>							
Trade receivables	132,315	-	-	<b>NON-CURRENT LIABILITIES</b>			
Long-term investments (Note 8 and Exhibit D)	92,364,923	-	-	Taxes payable (Note 4.h)	-	1,345,825	920,000
Other receivables (Note 4.b)	6,103,141	-	-	<b>Total Non-current liabilities</b>	<b>-</b>	<b>1,345,825</b>	<b>920,000</b>
Inventories (Note 4.c)	9,528,840	-	-	<b>Total Liabilities</b>	<b>9,868,289</b>	<b>6,125,515</b>	<b>5,293,299</b>
Other assets (Notes 4.d)	6,998,926	6,276,690	4,770,900	<b>SHAREHOLDERS' EQUITY</b>			
Fixed assets (Exhibit A)	60,992	-	8,184	(per related statement)	<b>144,701,915</b>	<b>288,665</b>	<b>(222,198)</b>
Intangible assets (Exhibit B)	2,505	4,906	7,306	<b>Total Liabilities and Shareholders' Equity</b>	<b>154,570,204</b>	<b>6,414,180</b>	<b>5,071,101</b>
<b>Total Non-current assets</b>	<b>115,191,642</b>	<b>6,281,596</b>	<b>4,786,390</b>				
<b>Total Assets</b>	<b>154,570,204</b>	<b>6,414,180</b>	<b>5,071,101</b>				

The accompanying notes and schedules are an integral part of these financial statements,

**PAMPA HOLDING S.A.**  
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**Statement of Income**  
For the fiscal year ended June 30, 2006, 2005 and 2004  
(Stated in pesos – Note 2.3)

	June 30, 2006	June 30, 2005	June 30, 2004
Holding results (Exhibit C)	3,558,012	-	-
Net sales	1,221,694	-	-
Cost of sales (Exhibit F)	(727,406)	-	-
<b>Gross profit</b>	<b>4,052,300</b>	<b>-</b>	<b>-</b>
Selling expenses (Exhibit H)	(745,287)	(2,400)	(368,213)
Administrative expenses (Exhibit H)	(3,043,595)	(331,194)	(701,670)
<b>Subtotal</b>	<b>(3,788,882)</b>	<b>(333,594)</b>	<b>(1,069,883)</b>
Reversal of other assets valuation allowance (Note 11)	722,236	1,505,790	996,974
<b>Operating income (loss)</b>	<b>985,654</b>	<b>1,172,196</b>	<b>(72,909)</b>
<b>Financial results generated by assets:</b>			
Foreign currency exchange difference	998,182	-	-
Interest income	621,959	-	-
<b>Subtotal</b>	<b>1,620,141</b>	<b>-</b>	<b>-</b>
<b>Financial results generated by liabilities:</b>			
Interest on loans	(70,820)	(79,776)	(65,568)
Interest and index-adjustments of Municipal Contributions	(698,380)	(534,168)	(481,104)
Foreign currency exchange difference	75,930	-	-
<b>Subtotal</b>	<b>(693,270)</b>	<b>(613,944)</b>	<b>(546,672)</b>
<b>Total financial results, net</b>	<b>926,871</b>	<b>(613,944)</b>	<b>(546,672)</b>
Other expenses	-	-	(138,541)
<b>Income (loss) before income tax / asset tax benefit (expense)</b>	<b>1,912,525</b>	<b>558,252</b>	<b>(758,122)</b>
Income tax / asset tax benefit (expense) (Note 4.i)	2,500,725	(47,389)	(59,599)
<b>Net income (loss) for the fiscal year</b>	<b>4,413,250</b>	<b>510,863</b>	<b>(817,721)</b>
<b>Net income (loss) per share</b> (Note 3.n)	<b>0.1346</b>	<b>0.0851</b>	<b>(0.1363)</b>

The accompanying notes and schedules are an integral part of these financial statements,

**PAMPA HOLDING S.A.**  
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**Statements of Changes in Shareholders' Equity**  
For the fiscal year ended June 30, 2006, 2005 and 2004  
(Stated in pesos – Note 2.3)

	SHAREHOLDERS' CONTRIBUTIONS			Accumulated deficit	Total shareholders' equity
	Common stock (Note 5)	Irrevocable contributions for future share subscriptions (Note 5)	Total		
Balances for the fiscal year ended June 30, 2003	6,000,000	-	6,000,000	4,180,148	1,819,852
Prior year adjustments (Note 2.6)	-	-	-	(1,224,329)	(1,224,329)
<b>Balances as of June 30, 2003</b>	<b>6,000,000</b>	-	<b>6,000,000</b>	<b>(5,404,477)</b>	<b>595,523</b>
Net income for the fiscal year ended June 30, 2004	-	-	-	(817,721)	(817,721)
<b>Balances as of June 30, 2004</b>	<b>6,000,000</b>	-	<b>6,000,000</b>	<b>(6,222,198)</b>	<b>(222,198)</b>
Net income for the fiscal year ended June 30, 2004	-	-	-	510,863	510,863
<b>Balances as of June 30, 2005</b>	<b>6,000,000</b>	-	<b>6,000,000</b>	<b>(5,711,335)</b>	<b>288,665</b>
Irrevocable capital contributions received (Note 5)	-	42,146,000	42,146,000	-	42,146,000
Capital increase - Meeting held on 24.01.06 (Note 5)	140,000,000	(42,146,000)	97,854,000	-	97,854,000
Net income for the year	-	-	-	4,413,250	4,413,250
<b>Balances as of June 30, 2006</b>	<b>146,000,000</b>	-	<b>146,000,000</b>	<b>(1,298,085)</b>	<b>144,701,915</b>

The accompanying notes and schedules are an integral part of these financial statements,

**PAMPA HOLDING S.A.**  
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**Statements of Cash Flows (1)**  
For the fiscal year ended June 30, 2006, 2005 and 2004  
(Stated in pesos – Note 2.3)

	June 30, 2006	June 30, 2005	June 30, 2004
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents, beginning of the year	5,026	1,424	5,296
Cash and cash equivalents, end of the year	8,124,703	5,026	1,424
Net increase (decrease) in cash and cash equivalents	8,119,677	3,602	(3,872)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss) for the fiscal year	4,413,250	510,863	(817,721)
Income tax and asset tax (benefit) expense	(2,500,725)	47,389	59,599
<b>Adjustments to arrive at the net cash flows provided by operating activities:</b>			
Depreciation of fixed asset	3,748	8,184	8,683
Amortization of intangible asset	2,401	2,400	2,428
Results from sale of fixed assets	-	-	59,345
Reversal of other assets valuation allowance	(722,236)	(1,505,790)	(996,974)
Interest on and index-adjustment of tax payables	698,380	534,168	481,104
Interest on loans	-	79,776	65,568
Short-term investments holding results	(3,384,077)	-	-
Allowance for doubtful accounts	-	-	372,475
Foreign currency exchange difference	(307,785)	-	-
<b>Changes in operating assets and liabilities</b>			
Increase in trade receivables	(451,960)	-	-
(Increase) decrease in other receivables	(4,251,065)	155,729	17,518
Increase in inventories	(12,537,960)	-	-
Increase (decrease) in accounts payable	2,648,407	53,946	(178,504)
Increase (decrease) in salaries and social security payable	42,207	-	(260,000)
Increase (decrease) in taxes payable	1,644,820	(5,020)	227,798
Increase (decrease) in other debts	79,323	(110,250)	90,660
<b>Net cash flow used in operating activities</b>	(14,623,272)	(228,605)	(868,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in short-term investments shares	(23,764,810)	-	-
Increase in short-term investments (Escrow)	(92,057,138)	-	-
Income from sale of fixed assets	-	-	1,411,578
Fixed asset acquisitions	(64,740)	-	-
<b>Net cash flow (used in) provided by investing activities</b>	(115,886,688)	-	1,411,578
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Irrevocable capital contributions received	42,146,000	-	-
Paying up of capital increase	97,854,000	-	-
(Decrease) increase in financial debts	(1,370,363)	232,207	(547,429)
<b>Net cash flow provided by (used in) financing activities</b>	138,629,637	232,207	(547,429)
<b>NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS</b>	8,119,677	3,602	(3,872)

(1) Cash and cash equivalents comprises cash, bank accounts and short-term highly liquid investments (original maturity of three months or less),

The accompanying notes and schedules are an integral part of these financial statements,

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

For the year ended June 30, 2006, 2005 and 2004  
(Figures stated in pesos, unless otherwise indicated)

**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 real estate and other undertakings and developments and in 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.

The Shareholders' Meeting held on January 24, 2006 approved a capital increase for up to Ps. 140,000,000, rising capital stock to Ps. 146,000,000, which is fully subscribed and paid up. In addition, the Shareholders' Meeting of June 16, 2006 approved a new capital increase for up to Ps. 900,000,000 (nine hundred million pesos face value), increasing capital from Ps. 146,000,000 to Ps. 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 Ps. 1 face value each, delegating timing and amount of each issue to the Board of Directors.

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**NOTE 2: BASIS OF PRESENTATION**

**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 Argentine Federation of Professional Councils in Economic Sciences (“FACPCE”), as approved by the Professional Council in Economic Sciences of the Ciudad Autónoma de Buenos Aires (“CPCECABA”) with certain modifications, and the regulations of the Comisión Nacional de Valores (“CNV”).

**2.2 New accounting standards**

On August 10, 2005, CPCECABA Resolution CD No. 93/2005 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 and applying this standard in advance. At present, the adjustment for inflation is considered as a permanent difference in the calculation of deferred tax.

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. Consequently, additional information on this issue will be included in a note 4.i to these financial statements.



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**NOTE 2:** (Continued)

**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.

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**NOTE 2:** (continued)

**2.4 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 in the accounting for the depreciation and amortization charges, the recoverable value of assets, the income tax charge and provisions for contingencies. Actual results could differ from those estimates.

**2.5 Reclassifications**

The June 30, 2005 and 2004 balance sheet and the statements of income, of changes in shareholders' equity and of cash flows for the fiscal year ended June 30, 2005 and 2004, which are presented on these financial statements for comparative purposes, are derived from the financial statements originally issued by the Company restated by computing the adjustments mentioned in Note 2.6.

**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 the result for the year ended June 30, 2005 Income (loss)	Effect on the result for the year ended June 30, 2004 Income (loss)	Effect on retained earnings for the year ended June 30, 2003 Income (loss)
Reversal of other assets valuation allowance (Note 11)	1,839,606	1,330,572	-
Municipal contributions (Note 10)	(658,189)	(644,408)	(1,224,329)
<b>Total</b>	<b>1,181,417</b>	<b>686,164</b>	<b>(1,224,329)</b>

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**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

**a. Cash and banks**

Available cash has been computed at nominal value,

**b. Investments**

**Current**

These investments have been stated at their respective fair value.

**Non-Current**

They have been valued at placement value plus accrued interest.

**c. 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.

The Company has classified inventories as current and non-current based on the estimated date of sale and the time at which the related receivable is expected to be collected.

**d. Other assets**

The building located in Avenida Don Pedro de Mendoza, Ciudad Autónoma de Buenos Aires, no longer in use since the beginning of 2003, has been valued at acquisition cost adjusted for inflation as mentioned in Note 2.3 net of accumulated depreciation until that time.

During the fiscal year ended June 30, 2003 the Company recognized a valuation allowance of Ps. 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 valuation allowance in subsequent periods; no allowance having been recorded at June 30, 2006 (See Note 11).

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

Their aggregate value does not exceed their recoverable value.

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**NOTE 3:** (continued)

**e. Fixed assets**

Fixed assets have been valued at acquisition cost adjusted for inflation as mentioned in Note 2.3, net of accumulated depreciation and valuation allowance, where applicable.

Depreciation charges are computed under the straight-line method over the estimated useful lives assigned to the assets.

The breakdown of this caption is detailed in Exhibit A.

Aggregate asset value does not exceed their recoverable value,

**f. Intangible assets**

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

**g. Monetary assets and liabilities**

Monetary assets and liabilities are stated at nominal value, net of the related financial results.

**h. Foreign currency assets and liabilities**

Foreign currency assets and liabilities have been valued at year-end exchange rate.

**i. Income tax**

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

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 or settled, considering legal regulations approved at the date of issue of the financial statements.

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

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**NOTE 3:** (continued)

**j. Asset tax**

The Company is subject to the asset tax at the statutory rate of 1% over its computable assets at year end. This tax is supplementary to the 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 credit 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 considering 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 Ps. 462,792.

**k. Shareholders' equity**

The shareholders' equity accounts have been adjusted for inflation as mentioned in Note 2.3. Subsequent activity has been stated at nominal value.

**l. Results for the fiscal year**

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), the amounts of which were determined on the basis of the asset values recorded, which have been adjusted for inflation as indicated in Note 2.3.

**m. Revenue recognition**

Revenues from sales of land are recognized when the sale has been consummated and 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.

**n. Earnings per share**

The Company calculates diluted earnings per share on the basis of the average weighted amount of outstanding shares, including shares and irrevocable contributions received at June 30, 2006, 2005 and 2004. Both indicators are equal because the Company does not hold preferred shares or debts convertible into shares.

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**NOTE 4: DETAIL OF BALANCE SHEET ACCOUNTS**

The main financial statement captions are broken down as follows:

**a. Cash and banks**

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Other financial institutions in foreign currency (Exhibit G)	675,122	-	-
Banks in local currency	2,926,147	4,959	1,372
Cash in local currency	1,187	67	52
<b>Total cash and banks</b>	<b><u>3,602,456</u></b>	<b><u>5,026</u></b>	<b><u>1,424</u></b>

**b. Other receivables**

**Current**

**Tax credits**

- Value added tax credits	511,321	49,918	-
- Real estate tax prepayment	52,112	-	-
- Tax on financial transactions	-	35,640	35,640
- Tax advances	-	-	208,930

**Sundry**

- Reserve fund	12,000	-	-
- Advances to suppliers	19,610	-	-
- Advances to directors and staff (Note 6)	400	42,000	24,500
- Prepaid insurance	6,692	-	-
- Expenses to be recovered capital – Subsidiaries and related companies (Note 6)	174,072	-	-
- Other	-	-	14,217
	<b><u>776,207</u></b>	<b><u>127,558</u></b>	<b><u>283,287</u></b>

**Non-current**

**Tax credits**

- Deferred income tax (Note 4.i)	2,037,933	-	-
- Asset tax credit	1,737,057	-	-

**Sundry**

- Expenses related to the issue of capital	1,514,621	-	-
- Expenses related to the issue of capital – Subsidiaries and related companies (Note 6)	360,000	-	-
- Expenses related to the purchase of INNISA and INDISA	296,030	-	-
- Expenses to be recovered – Subsidiaries and related companies (Note 6)	119,500	-	-
- “Estancia Benquerencia” reserves	38,000	-	-
	<b><u>6,103,141</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total other receivables</b>	<b><u>6,879,348</u></b>	<b><u>127,558</u></b>	<b><u>283,287</u></b>

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**NOTE 4:** (continued)

**c. Inventories**

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
<b><u>Current</u></b>			
"Emprendimiento Benquerencia" areas of land	3,009,120	-	-
<b><u>Non-current</u></b>			
"Emprendimiento Benquerencia" areas of land	9,528,840	-	-
Total inventories	<u><b>12,537,960</b></u>	<u>-</u>	<u>-</u>

**d. Other assets**

<b><u>Non-current</u></b>			
Avenida Pedro de Mendoza – City of Buenos Aires building	6,998,926	6,276,690	4,770,900
Total other assets	<u><b>6,998,926</b></u>	<u><b>6,276,690</b></u>	<u><b>4,770,900</b></u>

**e. Accounts payable**

Provision in foreign currency (Exhibit G)	1,261,000	-	-
Provision in local currency (Note 6)	794,672	-	-
Suppliers	366,595	-	9,531
Provision in local currency - Sundry	208,059	-	-
Sundry	18,081	-	131,750
Total accounts payable	<u><b>2,648,407</b></u>	<u>-</u>	<u><b>141,281</b></u>

**f. Financial debts**

Other financial loans (Note 6)	-	1,370,363	1,058,380
Total Financial debts	<u>-</u>	<u><b>1,370,363</b></u>	<u><b>1,058,380</b></u>

**g. Salaries and social security payable**

Accrued legal bonus and vacations	23,785	-	-
National Social Security Administration	16,649	-	-
Sundry	1,773	-	-
Total salaries and social security contributions	<u><b>42,207</b></u>	<u>-</u>	<u>-</u>

**PAMPA HOLDING S.A.**  
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**NOTE 4:** (continued)

**h. Taxes payable**

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
<b><u>Current</u></b>			
Municipal Contributions (Note 10)	5,835,767	3,363,327	3,020,510
Asset tax provision (net of prepayments)	1,103,571	-	-
Provision for Turnover Tax	42,759	-	-
Personal assets tax	39,940	-	-
Income tax withholdings to be deposited	17,184	-	-
Sundry	13,131	-	-
	<b><u>7,052,352</u></b>	<b><u>3,363,327</u></b>	<b><u>3,020,510</u></b>
<b><u>Non-current</u></b>			
Municipal Contributions (Note 10)	-	1,345,825	920,000
	-	<b><u>1,345,825</u></b>	<b><u>920,000</u></b>
Total tax payables	<b><u>7,052,352</u></b>	<b><u>4,709,152</u></b>	<b><u>920,000</u></b>

**i. Income tax – Deferred tax**

The following table shows the main components of the deferred tax assets and liabilities:

Items	Opening balances	Changes for the year	Closing balances
Short-term investments	-	(1,184,427)	(1,184,427)
Other assets	-	(212,038)	(212,038)
Accounts payable	-	112,222	112,222
Tax loss carry-forwards	-	3,322,176	3,322,176
Total net deferred assets	-	<b>2,037,933</b>	<b>2,037,933</b>



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**NOTE 4:** (continued)

Income tax benefit (expense) for the fiscal year ended June 30, 2006, 2005 and 2004 differed from the amounts computed by applying the Company's statutory income tax rate to pre tax (loss) income as a result of the following:

Items	30.06.06	30.06.05	30.06.04
Net income for the year (before income tax)	1,912,525	558,252	(758,122)
Current tax rate	35%	35%	35%
Net income for the year at tax rate	(669,384)	(195,388)	265,343
<b>Permanent differences:</b>			
- Recovery of allowance for assets impairment	252,782	-	-
- Earned dividends	66,235	-	-
- Other	(5,436)	-	-
- Provision for the deferred tax	-	195,388	(265,343)
<b>Tax loss carryforwards</b>			
- Recognition of previous years' tax loss carryforwards	2,467,403	-	-
- Expired tax loss carryforwards	(326,226)	-	-
<b>Temporary differences provided by AREA</b>			
- Undeductible provisions	64,226	-	-
- Correction to tax loss carryforwards at the beginning of the year for ABL debt	534,568	-	-
- Correction to tax loss carryforwards at the beginning of the year for assets depreciation	(134,197)	-	-
- Differences in other assets at the beginning of the year	(212,038)	-	-
<b>Total income tax for the year</b>	<b>2,037,933</b>	<b>-</b>	<b>-</b>

For the fiscal year ended to June 30, 2006 is included in the Statement of Income the income for Ps. 2,037,933 together with the reversal of minimum notional income tax for Ps. 462,792 (Note 3.j). For the fiscal year ended to June 30, 2005 and 2004 is included the loss generated in the provision of minimum notional income tax for Ps. 47,389 and Ps. 59,599, respectively.

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

**NOTE 5: SHAREHOLDERS EQUITY**

At June 30, 2006, the Company had 146,000,000 authorized and outstanding shares of common stock with a par value of Ps, 1 each and entitled to 1 vote per share.

On December 19, 2005 and December 29, 2005 the Company received irrevocable capital contributions for Ps. 11,940,000 and Ps. 11,960,000, respectively, on account of future capital increases. The Extraordinary Meeting of Shareholders held on January 24, 2006 approved a capital increase of Ps. 140,000,000, as mentioned in Note 1, and agreed to allocate those irrevocable contributions to such capital increase. On April 10, 2006 irrevocable contributions on account of future capital increases for Ps. 18,246,000 were received, which were allocated to the capital increase approved. Subsequently, in May 2006, the new shares were issued, which were fully subscribed and paid up for Ps. 97,854,000.

**PAMPA HOLDING S.A.**  
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**NOTE 6: BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

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

Name	Relation	Caption	Disbursements for the year ended			Receivables (Debts) for the year ended		
			30.06.06	30.06.05	30.06.04	30.06.06	30.06.05	30.06.04
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	-	-	-	25,086	-	-
Dolphin Finance S.A.	Directors/Shareholders	Other debts	-	-	-	(21,000)	-	-
Pampa Advisors S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	-	25,414	-	-
Pampa Participaciones S.A.	Directors/Shareholders	Other receivables – Expenses to be recovered	-	-	-	163	-	-
Grupo Dolphin S.A.	Directors/Shareholders	Accounts payable – Provisions / rental expenses and general expenses	80,366	-	-	(134,672)	-	-
Errecondo, Salaverri & Otros	Directors	Fees and compensation for services / Other receivables (Issue of capital)	-	-	-	360,000	-	-
Directors	Directors	Fees and compensation for services	90,800	-	-	-	-	-
Personnel	Employees	Other receivables – Advances to directors and staff	-	-	-	400	42,000	24,500
Shareholders	Shareholders	Other receivables – Expenses to be recovered	-	-	-	119,500	-	-
Shareholders	Shareholders	Interest on loans / Financial debts	70,710	79,776	65,568	-	(1,370,363)	(1,058,380)

**NOTE 7: ACQUISITION OF NIHUILES AND DIAMANTE**

In May 2006, an agreement for the purchase of shares was entered into with Electricité de France Internacional S.A. (“EDFI”) for US\$ 35,500,000 for the purchase of (i) 64.88% of Inversora Nihuales S.A., owner of 51% of Hidroeléctrica Nihuales S.A. (“Nihuales”), and (ii) 56% of Inversora Diamante S.A., owner of 59% of Hidroeléctrica Diamante S.A. (“Diamante”). Nihuales and Diamante are two hydroelectric plants which hold a concession until 2024. This acquisition was made jointly by Stein Ferroaleaciones S.A. (“Stein”), in which the Company and Stein hold 85% and 15%, respectively. The closing of this operation is subject to compliance with certain conditions mentioned above, including competition issues and regulatory approvals.

In June 2006, the Company independently made two offers in relation to the above hydroelectric plants; (i) an offer to Banco de Galicia y Buenos Aires S.A. (“Banco Galicia”) for US\$ 9,300,000 to purchase its shares representative of 12.5% and 12.5% of Inversora Nihuales S.A. and Inversora Diamante S.A., respectively, and (ii) an offer to Nucleamiento Inversor S.A. (“NISA”) for US\$ 15,700,000 to purchase its shares representative of 22.6% and 31.5% of Inversora Nihuales S.A. and Inversora Diamante S.A., respectively.

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**NOTE 7:** (continued)

The purchase offers to Banco Galicia and NISA are subject to compliance with certain conditions in force at the closing of operations, including the closing of the proposal submitted to EDFI for the purchase of the controlling interest and regulatory issues.

**NOTE 8:** **SETTING UP OF AN ESCROW ACCOUNT FOR PRICE PAYMENT**

The Company and Stein deposited US\$ 30,175,000 and US\$ 5,325,000, respectively in an escrow account at the Deutsche Bank Trust Company Americas to secure the price of the agreement for the purchase of shares entered into with EDFI (see Note 7) in May 2006. This escrow account generated Ps. 531,613 in interest at June 30, 2006, of which the Company has recorded Ps. 451,873, based on the percentage of participation in that account.

**NOTE 9:** **RESTRICTED ASSETS**

The Company pledged in favor of Banco de Galicia 2,814,535 shares representative of 3.18% of the capital stock of Central Puerto S.A. to secure the obligation under the purchase offer made to the Banks described in Note 7.

In addition, the Company pledged in favor of NISA 6,036,205 shares representative of 6.82% of the capital stock of Central Puerto S.A. to secure the obligation under the purchase offer made to it.

**NOTE 10:** **MUNICIPAL CONTRIBUTIONS**

In January 1997, the Mayor of the Autonomous City of Buenos Aires (“GCBA”) assessed the tax value of the building located at Avenida Pedro de Mendoza at Ps. 10,756,624. Based on this valuation, the bimonthly installments of the municipal contributions were determined at Ps. 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.

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**NOTE 10:** (continued)

At the date of the issuance of these financial statements, the records of the case were at the trial stage, an expert's opinion having been issued determining the tax value at Ps. 4,600,000. This expert opinion was objected to by the GCBA.

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.

At June 30, 2006, the Company has recognized under current liabilities an outstanding debt of Ps. 5,515,134, which is in litigation, plus Ps. 320,633 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, 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, 2004 and prior years:	Ps.	1,868,737
Fiscal year ended June 30, 2005:	Ps.	658,189
Charge for the fiscal year ended June 30, 2006:	Ps.	620,306

**NOTE 11: REVERSAL OF AVENIDA PEDRO DE MENDOZA BUILDING VALUATION ALLOWANCE AND DEPRECIATION EXPENSE**

As mentioned in Note 3.d, at June 30, 2003 the Company recognized a valuation allowance to cover the building located at Avenida Pedro de Mendoza for a total amount of Ps. 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 charged to the results for the prior year results on the basis of appraisals of this building at each of the following dates:

Fiscal year ended June 30, 2004:	Ps.	996,974
Fiscal year ended June 30, 2005:	Ps.	1,505,790
Fiscal year ended June 30, 2006:	Ps.	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:	Ps.	333,598
Fiscal year ended June 30, 2005:	Ps.	333,816

**PAMPA HOLDING S.A.**  
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**NOTE 12: PURCHASE OPTIONS**

As approved by the Shareholders' Meeting on June 16, 2006, the Company signed an Assignment of Opportunities 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.

**NOTE 13: SUBSEQUENT EVENTS**

The most important events that took place from March 31, 2006 to the date of issuance of these financial statements were as follows:

As a result of the acquisition described in Note 7 dated July 3, 2006, the Company deposited US\$ 318,000 and US\$ 682,000 in favor of Banco Galicia and NISA, respectively in an escrow account at the Deutsche Bank Trust Company Americas.

On August 23, 2006 the Company's Board of Directors approved a first issue of shares under the capital increase resolved by the Shareholders' Meeting on June 16, 2006 for up to 300,000,000 ordinary, book-entry, non-callable shares of 1 vote each and of Ps. 1 face value each ("New Shares"). The "New Shares" may be subscribed to by the Company's shareholders in the exercise of their preemptive right. Simultaneously with this right, the shareholders may exercise their residual preferred rights on the New Shares not subscribed by other shareholders during the preemptive right period. The price of subscription of the New Shares will be Ps.1.15 for each New Share; therefore they will be issued with a capital surplus of Ps. 0.15 per share. The funds arising from the offer will be applied to (i) payment of the purchase price of the Preferred Shares of Transelec S.A., as described in the following point of this Note, (ii) financing the acquisitions of the participations in Inversora Nihules S.A. and Inversora Diamante S.A., (iii) making acquisitions in accordance with the Company's investment strategy, including all related fees and expenses, and (iv) financing the Company's operating expenses.

On August 23, 2006 the Company's Board of Directors approved the purchase of 50% of the shares held by Compañía Inversora in Transmisión Eléctrica CITELEC S.A. ("CITELEC"), a company jointly controlling Transener S.A. The operation will be documented by means of a purchase agreement for 89.76% of the shares of Transelec S.A. ("Transelec") (continuing company of Grupo Dolphin S.A.), which holds 50% of the shares of CITELEC, and a subsequent merger commitment between the Company and Transelec for the remaining 10.24% of the Company. Consequently, the Company will control 50% of CITELEC.

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

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**NOTE 13:** (continued)

Transener S.A. is the leading company in extra-high voltage electricity transmission utility services in Argentina and owns the extra-high voltage electricity transport national network, consisting of almost 9,300 kilometers of transmission lines plus approximately 5,500 kilometers of lines of its subsidiary network, Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires (Transba S.A.); therefore it operates 95% of the high-voltage lines in Argentina, with annual revenues of over Ps. 370 million.

This operation is subject to the successful issue of 300 million shares for the capital increase approved on August 23, 2006.

At the date of issue of these financial statements, a 30-day extension of the escrow account mentioned in Note 8 is being negotiated.

**PAMPA HOLDING S.A.**  
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**Fixed assets**

For the fiscal year ended June 30, 2006, 2005 and 2004  
(Amounts stated in pesos)

**Exhibit A**

Principal account	Original values				Depreciation				Allowance for impairment (Exhibit E)			Net book value at 30.06.06	Net book value at 30.06.05	Net book value at 30.06.04
	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	-	37,400	-	3,108	-	3,108	-	-	-	34,292	-	-
Furniture and fixtures	1,410,337	27,340	1,410,337	27,340	1,315,337	640	(1,315,337)	640	95,000	(95,000)	-	26,700	-	8,184
<b>Total at 30.06.06</b>	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	-	-
<b>Total at 30.06.05</b>	1,410,337	-	-	1,410,337	1,307,153	8,184	-	1,315,337	95,000	-	95,000	-	-	-
<b>Total at 30.06.04</b>	16,747,359	-	15,337,022	1,410,337	15,213,043	8,683	13,914,573	1,307,153	95,000	-	95,000	-	-	8,184

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

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Intangible assets**

For the fiscal year ended June 30, 2006, 2005 and 2004  
(Amounts stated in pesos)

**Exhibit B**

Item	Original value			Amortization			Net book value at June 30, 2006	Net book value at June 30, 2005	Net book value at June 30, 2004
	Opening values	Additions	Closing values	Accumulated at beginning of year	For the year - Amount (1)	Accumulated at end of year			
Brands	24,335	-	24,335	19,429	2,401	21,830	2,505	4,906	7,306
<b>Total at June 30, 2006</b>	24,335	-	24,335	19,429	2,401	21,830	2,505		
<b>Total at June 30, 2005</b>	24,335	-	24,335	17,029	2,400	19,429		4,906	
<b>Total at June 30, 2004</b>	24,335	-	24,335	14,601	2,428	17,029			7,306

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



**PAMPA HOLDING S.A.**  
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**EXHIBIT C**

**INVESTMENT IN SHARES AND PARTICIPATION IN OTHER COMPANIES**  
**Balance Sheet at June 30, 2006**  
(Amounts stated in pesos)

DENOMINATION AND ISSUER	Characteristics of the securities				30.06.06						
	Type	Face value	Amount	% (1)	Valuation			Results			
					Net realizable value	Cost value	Book value	Participation in capital stock		Dividends	Total (2)
								Not Realizable	Realizable		
<b>Short-term investments</b>											
- Cerámica San Lorenzo I.C.S.A.	Ordinary	1	1,514,650	2.1	3,831,878	3,489,938	3,831,878	341,940	-	182,561	524,501
- Distribuidora de Gas Cuyana S.A.	Ordinary	1	807,040	1.7	1,366,500	1,353,435	1,366,500	13,065	403	6,680	20,148
- Central Puerto S.A.	Ordinary	1	8,850,740	10.0	21,950,509	18,921,437	21,950,509	3,029,072	(15,709)	-	3,013,363
Total at 30.06.06					27,148,887	23,764,810	27,148,887	3,384,077	(15,306)	189,241	3,558,012

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

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Short-term investments**  
**Balance Sheets at June 30, 2006**  
(Amounts stated in pesos)

**Exhibit D**

Type of investment	Value booked at 30.06.06
<b><u>Short-term investments</u></b>	
Time deposit	
- Banco Rio – Head Office (1)	4,522,247
<b><u>Total short-term investments</u></b>	<b>4,522,247</b>
<b><u>Long-term investments</u></b>	
Investments	
- Escrow account (Note 8 and Exhibit G) (2)	92,364,923
<b><u>Total long-term investments</u></b>	<b>92,364,923</b>
<b><u>Total investments</u></b>	<b>96,887,170</b>

1. Maturity: Ps. 2,000,000 on 03.07.06 - 9.0% annual rate  
Ps. 2,500,000 on 17.07.06 - 8.8% annual rate
2. Maturity: US\$ 30,175,000 on 04.09.06 – Rate of 4.5% (See Note 13)

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Allowances**

For the fiscal year ended June 30, 2006, 2005 and 2004  
(Amounts stated in pesos)

**Exhibit E**

Item	Opening balances	Increases	Decreases	Balances as of June 30, 2006	Balances as of June 30, 2005	Balances as of June 30, 2004
<b><u>Deducted from assets:</u></b>						
Other assets – Avenida Pedro de Mendoza building valuation allowance	722,236	-	(722,236)	-	722,236	3,225,000
Fixed assets – Furniture and fixtures valuation allowance	95,000	-	(95,000)	-	95,000	95,000
Allowance for doubtful accounts	-	-	-	-	-	372,475
<b>Total at June 30, 2006</b>	817,236	-	(817,236)	-		
<b>Total at June 30, 2005</b>	2,323,026	-	(1,505,790)		817,236	
<b>Total at June 30, 2004</b>	4,240,000	372,475	(926,690)			3,685,785
<b><u>Deducted from liabilities:</u></b>						
Para indemnizaciones	-	-	-	-	-	-
<b>Total at June 30, 2006</b>	-	-	-	-		
<b>Total at June 30, 2005</b>	-	-	-		-	
<b>Total at June 30, 2004</b>	260,000	-	(260,000)			-

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Cost of Sales**

For the fiscal year ended June 30, 2006, 2005 and 2004

(Amounts stated in pesos)

**Exhibit F**

	June 30, 2006	June 30, 2005	June 30, 2004
Stock at the beginning of the year	-	-	-
Acquisitions for the year	13.265.366	-	-
Stock at the end of the year	(12.537.960)	-	-
Cost of sales	727.406	-	-

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Foreign currency assets and liabilities  
as of June 30, 2006**

**Exhibit G**

Items	Type	Amount in foreign currency	Exchange rate Ps. (1)	Total at June 30, 2006 Ps.
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS</u></b>				
<u>Cash and banks</u>				
Banks	US\$	221,644	3.0460	675,122
<u>Trade receivables</u>				
Trade receivables	US\$	104,939	3.0460	319,645
<b>Total Current Assets</b>	US\$	<b>326,583</b>		<b>994,767</b>
<b><u>NO CURRENT ASSETS</u></b>				
<u>Trade receivables</u>				
Trade receivables	US\$	43,439	3.0460	132,315
<b><u>Investments</u></b>				
Escrow account	US\$	30,323,350	3.0460	92,364,923
<b>Total No Current Assets</b>	US\$	<b>30,366,789</b>		<b>92,497,238</b>
<b>TOTAL ASSETS</b>		<b>30,693,372</b>		<b>93,492,005</b>
<b><u>LIABILITIES</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
<u>Accounts Payable</u>				
Accrual	US\$	399,255	3.0860	1,232,100
Accrual	EUR	7,329	3.9430	28,900
<b>Total Current Liabilities</b>	US\$	<b>399,255</b>		<b>1,232,100</b>
<b>Total Current Liabilities</b>	EUR	<b>7,329</b>		<b>28,900</b>

(1) Banco Nación exchange rate in force at June 30, 2006 for US dollars and Euros

**PAMPA HOLDING S.A.**  
(Formerly Frigorifico La Pampa S.A. – Note 1)

**Expenses**

For the fiscal year ended June 30, 2006, 2005 and 2004  
(Amounts stated in pesos)

**Exhibit H**

Items	Expenses		Total at June 30, 2006	Total at June 30, 2005	Total at June 30, 2004
	Administrative	Selling			
Fees and compensation for services	1,007,300	-	1,007,300	128,491	140,280
Salaries and social security contributions	518,558	30,401	548,959	-	110,704
Taxes, rates and assessments and utilities	723,938	42,759	766,697	176,497	306,388
Rental expenses	137,369	-	137,369	-	-
Advertising and promotions	-	377,792	377,792	-	-
Directors' salaries and social security charges	224,346	-	224,346	-	101,540
Repair and maintenance	162,182	-	162,182	-	4,076
Subscriptions	89,252	-	89,252	-	-
Computer expenses	22,685	-	22,685	-	-
Stationery and printed material	13,951	-	13,951	-	836
Insurance	9,361	-	9,361	-	1,075
Electricity and telephone	15,592	-	15,592	-	-
Amortization of intangible asset	-	2,401	2,401	2,400	2,428
Depreciation of fixed asset	3,748	-	3,748	8,184	8,683
General expenses	46,293	26,084	72,377	17,762	24,262
Bank expenses	58,848	-	58,848	-	2,729
Surveillance services	53,095	-	53,095	-	-
Transport and per diem	48,937	2,204	51,141	260	1,097
Doubtful accounts	-	-	-	-	365,785
<b>Total at June 30, 2006</b>	<b>3,043,595</b>	<b>745,287</b>	<b>3,788,882</b>		
<b>Total at June 30, 2005</b>	<b>331,194</b>	<b>2,400</b>		<b>333,594</b>	
<b>Total at June 30, 2004</b>	<b>701,670</b>	<b>368,213</b>			<b>1,069,883</b>

**Breakdown of receivables and debts according to due dates and interest rates accrued  
as of June 30, 2006, 2005 and 2004**  
(Amounts stated in pesos)

**Exhibit I**

	June 30, 2006						June 30, 2005				June 30, 2004				
	Trade receivables (1)	Other receivables (1)	Accounts payable (1)	Salaries and social security contributions (1)	Tax payables (2)	Other debts (1)	Other receivables (1)	Financial debts (3)	Tax payables (2)	Other debts (1)	Other receivables (1)	Accounts payable (1)	Financial debts (3)	Tax payables (2)	Other debts (1)
No stated due date	-	6,800,534	-	23,785	320,633	-	85,558	1,370,363	183,501	-	-	-	1,058,380	120,025	-
Past due	-	-	-	-	5,515,134	-	-	-	4,525,651	-	-	-	-	3,820,485	-
Falling due within															
Three months	187,330	50,081	2,648,407	18,422	113,014	125,323	-	-	-	-	283,287	141,281	-	-	153,128
Three to six months	-	28,733	-	-	1,103,571	-	42,000	-	-	46,000	-	-	-	-	-
Six to nine months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine to twelve months	132,315	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One to two years	132,315	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two to three years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three to four years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Four years onwards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total falling due	451,960	78,814	2,648,407	18,422	1,216,585	125,323	42,000	-	-	46,000	283,287	141,281	-	-	153,128
Total with due date	451,960	78,814	2,648,407	18,422	6,731,719	125,323	42,000	-	4,525,651	46,000	283,287	141,281	-	3,820,485	153,128
Total	451,960	6,879,348	2,648,407	42,207	7,052,352	125,323	127,558	1,370,363	4,709,152	46,000	283,287	141,281	1,058,380	3,940,510	153,128

(1) Non-interest bearing

(2) Includes index adjustment of ABL debt

(3) Accruing interest at an annual rate of 6%

## **Report of Independent Auditors**

To the Board of Directors  
and Shareholders of  
Pampa Holding S.A. (formerly Frigorífico La Pampa S.A.)

We have audited the accompanying balance sheet of Pampa Holding S.A. as of June 30, 2006, 2005 and 2004 and the related statements of income, of changes in shareholders equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Argentina. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pampa Holding S.A. at June 30, 2006, 2005 and 2004 and the results of its operations, the changes in its shareholder's equity and its cash flows for the years ended June 30, 2006, 2005 and 2004 in conformity with accounting principles generally accepted in Argentina.

Buenos Aires, Argentina  
September 27, 2006

Price Waterhouse & Co S.R.L

Abelovich, Polano & Asociados

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Carlos Martín Barbafina (Partner)

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Jose Daniel Abelovich (Partner)